

COMPLIANCE SECTION

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**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

To the Honorable Board of Commissioners of
Washoe County, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washoe County, Nevada as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Washoe County's basic financial statements, and have issued our report thereon dated October 28, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Washoe County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Washoe County's internal control. Accordingly, we do not express an opinion on the effectiveness of Washoe County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Washoe County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kafoury, Armstrong & Co.

Reno, Nevada
October 28, 2013

**Independent Auditor's Report on Compliance
For Each Major Federal Program and Report on
Internal Control Over Compliance Required by OMB Circular A-133**

To the Honorable Board of Commissioners
Washoe County, Nevada

Report on Compliance for Each Major Federal Program

We have audited Washoe County, Nevada's compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Washoe County Nevada's major federal programs for the year ended June 30, 2013. Washoe County, Nevada's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Washoe County, Nevada's basic financial statements include the operations of the Truckee Meadows Fire Protection District, a discretely presented component unit, which received \$525,515 in federal awards which are not included in Washoe County, Nevada's Schedule of Expenditures of Federal Awards for the year ended June 30, 2013. Our audit, as described below, did not include the federal awards of the Truckee Meadows Fire Protection District because they were audited separately in accordance with OMB Circular A-133. Washoe County, Nevada's basic financial statements also include the operations of the Sierra Fire Protection District, a discretely presented component unit, which received \$273,773 in federal awards which are not included in Washoe County, Nevada's Schedule of Expenditures of Federal Awards for the year ended June 30, 2013. Our audit, as described below, did not include the federal awards of the Sierra Fire Protection District because they were audited separately.

Management's Responsibility

Washoe County, Nevada's management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Washoe County, Nevada's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Washoe County, Nevada's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Washoe County, Nevada's compliance.

Opinion on Each Major Federal Program

In our opinion, Washoe County, Nevada complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control over Compliance

Management of Washoe County, Nevada is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Washoe County, Nevada's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Washoe County, Nevada's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Kafoury, Armstrong & Co.

Reno, Nevada
October 28, 2013

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| | CFDA Number | Project/Pass-through Grantor's Number | Expenditures 2013 | |
|--|----------------|--|----------------------|-------------------------|
| <u>Research and Development Cluster:</u> | | | | |
| U.S. Department of Health and Human Services (HHS): | | | | |
| Direct Programs: | | | | |
| Child Welfare Research Training or Demonstration | 93.648 | 9OTC1057/02 | \$ 687,708 | |
| Child Welfare Research Training or Demonstration | 93.648 | 90CT0157-03-01 | 843,848 | |
| Amount Provided to Subrecipients | 93.648 | 90CT0157-03-01 | <u>721,907</u> | |
| Total Research and Development Cluster | | | \$ | <u>2,253,463</u> |
| <u>U.S. Department of Agriculture (USDA):</u> | | | | |
| Direct Programs: | | | | |
| Rural Development, Forestry, and Communities (Rural Development Through Forestry) | 10.672 | 09-DG-11051900-017 | 272,156 | |
| Rural Development, Forestry, and Communities (Rural Development Through Forestry) | 10.672 | 10-DG-11051900-031 | 58,362 | |
| Rural Development, Forestry, and Communities (Rural Development Through Forestry) | 10.672 | 11-DG-11051900-022 | <u>50,365</u> | 380,883 |
| Child Nutrition Cluster: | | | | |
| Passed through Nevada Department of Education: | | | | |
| National School Lunch Program (School Lunch Program) | 10.555 | -- | 52,845 | |
| Passed through Nevada Department of Administration: | | | | |
| National School Lunch Program (School Lunch Program) | 10.555 | -- | <u>4,165</u> | 57,010 |
| Food Distribution Cluster: | | | | |
| Passed through Nevada Department of Administration: | | | | |
| Emergency Food Assistance Program (Administrative Costs) | 10.568 | -- | <u>9,759</u> | |
| Emergency Food Assistance Program (Food Commodities) | 10.569 | -- | 11,448 | |
| Amount Provided to Subrecipients | 10.569 | -- | <u>7,485</u> | |
| | | | <u>18,933</u> | |
| Total Food Distribution Cluster | | | | 28,692 |
| Passed through Nevada Department of Health and Human Services, Health Division: | | | | |
| Special Supplemental Nutrition Program for Women, Infants and Children (WIC Program) | 10.557 | HD 12031 | 277,804 | |
| Special Supplemental Nutrition Program for Women, Infants and Children (WIC Program) | 10.557 | HD 13045 | <u>807,544</u> | 1,085,348 |
| Passed through State Controller: | | | | |
| Schools and Roads - Grants to States (Payments to States) | 10.665 | -- | | 116,609 |

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| | CFDA Number | Project/Pass-through Grantor's Number | Expenditures 2013 | |
|--|----------------|--|----------------------|------------------|
| <u>U.S. Department of Agriculture (USDA) (continued):</u> | | | | |
| Passed through Nevada Department of Agriculture: | | | | |
| ARRA-Recovery Act of 2009:Wildland Fire Management (ARRA WFM) | 10.688 | PID 0709-03 | \$ 74,269 | |
| ARRA-Recovery Act of 2009:Wildland Fire Management (ARRA WFM) | 10.688 | PID 0709-04 | 26,168 | |
| ARRA-Recovery Act of 2009:Wildland Fire Management (ARRA WFM) | 10.688 | PID 0709-05 | 45,935 | |
| ARRA-Recovery Act of 2009:Wildland Fire Management (ARRA WFM) | 10.688 | PID 0709-06 | 79,319 | |
| ARRA-Recovery Act of 2009:Wildland Fire Management (ARRA WFM) | 10.688 | PID 0709-07 | 62,464 | |
| ARRA-Recovery Act of 2009:Wildland Fire Management (ARRA WFM) | 10.688 | PID 0709-08 | 342,331 | \$ 630,486 |
| Total U.S. Department of Agriculture | | | | 2,299,028 |
| <u>Department of Defense (DOD):</u> | | | | |
| U.S. Department of the Army, Office of the Chief Engineers: | | | | |
| Direct Programs: | | | | |
| Water Resources Development Act of 1999, Section 595 Rural Nevada and Montana | 12.UNKNOWN | -- | | 11,931 |
| <u>U.S. Department of Housing and Urban Development (HUD):</u> | | | | |
| Direct Programs: | | | | |
| Housing Counseling Assistance Program | 14.169 | HC12-0922-008 | 4,342 | |
| Housing Counseling Assistance Program | 14.169 | HC12-0921-036 | 28,014 | |
| Housing Counseling Assistance Program | 14.169 | HC10-0922-008 | 237 | 32,593 |
| Supportive Housing Program (Transitional Housing; Permanent Housing for Homeless Persons with Disabilities; Innovative Supportive Housing; Supportive Services for Homeless Persons not in Conjunction with Supportive Housing; Safe Havens; and HMIS) | 14.235 | NV0052B9T011000 | | 5,645 |
| Shelter Plus Care | | | | |
| Amount Provided to Subrecipients | 14.238 | NV0044C9T011102 | 66,293 | |
| Amount Provided to Subrecipients | 14.238 | NV0044C9T011001 | 9,768 | |
| Amount Provided to Subrecipients | 14.238 | NV01C601001 | 10,772 | 86,833 |
| CDBG-Entitlement Grants Cluster: | | | | |
| Direct Programs: | | | | |
| Community Development Block Grants/Entitlement Grants | 14.218 | B-11-UN-32-0002 | 873,240 | |
| Program Income | 14.218 | B-11-UN-32-0002 | 148 | 873,388 |

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WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| | CFDA Number | Project/Pass-through Grantor's Number | Expenditures 2013 |
|---|----------------|--|-------------------------|
| <u>U.S. Department of Housing and Urban Development (HUD) (continued):</u> | | | |
| CDBG-State Administered CDBG Cluster: | | | |
| Community Development Block Grants/Entitlement Grants | 14.228 | B-11-DN-32-0001 | \$ 190,000 |
| Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Program Income | 14.228 | -- | 550 |
| Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii | 14.228 | 12/PS/21 | 15,000 |
| Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii | 14.228 | 12/PF/20 | 5,871 |
| | | | <u>211,421</u> |
| Passed through Nevada Department of Business and Industry, Housing Division: | | | |
| ARRA-Homelessness Prevention and Rapid Re-housing Program (HPRP) (Recovery Act Funded) | 14.257 | HPRP-2009-0031 | 632 |
| Total U.S. Department of Housing and Urban Development | | | <u>1,210,512</u> |
| <u>U.S. Department of the Interior (DOI):</u> | | | |
| Direct Programs: | | | |
| Recreation Resource Management | 15.225 | LO9AC15351 | 150,095 |
| Fish and Wildlife Cluster: | | | |
| Passed through Nevada Department of Wildlife: | | | |
| Wildlife Restoration and Basic Hunter Education (Pittman-Robertson Wildlife Restoration Program) | 15.611 | -- | 1,154 |
| Passed through Nevada Department of the State Treasurer: | | | |
| Distribution of Receipts to State and Local Governments | 15.227 | -- | 12,333 |
| Passed through Nevada Bureau of Land Management: | | | |
| Southern Nevada Public Land Management | 15.235 | L11AC20157 | 3,290 |
| National Fire Plan - Rural Fire Assistance | 15.242 | L10AC20221 | 2,143 |
| National Fire Plan - Rural Fire Assistance | 15.242 | L10AC20238 | 2,333 |
| | | | <u>4,476</u> |
| Passed through Nevada Department of Conservation and Natural Resources: | | | |
| Historic Preservation Fund Grants-In-Aid (HPF) | 15.904 | 32-12-41935(11) | 2,696 |
| Passed through Nevada Division of State Parks: | | | |
| Outdoor Recreation_Acquisition, Development and Planning (Land and Water Conservation Fund Grants) | 15.916 | 32-00321 | 63,994 |
| Total U.S. Department of the Interior | | | <u>238,038</u> |

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| | CFDA Number | Project/Pass-through Grantor's Number | Expenditures 2013 | |
|---|----------------|--|----------------------|---------|
| <u>U.S. Department of Justice (DOJ):</u> | | | | |
| Direct Programs: | | | | |
| State Criminal Alien Assistance Program (SCAAP) | 16.606 | 2012-H4758-NV-AP | \$ | 215,004 |
| Public Safety Partnership and Community Policing Grants (COPS Office) | 16.710 | 2009CKWX0613 | \$ 43,929 | |
| Public Safety Partnership and Community Policing Grants (COPS Office) | 16.710 | 2010CKWX0323 | <u>464,822</u> | 508,751 |
| Juvenile Mentoring Program | 16.726 | 2010-DC-BX-0113 | 2,564 | |
| Amount Provided to Subrecipients | 16.726 | 2010-DC-BX-0113 | <u>61,557</u> | 64,121 |
| DNA Backlog Reduction Program | 16.741 | 2009-DN-BX-K099 | 183,708 | |
| Program Income | 16.741 | 2009-DN-BX-K099 | <u>2,250</u> | 185,958 |
| Paul Coverdell Forensic Sciences Improvement Grant Program - Program Income | 16.742 | 2008-DN-BX-K046 | | 1,411 |
| ARRA - Recovery Act-Edward Byrne Memorial Competitive Grant Program | 16.808 | 2009-SC-B9-0116 | | 47,760 |
| Equitable Sharing Program | 16.922 | -- | 250,164 | |
| Program Income | 16.922 | -- | 1,466 | |
| Equitable Sharing Program | 16.922 | -- | 16,306 | |
| Equitable Sharing Program | 16.922 | 2012-94 | 15,000 | |
| Equitable Sharing Program | 16.922 | JLEO-12-0371 | 7,288 | |
| Equitable Sharing Program | 16.922 | JLEO-13-DNV/TASKFORC | <u>25,878</u> | 316,102 |
| JAG Program Cluster: | | | | |
| Passed through City of Reno: | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program (Byrne JAG Program) | 16.738 | -- | 53,677 | |
| Edward Byrne Memorial Justice Assistance Grant Program (Byrne JAG Program) | 16.738 | -- | 17,975 | |
| Edward Byrne Memorial Justice Assistance Grant Program (Byrne JAG Program) | 16.738 | 2009-DJ-BX-0829 | 75 | |
| Passed through Nevada Department of Public Safety, Office of Criminal Justice Assistance: | | | | |
| ARRA-Edward Byrne Memorial Justice Assistance Grant Program (Byrne JAG Program) | 16.738 | 09-ARRA-39 | 50,000 | |
| Edward Byrne Memorial Justice Assistance Grant Program (Byrne JAG Program) | 16.738 | 12-JAG-27 | 27,323 | |
| Edward Byrne Memorial Justice Assistance Grant Program (Byrne JAG Program) | 16.738 | 12-JAG-28 | <u>40,725</u> | |
| | | | <u>189,775</u> | |

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WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| | CFDA Number | Project/Pass-through Grantor's Number | Expenditures 2013 |
|---|----------------|--|----------------------|
| <u>U.S. Department of Justice (DOJ) (continued):</u> | | | |
| JAG Program Cluster (continued): | | | |
| Passed through the City of Reno: | | | |
| ARRA-Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories | 16.803 | 2009-SB-B9-2006 | \$ 25,599 |
| Passed through Nevada Department of Public Safety, Office of Criminal Justice Assistance: | | | |
| ARRA-Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories | 16.803 | 09-ARRA-32 | 14,000 |
| | | | <u>39,599</u> |
| Total JAG Program Cluster | | | \$ 229,374 |
| Passed through Nevada Department of Public Safety, Office of Criminal Justice Assistance: | | | |
| Juvenile Accountability Block Grants (JABG) | 16.523 | JABG 2012-001 | 40,400 |
| Juvenile Justice and Delinquency Prevention-Allocation to States (State Formula Grants) | 16.540 | FORMULA 2012-001 | 45,000 |
| Passed through Las Vegas Metropolitan Police Department: | | | |
| Missing Children's Assistance | 16.543 | 2011-MC-CX-KO02 | 55,404 |
| Passed through Nevada Department of Health and Human Services, Child and Family Services Division: | | | |
| Title V-Delinquency Prevention Program | 16.548 | 2011-JP-FX-0016 | 14,540 |
| Crime Victim Assistance | 16.575 | 3145/20-SFY10-12-097 | 110,209 |
| Crime Victim Assistance | 16.575 | 3145/20-SFY10-12-098 | 913 |
| Crime Victim Assistance | 16.575 | VOCA13-098 | <u>7,856</u> |
| | | | 118,978 |
| Passed through City of Reno Police Department: | | | |
| Project Safe Neighborhoods (PSN) | 16.609 | 11-PSN-04 | 2,076 |
| Protecting Inmates and Safeguarding Communities Discretionary Grant Program (Pron Rape Elimination Act PREA) | 16.735 | 12-JAG-24 | 1,560 |
| Protecting Inmates and Safeguarding Communities Discretionary Grant Program (Pron Rape Elimination Act PREA) | 16.735 | 12-JAG-23 | <u>1,000</u> |
| | | | 2,560 |
| Passed through Join Together Northern Nevada (JTNN): | | | |
| Enforcing Underage Drinking Laws Program | 16.727 | -- | 8,000 |

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| | CFDA Number | Project/Pass-through Grantor's Number | Expenditures 2013 |
|--|----------------|--|-------------------------|
| <u>U.S. Department of Justice (DOJ) (continued):</u> | | | |
| Passed through Nevada Department of Public Safety, Office of Criminal Justice Assistance: | | | |
| Paul Coverdell Forensic Sciences Improvement Grant Program | 16.742 | 10-FSI-02 | \$ 8,944 |
| Paul Coverdell Forensic Sciences Improvement Grant Program | 16.742 | 11-FSI-02 | 44,672 |
| | | | <u>\$ 53,616</u> |
| Congressionally Recommended Awards (Congressionally Recommended) | | | |
| Amount Provided to Subrecipients | 16.753 | 2011-DD-BX-007 | 12,229 |
| | | | <u>12,229</u> |
| Total U.S. Department of Justice | | | <u>1,921,284</u> |
| <u>U.S. Department of Transportation (DOT):</u> | | | |
| Highway Planning and Construction Cluster: | | | |
| Passed through Nevada Department of Transportation: | | | |
| ARRA-Highway Planning and Construction (Federal-Aid Highway Program, Federal Lands Highway Program) | 20.205 | P263-08-802 | 1,390 |
| ARRA-Highway Planning and Construction (Federal-Aid Highway Program, Federal Lands Highway Program) | 20.205 | 23-JF-1.28 | 24,219 |
| ARRA-Highway Planning and Construction (Federal-Aid Highway Program, Federal Lands Highway Program) | 20.205 | PR163-08-063 | 3,967 |
| ARRA-Highway Planning and Construction (Federal-Aid Highway Program, Federal Lands Highway Program) | 20.205 | PR291-10-063 | 1,545,400 |
| | | | <u>1,574,976</u> |
| Passed through Nevada Division of State Parks: | | | |
| Recreational Trails Program | 20.219 | FY2007-12.1 | 3,810 |
| Recreational Trails Program | 20.219 | 2009-09 | 150 |
| Recreational Trails Program | 20.219 | 2009-10 | 2,311 |
| | | | <u>6,271</u> |
| Total Highway Planning and Construction Cluster | | | 1,581,247 |

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WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| | CFDA Number | Project/Pass-through Grantor's Number | Expenditures 2013 |
|--|----------------|--|----------------------|
| <u>U.S. Department of Transportation (DOT) (continued):</u> | | | |
| Highway Safety Cluster: | | | |
| Passed through Nevada Department of Public Safety, Office of Traffic Safety: | | | |
| State and Community Highway Safety | 20.600 | 22-AL-13 | \$ 3,419 |
| State and Community Highway Safety Program Income | 20.600 | 21-AL-2 | 33,394 |
| State and Community Highway Safety Program Income | 20.600 | 21-AL-2 | 95,528 |
| State and Community Highway Safety Program Income | 20.600 | 21-AL-3 | 27,131 |
| State and Community Highway Safety Program Income | 20.600 | 21-AL-3 | 29,106 |
| State and Community Highway Safety | 20.600 | 22-AL-2 | 9,161 |
| State and Community Highway Safety | 20.600 | 23-CP-2.6 | 4,342 |
| State and Community Highway Safety | 20.600 | 23-AL-6 | 14,257 |
| | | | 216,338 |
| Alcohol Impaired Driving Countermeasures Incentive Grants I | 20.601 | 23-JF-1.28 | 16,922 |
| Alcohol Impaired Driving Countermeasures Incentive Grants I | 20.601 | 22-JF-1.24 | 16,182 |
| | | | 33,104 |
| Occupant Protection Incentive Grants | 20.602 | 22-JF-1.24 | 6,635 |
| Safety Belt Performance Grants | 20.609 | 22-JF-1.24 | 8,118 |
| Total Highway Safety Cluster | | | \$ 264,195 |
| Passed through Nevada State Emergency Response Commission: | | | |
| Interagency Hazardous Materials Public Sector Training and Planning Grants (Hazardous Materials Emergency Preparedness Training and Planning Grants (HMEP)) | 20.703 | 12-HMEP-16-01 | 3,410 |
| Amount Provided to Subrecipients | 20.703 | 12-HMEP-16-01 | 9,104 |
| Interagency Hazardous Materials Public Sector Training and Planning Grants (Hazardous Materials Emergency Preparedness Training and Planning Grants (HMEP)) | 20.703 | 13-HEMP-16-01 | 14,500 |
| Amount Provided to Subrecipients | 20.703 | 13-HEMP-16-01 | 6,580 |
| Amount Provided to Subrecipients | 20.703 | 12-HMEP-16-03 | 7,000 |
| Total U.S. Department of Transportation | | | 1,886,036 |
| <u>Department of the Treasury (TREAS):</u> | | | |
| Passed through Nevada Department of Business and Industry Housing Division | | | |
| National Foreclosure Mitigation Counseling Program (NFMC) | 21.UNKNOWN | -- | 11,550 |
| <u>General Services Administration:</u> | | | |
| Direct Programs: | | | |
| Donation of Federal Surplus Personal Property (Donation Program) | 39.003 | -- | 557,272 |

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| | CFDA Number | Project/Pass-through Grantor's Number | Expenditures 2013 | |
|--|----------------|--|----------------------|------------------|
| <u>Institute of Museum and Library Services:</u> | | | | |
| Passed through Nevada State Library and Archives: | | | | |
| Grants to States | 45.310 | 2011-31 | \$ 682 | |
| Grants to States | 45.310 | 2012-06 | 2,524 | |
| Grants to States | 45.310 | 2012-16 | 14,011 | |
| Total Institute of Museum and Library Services | | | \$ 17,217 | |
| <u>U.S. Environmental Protection Agency (EPA):</u> | | | | |
| Direct Programs: | | | | |
| Air Pollution Control Program Support | 66.001 | A-00905412-0 | 418,745 | |
| Air Pollution Control Program Support | 66.001 | A-00905413-0 | 452,102 | 870,847 |
| Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act | 66.034 | PM-98963101-9 | 14,259 | |
| Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act | 66.034 | PM-98963101-6 | 34,078 | |
| In-kind Costs | 66.034 | -- | 52,250 | 100,587 |
| Congressionally Mandated Projects (Congressional Earmarks) | 66.202 | XP-00T35201-0 | | 122,414 |
| Passed through Nevada Department of Conservation and Natural Resources, Division of Environmental Protection: | | | | |
| State Public Water System Supervision | 66.432 | DEP 11-037 | | 90,000 |
| Underground Storage Tanks Prevention, Detection and Compliance Program | 66.804 | DEP 10-001-1 | | 29,995 |
| Leaking Underground Storage Tank Trust Fund Corrective Action Program | 66.805 | -- | | 56,998 |
| Total U.S. Environmental Protection Agency | | | | 1,270,841 |
| <u>U.S. Department of Health and Human Services (HHS):</u> | | | | |
| Direct Programs: | | | | |
| Food and Drug Administration-Research (General Grant Funding Program 93103) | 93.103 | 1U18FD004668-01 | | 12,465 |
| Family Planning-Services (FP Services) | 93.217 | 6FPHPA096051-01-03 | 854,980 | |
| Program Income | 93.217 | 6FPHPA090003-42-02 | 50,056 | 905,036 |

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| | CFDA Number | Project/Pass-through Grantor's Number | Expenditures 2013 | |
|---|----------------|--|----------------------|---------|
| <u>U.S. Department of Health and Human Services (HHS) (continued):</u> | | | | |
| Aging Cluster: | | | | |
| Passed through Nevada Aging & Disability Services Division: | | | | |
| Special Programs for the Aging- Title III, Part B-Grants for Supportive Services and Senior Centers | 93.044 | 16-000-05-BX-13 | \$ 40,000 | |
| Program Income | 93.044 | 16-000-05-BX-13 | 20,594 | |
| Special Programs for the Aging- Title III, Part B-Grants for Supportive Services and Senior Centers | 93.044 | 16-000-31-BX-13 | 35,158 | |
| Program Income | 93.044 | 16-000-31-BX-13 | 921 | |
| Special Programs for the Aging- Title III, Part B-Grants for Supportive Services and Senior Centers | 93.044 | 16-000-21-BX-13 | 25,800 | |
| Special Programs for the Aging- Title III, Part B-Grants for Supportive Services and Senior Centers | 93.044 | 16-000-11-BX-13 | 108,000 | |
| | | | <u>230,473</u> | |
| Special Programs for the Aging- Title III, Part C-Nutrition Services | 93.045 | 16-000-78-2X-13 | 34,000 | |
| Special Programs for the Aging- Title III, Part C-Nutrition Services | 93.045 | 16-000-04-2X-12 | 45,435 | |
| Program Income | 93.045 | 16-000-04-2X-12 | 5,039 | |
| Special Programs for the Aging- Title III, Part C-Nutrition Services | 93.045 | 16-000-04-2X-13 | 237,447 | |
| Program Income | 93.045 | 16-000-04-2X-13 | 16,814 | |
| Special Programs for the Aging- Title III, Part C-Nutrition Services | 93.045 | 16-000-07-1X-12 | 33,057 | |
| Program Income | 93.045 | 16-000-07-1X-12 | 18,043 | |
| Special Programs for the Aging- Title III, Part C-Nutrition Services | 93.045 | 16-000-07-1X-13 | 198,401 | |
| Program Income | 93.045 | 16-000-07-1X-13 | 51,295 | |
| | | | <u>639,531</u> | |
| Nutrition Services Incentive Program | 93.053 | 16-000-57-NX-13 | 13,721 | |
| Nutrition Services Incentive Program | 93.053 | 16-000-57-NX-11 | 83,092 | |
| | | | <u>96,813</u> | |
| Total Aging Cluster | | | \$ | 966,817 |
| Passed through Nevada Department of Health and Human Services Health Division: | | | | |
| Public Health Emergency Preparedness (PHEP) | 93.069 | HD 12061 | 185,540 | |
| Public Health Emergency Preparedness (PHEP) | 93.069 | HD 13015 | 599,786 | |
| Public Health Emergency Preparedness (PHEP) | 93.069 | HD 13079 | 29,752 | 815,078 |

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| | CFDA Number | Project/Pass-through Grantor's Number | Expenditures 2013 | |
|--|----------------|--|----------------------|-----------|
| <u>U.S. Department of Health and Human Services (HHS) (continued):</u> | | | | |
| Passed through Nevada Department of Health and Human Services Health Division (continued): | | | | |
| Project Grants and Cooperative Agreements for Tuberculosis Control Programs (Tuberculosis Prevention and Control and Laboratory Program) | 93.116 | HD 13109 | \$ 41,497 | |
| Project Grants and Cooperative Agreements for Tuberculosis Control Programs (Tuberculosis Prevention and Control and Laboratory Program) | 93.116 | HD 12148 | 35,458 | |
| Program Income | 93.116 | HD 12148 | <u>4,635</u> | \$ 81,590 |
| Immunization Cooperative Agreements (Immunizations CoAg and Vaccines for Children Program previously published as Immunization Grants and Vaccines for Children Program) | 93.268 | HD 13128 | 138,590 | |
| Immunization Cooperative Agreements (Immunizations CoAg and Vaccines for Children Program previously published as Immunization Grants and Vaccines for Children Program) | 93.268 | HD 12178 | 149,429 | |
| Program Income | 93.268 | HD 12178 | <u>110,277</u> | 398,296 |
| Centers for Disease Control and Prevention- Investigations and Technical Assistance | 93.283 | HD 11266 | 88,935 | |
| Centers for Disease Control and Prevention- Investigations and Technical Assistance | 93.283 | HD 13143 | 24,743 | |
| Centers for Disease Control and Prevention- Investigations and Technical Assistance | 93.283 | HD 12162 | <u>21,313</u> | 134,991 |
| The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF (ELC/EIP - 2012 Prevention and Public Health Fund and Other Capacity Building Activities) | 93.521 | HD 13095 | 111,109 | |
| The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF (ELC/EIP - 2012 Prevention and Public Health Fund and Other Capacity Building Activities) | 93.521 | HD 12097-01 | <u>7,358</u> | 118,467 |
| National Bioterrorism Hospital Preparedness Program (HPP) | 93.889 | HD 13008 | 390,353 | |
| National Bioterrorism Hospital Preparedness Program (HPP) | 93.889 | HD 13085 | <u>10,455</u> | 400,808 |
| Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs (National Breast and Cervical Cancer Early Detection Program NBCCEDP) | 93.919 | -- | | 4,348 |
| HIV Prevention Activities-Health Department Based | 93.940 | HD 12132 | | 446,360 |

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| | CFDA Number | Project/Pass-through Grantor's Number | Expenditures 2013 | |
|---|----------------|--|----------------------|------------|
| <u>U.S. Department of Health and Human Services (HHS) (continued):</u> | | | | |
| Passed through Nevada Department of Health and Human Services Health Division (continued): | | | | |
| Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance (HIV/AIDS Surveillance) | 93.944 | HD 12181 | \$ 37,704 | |
| Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance (HIV/AIDS Surveillance) | 93.944 | HD 13106 | <u>39,698</u> | \$ 77,402 |
| Preventive Health Services-Sexually Transmitted Diseases Control Grants Program Income | 93.977 | HD 12168 | 55,340 | |
| | 93.977 | HD 12168 | 12,725 | |
| Preventive Health Services-Sexually Transmitted Diseases Control Grants Program Income | 93.977 | HD 13113 | 65,671 | |
| | 93.977 | HD 13113 | <u>10,531</u> | 144,267 |
| Maternal and Child Health Services Block Grant to the States (MCH Block Grants) | 93.994 | HD 13023 | | 33,143 |
| Passed through Nevada Aging & Disability Services Division: | | | | |
| Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services | 93.043 | 16-000-24-BX-13 | | 40,981 |
| Special Programs for the Aging- Title IV and Title II- Discretionary Projects | 93.048 | 16-000-15-KX-13 | | 19,518 |
| National Family Caregiver Support, Title III, Part E | 93.052 | 16-000-15-EX-13 | | 86,000 |
| Passed through National Association of County and City Health Officials: | | | | |
| Maternal and Child Health Federal Consolidated Programs (Special Projects of Regional and National Significance SPRANS, including the Community Integrated Service Systems CISS, Public Health Service Act - Section 399BB Programs under the Combating Autism Act of 2006; the Heritable Disorders Program and the Congenital Conditions Program) | 93.110 | 2013-052101 | | 5,622 |
| Passed through Nevada Division of Child and Family Services: | | | | |
| Promoting Safe and Stable Families | 93.556 | IVB-2-2012-61 | | 18,617 |
| Adoption Incentive Payments | 93.603 | AI-2012-0010 | 122,759 | |
| Adoption Incentive Payments | 93.603 | AI3229/32SFY11-12008 | <u>1,518</u> | 124,277 |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | -- | | 34,008 |
| Foster Care-Title IV-E | 93.658 | -- | 11,187,599 | |
| ARRA-Foster Care-Title IV-E | 93.658 | -- | <u>13,806</u> | 11,201,405 |

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| | CFDA Number | Project/Pass-through Grantor's Number | Expenditures 2013 |
|--|----------------|--|--------------------------|
| <u>U.S. Department of Health and Human Services (HHS) (continued):</u> | | | |
| Passed through Nevada Division of Child and Family Services (continued): | | | |
| Adoption Assistance | 93.659 | -- | \$ 4,897,932 |
| ARRA-Adoption Assistance | 93.659 | -- | <u>297</u> \$ 4,898,229 |
| Social Services Block Grant (SSBG Program) | 93.667 | -- | 687,545 |
| Chafee Foster Care Independence Program | 93.674 | CH3145/32SFY11-13020 | 300,290 |
| Passed through Nevada Division of Welfare and Supportive Services | | | |
| Child Support Enforcement | 93.563 | -- | 2,436,811 |
| Program Income | 93.563 | -- | <u>10,789</u> 2,447,600 |
| Grants to States for Access and Visitation Programs | 93.597 | 1201NVSAVP | 29,020 |
| Grants to States for Access and Visitation Programs | 93.597 | 1101NVSAVP | <u>9,180</u> 38,200 |
| Passed through Nevada Administrative Office of the Courts: | | | |
| State Court Improvement Program (State and Tribal Court Improvement Programs) | 93.586 | EIN 1-886000022-18 | 55,955 |
| Passed through Centers for Medicare & Medicaid Services: | | | |
| Medicare-Prescription Drug Coverage (Medicare Part D) | 93.770 | CMS-10156 | <u>273,081</u> |
| Total U.S. Department of Health and Human Services | | | <u>24,770,396</u> |
| <u>Executive Office of the President, Office of National Drug Control Policy:</u> | | | |
| Passed through Las Vegas Metropolitan Police Department: | | | |
| High Intensity Drug Trafficking Areas Program (HIDTA) | 95.001 | G11NV0001A | 84,601 |
| High Intensity Drug Trafficking Areas Program (HIDTA) | 95.001 | G12NV0001A | <u>67,669</u> |
| Total Executive Office of the President, Office of National Drug Control Policy | | | <u>152,270</u> |
| <u>U.S. Department of Homeland Security (DHS):</u> | | | |
| Direct Programs: | | | |
| Secret Service Task Force | 97.UNKNOWN | LVECTF FY 2012-2013 | 1,499 |

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| | CFDA Number | Project/Pass-through Grantor's Number | Expenditures 2013 |
|---|----------------|--|------------------------------------|
| <u>U.S. Department of Homeland Security (DHS) (continued):</u> | | | |
| Passed through Nevada Department of Public Safety Division of Emergency Management: | | | |
| Homeland Security Grant Program | 97.067 | 9700109 | \$ 137,959 |
| Homeland Security Grant Program | 97.067 | 97067CL1 | 17,789 |
| Homeland Security Grant Program | 97.067 | 97067HLO | 494,403 |
| Homeland Security Grant Program | 97.067 | 97067HL1 | 909,202 |
| Homeland Security Grant Program | 97.067 | 97067HL8 | 993 |
| Homeland Security Grant Program | 97.067 | 97067HL9 | 1,303,037 |
| Homeland Security Grant Program | 97.067 | 97067.11-CL1 | 35,732 |
| Homeland Security Grant Program | 97.067 | 97067.11-HL1 | 639,045 |
| Homeland Security Grant Program | 97.067 | 97067.12-HL2 | <u>209,448</u> \$ 3,747,608 |
| Passed through Nevada Department of Public Safety Division of Emergency Management (continued): | | | |
| Emergency Management Performance Grant (EMPG) | 97.042 | 9704212 | 125,825 |
| Emergency Management Performance Grant (EMPG) | 97.042 | 9704211 | <u>4,767</u> 130,592 |
| Passed through Nevada Division of Forestry: | | | |
| Fire Management Assistance Grants (FMAG) | 97.046 | FEMA-2974-FM-NV | 102,528 |
| Buffer Zone Protection Program (BZPP) | 97.078 | 97078B10 | <u>7,300</u> |
| Total U.S. Department of Homeland Security | | | <u>3,989,527</u> |
| Total Expenditures of Federal Awards | | | \$ <u><u>40,589,365</u></u> |

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The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

WASHOE COUNTY, NEVADA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – REPORTING ENTITY

The Washoe County reporting entity is defined in Note 1 to its basic financial statements. The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Washoe County but does not include federal financial assistance programs of the County's discretely presented component units. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included in the schedule.

NOTE 2 – BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting.

NOTE 3 – NONCASH EXPENDITURES

The expenditures reported include noncash items as follows:

National School Lunch Program (School Lunch Program [10.555])

Expenditures of \$4,165 for this program represent the dollar value of food commodities served at the County's juvenile detention facilities. The value of commodities is determined by the U.S. Department of Agriculture.

Emergency Food Assistance Program (Food Commodities [10.569])

Expenditures of \$18,933 for this program represent the dollar value of food commodities distributed to eligible recipients during the year. The value of commodities is determined by the U.S. Department of Agriculture.

Donation of Federal Surplus Personal Property (39.003)

Expenditures of \$557,272 for this program represent the dollar value of items received from the Defense Reutilization and Marketing Office (DRMO). The value of the items received was determined by the DRMO.

Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act (66.034)

The expenditures include \$52,250 representing the value of sample analyses obtained at no charge to Washoe County.

NOTE 4 – TOTAL FEDERAL AWARDS EXPENDED FOR EACH INDIVIDUAL FEDERAL PROGRAM BY CFDA NUMBER

When there is more than one award under a single CFDA number or federal program, the Schedule of Expenditures of Federal Awards presents the totals of all awards under the CFDA number. In one instance this total could not be conveniently displayed because all awards under one CFDA number were not contiguous. The total for this CFDA number is provided below:

CFDA NUMBER: 16.742 Paul Coverdell Forensic Sciences Improvement Grant Program \$ 55,027

NOTE 5 – PROGRAM INCOME

Expenditures reported include income received by the grantee, directly generated by grant-supported activity and includes the following programs:

| PROGRAM | CFDA NUMBER | AMOUNT |
|---|--------------------|---------------|
| Community Development Block Grants/Entitlement Grants | 14.218 | \$ 148 |
| Community Development Block Grants/State's Program | 14.228 | 550 |
| Equitable Sharing Program | 16.922 | 1,466 |
| DNA Backlog Reduction Program | 16.741 | 2,250 |
| Paul Coverdell Forensic Sciences Improvement Grant Program | 16.742 | 1,411 |
| State and Community Highway Safety | 20.600 | 124,634 |
| Special Programs for the Aging Title III, Part B | 93.044 | 21,515 |
| Special Programs for the Aging Title III, Part C | 93.045 | 91,191 |
| Project Grants and Cooperative Agreements for Tuberculosis Control Programs | 93.116 | 4,635 |
| Family Planning Services | 93.217 | 50,056 |
| Immunization Cooperative Agreements | 93.268 | 110,277 |
| Child Support Enforcement | 93.563 | 10,789 |
| Preventive Health Services-Sexually Transmitted Diseases Control Grants | 93.977 | 23,256 |
| Total Program Income | | \$ 442,178 |

**WASHOE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

Section I - Summary of Auditor's Results:

- Kafoury, Armstrong & Co. issued an unmodified opinion on the financial statements of Washoe County, Nevada for the year ended June 30, 2013.
- No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements.
- The audit disclosed no instances of noncompliance, which were material to the financial statements of Washoe County, Nevada.
- No significant deficiencies or material weaknesses in the internal control over a major federal award program were disclosed.
- Kafoury, Armstrong & Co. issued an unmodified opinion on compliance for major federal award programs of Washoe County, Nevada.
- There are no audit findings relative to a major federal award program for Washoe County, Nevada, which are required to be reported under section .510(a) of OMB Circular A-133.
- Washoe County had six major programs for the year ended June 30, 2013, as follows:

Research and Development Cluster:

Child Welfare Research Training or Demonstration – CFDA 93.648

CDBG - Entitlement Grants Cluster:

Community Development Block Grants/Entitlement Grants (CDBG) – CFDA 14.218

Air Pollution Control Program Support – CFDA 66.001

Aging Cluster:

Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers – CFDA 93.044

Special Programs for the Aging – Title III, Part C – Nutrition Services – CFDA 93.045

Nutrition Services Incentive Program – CFDA 93.053

Public Health Emergency Preparedness (PHEP) – CFDA 93.069

Adoption Assistance:

Adoption Assistance – CFDA 93.659

ARRA Adoption Assistance – CFDA 93.659

- The dollar threshold used to distinguish between Type A and Type B programs for the year ended June 30, 2013 was \$1,217,680.
- Washoe County qualified as a low risk auditee for the year ended June 30, 2013 under the criteria set forth in section .530 of OMB Circular A-133.

Section II – Findings – Financial Statement Audit:

There were no findings relating to the financial statement audit.

Section III – Findings and Questioned Costs for Federal Awards:

There were no findings related to major federal award programs.

**WASHOE COUNTY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

U. S. Department of Health and Human Services:

Finding 12-1:

Research and Development Cluster:

Child Welfare Research Training or Demonstration, CFDA 93.648

Grant Award Number: Affects grant awards included under CFDA 93.648 on the Schedule of Expenditures of Federal Awards.

Criteria and Condition: As noted in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, amounts charged to federal programs must be for allowable costs. To be allowable under federal awards, costs must be necessary and reasonable for the performance and administration of the federal award, and be adequately documented.

The County charges salaries and benefits to the grant quarterly based on allocations of time that are supported by time cards prepared and signed by employees and their supervisors. To test salary and benefit charges, two of four quarterly allocations were selected, including the quarters ended September 30, 2011 and June 30, 2012. Although the County had adequate supporting documentation to support charges of \$91,488 for the quarter ended June 30, 2012, the program personnel did not have documentation available to support the allocation of \$101,159 of base salaries and retirement benefits for the quarter ended September 30, 2011. Program management represented that the supporting information had been stored on a personal external computer hardware device belonging to the employee responsible for preparing the allocations, and that the employee terminated employment with the County in November 2011.

Auditor's Recommendation: We recommend the County enhance procedures related to the storage and retention of adequate supporting documentation to ensure that amounts charged to the grant can be substantiated.

Current Status: Corrective action has been taken. Reconstructed records support eligible grant costs for the quarter in question. Records are not allowed to be kept on personal external electronic media.

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