

COMPLIANCE SECTION

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KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

**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 the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Washoe County, Nevada (the "County") as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 22, 2012. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with 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. Other auditors audited the financial statements of the South Truckee Meadows General Improvement District as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by the other auditors.

Internal Control Over Financial Reporting

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement on the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant 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*.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the County, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kafoury, Armstrong & Co.

Reno, Nevada
October 22, 2012



KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditor's Report on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major Program and on Internal Control
over Compliance in Accordance with OMB Circular A-133**

To the Honorable Board of Commissioners
Washoe County, Nevada

Compliance:

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, 2012. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Washoe County, Nevada's management. Our responsibility is to express an opinion on Washoe County, Nevada's compliance based on our audit. As described in our report dated October 22, 2012, portions of the audit of the basic financial statements were performed by other auditors, whose reports were furnished to us.

Washoe County, Nevada's basic financial statements include the operations of the Truckee Meadows Fire Protection District, a blended component unit, which received \$116,625 in federal awards which are not included in Washoe County, Nevada's Schedule of Expenditures of Federal Awards for the year ended June 30, 2012. Our audit, as described below, did not include the federal awards of the Truckee Meadows Fire Protection District because they were audited separately. Washoe County, Nevada's basic financial statements also include the operations of the Sierra Fire Protection District, a blended component unit, which received \$2,137,437 in federal awards which are not included in Washoe County, Nevada's Schedule of Expenditures of Federal Awards for the year ended June 30, 2012. Our audit, as described below, did not include the federal awards of the Sierra Fire Protection District because they were audited separately in accordance with OMB Circular A-133.

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. Our audit does not provide a legal determination on Washoe County, Nevada's compliance with those requirements.

In our opinion, Washoe County, Nevada complied, in all material respects, with the 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, 2012. However, the results of our auditing procedures disclose an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as Finding 12-1.

Internal Control over Compliance:

Management of Washoe County, Nevada is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Washoe County, Nevada's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying Schedule of Findings and Questioned Costs as item 12-1. 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.

Washoe County, Nevada's response to the finding identified in our audit is included in the accompanying Schedule of Findings and Questioned Costs. We did not audit Washoe County, Nevada's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kafoury, Armstrong & Co.

Reno, Nevada
October 22, 2012

WASHOE COUNTY, NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

	CFDA Number	Project/ Pass-through Grantor's Number	Expenditures 2012
<u>Research and Development Cluster:</u>			
U.S. Department of Transportation (DOT):			
Direct Programs:			
National Highway Transportation Safety Administration (NHTSA)			
Discretionary Safety Grants-Highway Safety Research and Development	20.614	DTNH22-09-G-00004	\$ 6,434
U.S. Department of Health and Human Services (HHS):			
Direct Programs:			
Child Welfare Research Training or Demonstration	93.648	9OTC1057	\$ 366,542
Child Welfare Research Training or Demonstration	93.648	9OTC1057/02	1,821,203
			<u>2,187,745</u>
Total Research and Development Cluster:			<u>2,194,179</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	71,891
Rural Development, Forestry, and Communities (Rural Development Through Forestry)	10.672	10-DG-11051900-031	42,836
Rural Development, Forestry, and Communities (Rural Development Through Forestry)	10.672	11-DG-11051900-024	130,611
Rural Development, Forestry, and Communities (Rural Development Through Forestry)	10.672	11-DG-11051900-022	16,679
			<u>262,017</u>
Child Nutrition Cluster:			
Passed through Nevada Department of Education:			
National School Lunch Program (School Lunch Program)	10.555	--	65,425
Passed through Nevada Department of Administration:			
National School Lunch Program (School Lunch Program)	10.555	--	6,366
Total Child Nutrition Cluster			71,791
Emergency Food Assistance Cluster:			
Passed through Nevada Department of Administration:			
Emergency Food Assistance Program (Administrative Costs)	10.568	--	9,745
Emergency Food Assistance Program (Food Commodities)	10.569	--	11,219
Amount Provided to Subrecipients	10.569	--	7,022
			<u>18,241</u>
Total Emergency Food Assistance Cluster			27,986

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

(CONTINUED)

**WASHOE COUNTY, NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

	CFDA Number	Project/ Pass-through Grantor's Number	Expenditures 2012	
<u>U.S. Department of Agriculture (USDA) (continued):</u>				
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 11008-1	\$ 333,142	
Special Supplemental Nutrition Program for Women, Infants and Children (WIC Program)	10.557	HD 12031	<u>794,193</u>	\$ 1,127,335
Passed through Nevada Department of Agriculture:				
ARRA-Recovery Act of 2009:Wildland Fire Management	10.688	PID 0709-08	263,335	
ARRA-Recovery Act of 2009:Wildland Fire Management	10.688	PID 0709-06	146,207	
ARRA-Recovery Act of 2009:Wildland Fire Management	10.688	PID 0709-03	59,190	
ARRA-Recovery Act of 2009:Wildland Fire Management	10.688	PID 0709-09	104,093	
ARRA-Recovery Act of 2009:Wildland Fire Management	10.688	PID 0709-04	109,267	
ARRA-Recovery Act of 2009:Wildland Fire Management	10.688	PID 0709-07	99,440	
ARRA-Recovery Act of 2009:Wildland Fire Management	10.688	PID 0709-05	121,202	
Passed through Nevada Division of Forestry:				
ARRA-Recovery Act of 2009:Wildland Fire Management	10.688	ARRA/WL/09/01	<u>751,754</u>	<u>1,654,488</u>
Total U.S. Department of Agriculture			<u>3,143,617</u>	
<u>Department of Commerce (DOC):</u>				
Passed through Nevada Department of Public Safety, Division of Emergency Management:				
Public Safety Interoperable Communications Grant Program (PSIC)	11.555	11555T7	142,902	
Public Safety Interoperable Communications Grant Program (PSIC)	11.555	11555O7	2,180	
Public Safety Interoperable Communications Grant Program (PSIC)	11.555	1155507	<u>31,348</u>	<u>176,430</u>
<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		<u>10,828</u>
<u>U.S. Department of Housing and Urban Development (HUD):</u>				
Direct Programs:				
Housing Counseling Assistance Program	14.169	HC10-0926-018	46,544	
Housing Counseling Assistance Program	14.169	HC10-0921-050	8,994	
Housing Counseling Assistance Program	14.169	HC10-0922-008	7,531	
Program Income	14.169	HC10-0922-008	<u>237</u>	63,306

**WASHOE COUNTY, NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

	CFDA Number	Project/ Pass-through Grantor's Number	Expenditures 2012
<u>U.S. Department of Housing and Urban Development (HUD) (continued):</u>			
Direct Programs (continued):			
Supportive Housing Program	14.235	NV0052B9T011000	\$ 236
Amount Provided to Subrecipients	14.235	NV0052B9T011000	<u>820</u> \$ 1,056
Shelter Plus Care			
Amount Provided to Subrecipients	14.238	NV01C601001	38,334
Amount Provided to Subrecipients	14.238	NV0044C9T011001	<u>30,858</u> 69,192
CDBG-Entitlement Grants Cluster:			
Community Development Block Grants/Entitlement Grants	14.218	B-11-UN-32-0002	16,481
CDBG-State Administered CDBG Cluster:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Program Income	14.228	--	550
ARRA-Community Development Block Grants/Special Purpose Grants/Insular Areas	14.255	CDBG/08R/PF/789	<u>9,732</u>
Total CDBG-State Administered CDBG Cluster			10,282
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	12,306
Amount Provided to Subrecipients	14.257	HPRP-2009-0031	<u>64,996</u> <u>77,302</u>
Total U.S. Department of Housing and Urban Development			<u>237,619</u>
<u>U.S. Department of the Interior (DOI):</u>			
Direct Programs:			
Recreation Resource Management	15.225	LO9AC15351	3,500
Fish and Wildlife Management Assistance	15.608	84240-B-G019	150,000
Passed through Nevada Department of the State Treasurer:			
Distribution of Receipts to State and Local Governments (Revenue Sharing, Public Lands and Resources)	15.227	--	12,438
Passed through Nevada Department of Cultural Affairs:			
Historic Preservation Fund Grants-In-Aid	15.904	32-10-219354(14)	942

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

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WASHOE COUNTY, NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

	CFDA Number	Project/ Pass-through Grantor's Number	Expenditures 2012
<u>U.S. Department of the Interior (DOI) (continued):</u>			
Passed through Nevada Division of State Parks:			
Outdoor Recreation_Acquisition, Development and Planning	15.916	32-00315	\$ <u>224,744</u>
Total U.S. Department of the Interior			<u>391,624</u>
<u>U.S. Department of Justice (DOJ):</u>			
Direct Programs:			
Crime Victim Assistance	16.575	3145/20-SFY10-12-098	\$ 45,397
Crime Victim Assistance	16.575	3145/20-SFY10-12-097	<u>178,573</u>
			223,970
State Criminal Alien Assistance Program (SCAAP)	16.606	--	628,941
Public Safety Partnership and Community Policing Grants ("COPS" Grants)	16.710	2009CKWX0613	419,482
Public Safety Partnership and Community Policing Grants ("COPS" Grants)	16.710	2010CKWX0323	<u>516,200</u>
			935,682
Juvenile Mentoring Program	16.726	2008-JU-FX-0023	2,092
Amount Provided to Subrecipients	16.726	2008-JU-FX-0023	50,487
Juvenile Mentoring Program	16.726	2010-DC-BX-0113	2,261
Amount Provided to Subrecipients	16.726	2010-DC-BX-0113	<u>67,561</u>
			122,401
Forensic DNA Backlog Reduction Program	16.741	2009-DN-BX-K099	34,197
Forensic DNA Backlog Reduction Program	16.741	2011-DN-BX-K460	<u>65,208</u>
			99,405
ARRA - Recovery Act-Edward Byrne Memorial Competitive Grant Program	16.808	2009-SC-B9-0116	333,499
Federal Drug Forfeiture Program - Equitable sharing program	16.922	--	646,861
Program Income	16.922	--	20,454
Federal Drug Forfeiture Program - Equitable sharing program	16.922	2011-101	3,661
Federal Drug Forfeiture Program - Equitable sharing program	16.922	JLEO-12-0371	<u>11,334</u>
			682,310
JAG Program Cluster:			
Passed through City of Reno:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	--	120,637
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-0829	2,457

**WASHOE COUNTY, NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

	CFDA Number	Project/ Pass-through Grantor's Number	Expenditures 2012
<u>U.S. Department of Justice (DOJ) (continued):</u>			
JAG Program Cluster (continued):			
Passed through Nevada Department of Public Safety, Office of Criminal Justice Assistance:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	07-JAG-50	\$ 64
Edward Byrne Memorial Justice Assistance Grant Program	16.738	08-JAG-24	1,000
Edward Byrne Memorial Justice Assistance Grant Program	16.738	09-JAG-25	3,750
Edward Byrne Memorial Justice Assistance Grant Program	16.738	11-JAG-28	47,583
Edward Byrne Memorial Justice Assistance Grant Program	16.738	11-JAG-29	37,305
			212,796
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	141,359
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-23	18,602
Grants to States and Territories	16.803	09-ARRA-25	2,564
			162,525
Total JAG Program Cluster			\$ 375,321
Passed through The Center for Holistic Defense at the Bronx Defenders:			
Center for Holistic Defense Technical Assistance	16	UNKNOWN	1,498
Passed through City of Reno Police Department:			
Community Prosecution and Project Safe Neighborhoods	16.609	10-PSN-04	3,204
Passed through US Marshal's Service:			
Protecting Inmates and Safeguarding Communities Discretionary Grant Program	16.735	11-JAG-25	3,595
Federal Drug Forfeiture Program - Equitable sharing program	16.922	--	7,968
Passed through Nevada Department of Public Safety, Office of Criminal Justice Assistance:			
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	10-FSI-02	115,517
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	11-FSI-02	4,223
			119,740

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

(CONTINUED)

**WASHOE COUNTY, NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

	CFDA Number	Project/ Pass-through Grantor's Number	Expenditures 2012
<u>U.S. Department of Justice (DOJ) (continued):</u>			
Passed through Nevada Department of Public Safety, Office of Criminal Justice Assistance (continued):			
Convicted Offender and/or Arrestee DNA Backlog Reduction Program (In-House Analysis and Data Review)	16.748	2009-DN-BX-K042	\$ 11,259
Congressionally Recommended Awards	16.753	2008-DD-BX-0367	\$ 24,890
Congressionally Recommended Awards Amount Provided to Subrecipients	16.753	2011-DD-BX-007	<u>24,771</u> 49,661
Juvenile Accountability Incentive Block Grants (JABG)	16.523	FFY2009 JABG	57,810
Program Income	16.523	FFY2009 JABG	<u>915</u> 58,725
Juvenile Justice and Delinquency Prevention-Allocation to States (State Formula Grants)	16.540	FORMULA 2011-001	65,000
Passed through Las Vegas Metropolitan Police Department:			
Missing Children's Assistance	16.543	2008-MC-CX-K002	22,147
Missing Children's Assistance	16.543	2011-MC-CX-K002	<u>27,499</u> 49,646
Passed through Join Together Northern Nevada (JTNN):			
Enforcing Underage Drinking Laws Program	16.727	--	<u>9,028</u>
Total U.S. Department of Justice			<u>3,780,853</u>
<u>U.S. Department of Transportation (DOT):</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	12,485
Program Income	20.600	21-AL-3	24,507
State and Community Highway Safety	20.600	21-AL-3	5,421
State and Community Highway Safety	20.600	21-AL-2	38,923
Program Income	20.600	21-AL-2	105,951
State and Community Highway Safety	20.600	22-JF-1.24	3,373
State and Community Highway Safety	20.600	22-AL-2	<u>23,870</u>
			<u>214,530</u>

WASHOE COUNTY, NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

	CFDA Number	Project/ Pass-through Grantor's Number	Expenditures 2012
<u>U.S. Department of Transportation (DOT) (continued):</u>			
Highway Safety Cluster (continued):			
Passed through Nevada Department of Public Safety, Office of Traffic Safety (continued):			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	21-JF-1.22	\$ 22,619
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	22-JF-1.24	27,831
			50,450
Occupant Protection Incentive Grants	20.602	211-JF-1.22	6,577
Safety Belt Performance Grants	20.609	211-JF-1.22	1,077
Safety Belt Performance Grants	20.609	22-JF-1.24	3,230
			4,307
Total Highway Safety Cluster			\$ 275,864
Highway Planning and Construction Cluster:			
Passed through Nevada Division of State Parks:			
Recreation Trails Program	20.219	FY2007-12	26,623
Recreation Trails Program	20.219	2008-26	47,452
Recreation Trails Program	20.219	2010-15	86,600
Recreation Trails Program	20.219	2009-10	5,180
Recreation Trails Program	20.219	2009-09	5,483
			171,338
Passed through Nevada Department of Transportation:			
Highway Planning and Construction	20.205	P263-08-802	6,503
Amount Provided to Subrecipients	20.205	P263-08-802	94,915
Highway Planning and Construction	20.205	PR232-08-063	251,337
Highway Planning and Construction	20.205	PR163-08-063	861,011
Highway Planning and Construction	20.205	PR162-08-063	35,180
Highway Planning and Construction	20.205	PR291-10-063	208,958
Highway Planning and Construction	20.205	PR280-09-063	309,295
			1,767,199
Total Highway Planning and Construction Cluster			1,938,537

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

(CONTINUED)

**WASHOE COUNTY, NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

	CFDA Number	Project/ Pass-through Grantor's Number	Expenditures 2012	
<u>U.S. Department of Transportation (DOT) (continued):</u>				
Passed through Nevada State Emergency Response Commission:				
Interagency Hazardous Material Public Sector Training and Planning Grants (Hazardous Materials Emergency Preparedness Training and Planning Grants (HMEP))	20.703	11-HMEP-16-01	\$ 2,439	
Amount Provided to Subrecipients	20.703	11-HMEP-16-01	34,192	
Interagency Hazardous Material Public Sector Training and Planning Grants (Hazardous Materials Emergency Preparedness Training and Planning Grants (HMEP))	20.703	11-HEO-16-02	975	
Amount Provided to Subrecipients	20.703	11-HEO-16-02	2,340	\$ 39,946
Total U.S. Department of Transportation			2,254,347	
<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		105,870
<u>General Services Administration:</u>				
Direct Programs:				
Donation of Federal Surplus Personal Property	39.003	--		238,599
<u>National Foundation on the Arts and the Humanities (NEH):</u>				
Passed through Nevada State Library and Archives:				
Grants to States	45.310	2011-31	34,218	
Grants to States	45.310	2011-20	4,100	38,318
<u>U.S. Environmental Protection Agency (EPA):</u>				
Direct Programs:				
Air Pollution Control Program Support	66.001	A-00905411-1	258,360	
Air Pollution Control Program Support	66.001	A00905412-0	382,756	641,116
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	PM-98963101-6	43,507	
In-kind Costs	66.034	--	49,982	93,489
Congressionally Mandated Projects (Congressional Earmarks)	66.202	XP-00T35201-0		71,007
State Public Water System Supervision	66.432	DEP 11-037		79,098

**WASHOE COUNTY, NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

	CFDA Number	Project/ Pass-through Grantor's Number	Expenditures 2012
<u>U.S. Environmental Protection Agency (EPA) (continued):</u>			
Passed through Nevada Department of Conservation and Natural Resources, Division of Environmental Protection:			
State and Tribal Underground Storage Tanks Program (UST Program)	66.804	DEP 10-001-1	\$ 29,995
Leaking Underground Storage Tank Trust Fund Program	66.805	--	56,998
			<u>971,703</u>
<u>Total U.S. Environmental Protection Agency</u>			
<u>U.S. Department of Energy (DOE):</u>			
Passed through Nevada Office of Energy:			
ARRA-Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	EE032710034	<u>8,982</u>
<u>U.S. Department of Health and Human Services (HHS):</u>			
Direct Programs:			
Family Planning-Services	93.217	6FPHPA090003-42-03	\$ 900,014
Program Income	93.217	6FPHPA090003-42-02	60,732
			960,746
Aging Cluster:			
Passed through Nevada Aging & Disability Services Division:			
Special Programs for the Aging- Title III, Part B-Grants for Supportive Services and Seniors	93.044	16-000-05-BX-12	40,011
Program Income	93.044	16-000-05-BX-12	23,755
Special Programs for the Aging- Title III, Part B-Grants for Supportive Services and Seniors	93.044	16-000-31-BX-12	40,375
Program Income	93.044	16-000-31-BX-12	1,135
Special Programs for the Aging- Title III, Part B-Grants for Supportive Services and Seniors	93.044	16-000-19-BX-12	15,731
Special Programs for the Aging- Title III, Part B-Grants for Supportive Services and Seniors	93.044	16-000-21-BX-12	21,500
Special Programs for the Aging- Title III, Part B-Grants for Supportive Services and Seniors	93.044	16-000-11-BX-12	108,000
			<u>250,507</u>
Special Programs for the Aging- Title III, Part C-Nutrition Services	93.045	16-000-04-2X-11	74,127
Program Income	93.045	16-000-04-2X-11	4,901
Special Programs for the Aging- Title III, Part C-Nutrition Services	93.045	16-000-04-2X-12	213,380
Program Income	93.045	16-000-04-2X-12	17,257

**WASHOE COUNTY, NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

	CFDA Number	Project/ Pass-through Grantor's Number	Expenditures 2012	
<u>U.S. Department of Health and Human Services (HHS) (continued):</u>				
Aging Cluster (continued):				
Passed through Nevada Aging & Disability Services Division (continued):				
Special Programs for the Aging- Title III, Part C-Nutrition Services	93.045	16-000-07-1X-11	\$ 41,021	
Program Income	93.045	16-000-07-1X-11	26,880	
Special Programs for the Aging- Title III, Part C-Nutrition Services	93.045	16-000-07-1X-12	230,193	
Program Income	93.045	16-000-07-1X-12	<u>59,233</u>	
			666,992	
Nutrition Services Incentive Program	93.053	16-000-57-NX-11	<u>42,550</u>	
Nutrition Services Incentive Program	93.053	16-000-57-NX-11	<u>94,213</u>	
			136,763	
Total Aging Cluster			<u>\$</u>	1,054,262
Immunization Cluster:				
Passed through Nevada Department of Health and Human Services:				
Immunization Grants	93.268	HD 12178	131,377	
Immunization Grants	93.268	HD 11244	177,781	
Program Income	93.268	HD 12178	<u>157,533</u>	466,691
Passed through National Association of County and City Health Officials:				
Medical Reserve Corps Small Grant Program	93.008	MRC 08 0443	284	
Medical Reserve Corps Small Grant Program	93.008	MRC 12 443	<u>1,570</u>	1,854
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-DX-12		40,981
National Family Caregiver Support	93.052	16-000-15-EX-12		86,000
Passed through Nevada Department of Health and Human Services Health Division:				
Public Health Emergency Preparedness	93.069	HD 11061	90,804	
Public Health Emergency Preparedness	93.069	HD 12061	370,405	
Public Health Emergency Preparedness	93.069	HD 11081	249	
Public Health Emergency Preparedness	93.069	HD 11094	142,569	
Public Health Emergency Preparedness	93.069	HD 11079	<u>57,956</u>	661,983

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

(CONTINUED)

**WASHOE COUNTY, NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

	CFDA Number	Project/ Pass-through Grantor's Number	Expenditures 2012	
<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	93.116	HD 11184	\$ 35,638	
Program Income	93.116	HD 11184	2,622	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HD 12148	35,606	
Program Income	93.116	HD 12148	<u>2,289</u>	\$ 76,155
Centers for Disease Control and Prevention- Investigations and Technical Assistance	93.283	HD 11266	89,054	
Centers for Disease Control and Prevention- Investigations and Technical Assistance	93.283	HD 11266	24,066	
Centers for Disease Control and Prevention- Investigations and Technical Assistance	93.283	HD 12143	10,880	
Centers for Disease Control and Prevention- Investigations and Technical Assistance	93.283	HD 11156	17,125	
Centers for Disease Control and Prevention- Investigations and Technical Assistance	93.283	2010-112904	19,998	
Centers for Disease Control and Prevention- Investigations and Technical Assistance	93.283	HD 11189	<u>31,504</u>	192,627
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	93.521	HD 12097-01		56,746
ARRA-Prevention and Wellness-State, Territories and Pacific Islands	93.723	HD 12107		48,994
National Bioterrorism Hospital Preparedness Program	93.889	HD 12049-1		437,114
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	--		4,137
HIV Prevention Activities-Health Department Based (HIV Prevention Program)	93.940	U62/PS923483-06	22,135	
HIV Prevention Activities-Health Department Based (HIV Prevention Program)	93.940	HD 10159	204,160	
HIV Prevention Activities-Health Department Based (HIV Prevention Program)	93.940	HD 12132	200,476	
Amount Provided to Subrecipients	93.940	HD 12132	<u>101,613</u>	528,384
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance (HIV/AIDS Surveillance)	93.944	HD 11193	38,770	
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance (HIV/AIDS Surveillance)	93.944	HD 12181	<u>41,930</u>	80,700

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

(CONTINUED)

**WASHOE COUNTY, NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

	CFDA Number	Project/ Pass-through Grantor's Number	Expenditures 2012
<u>U.S. Department of Health and Human Services (HHS) (continued):</u>			
Passed through Nevada Department of Health and Human Services Health Division (continued):			
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	HD 11195	\$ 55,708
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	HD 12168	63,683
Program Income	93.977	HD 12168	<u>26,313</u> \$ 145,704
Maternal and Child Health Services Block Grant to the States	93.994	HD 11144	33,210
Passed through Nevada Division of Child and Family Services:			
Promoting Safe and Stable Families	93.556	IVB-2-2012-61	1,428
Adoption Incentive Payments	93.603	AI3229/32SFY11-12008	104,896
Child Welfare Services-State Grants	93.645	--	90,000
Foster Care-Title IV-E	93.658	--	9,445,880
ARRA-Foster Care-Title IV-E	93.658	--	<u>46,984</u> 9,492,864
Adoption Assistance	93.659	--	4,005,093
Social Services Block Grant	93.667	--	687,545
Chafee Foster Care Independence Program	93.674	CH3145/32SFY11-13020	234,854
Passed through Nevada Division of Welfare and Supportive Services:			
Child Support Enforcement	93.563	--	30
Child Support Enforcement	93.563	--	2,456,616
Program Income	93.563	--	<u>3,409</u> 2,460,055
Grants to States for Access and Visitation Programs	93.597	1101NVSAPV	29,093
Passed through Nevada Administrative Office of the Courts:			
State Court Improvement Program	93.586	EIN 1-886000022-18	29,045
Passed through Centers for Medicare & Medicaid Services:			
Medicare-Prescription Drug Coverage (Medicare Part D)	93.770	CMS-10156	<u>276,073</u>
Total U.S. Department of Health and Human Services			<u>22,287,234</u>

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

(CONTINUED)

WASHOE COUNTY, NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

	CFDA Number	Project/ Pass-through Grantor's Number	Expenditures 2012	
<u>Executive Office of the President, Office of National Drug Control Policy:</u>				
Passed through Las Vegas Metropolitan Police Department:				
High Intensity Drug Trafficking Area (HIDTA)	95.001	G11NV0001A	\$ 128,719	
High Intensity Drug Trafficking Area (HIDTA)	95.001	G10NV0001A	5,984	
High Intensity Drug Trafficking Area (HIDTA)	95.001	G12NV0001A	160	
High Intensity Drug Trafficking Area (HIDTA)	95.001	G12NV0001A	<u>16,880</u>	<u>\$ 151,743</u>
<u>U.S. Department of Homeland Security (DHS):</u>				
Direct Programs:				
Secret Service Task Force	97	UNKNOWN		800
Passed through Nevada Department of Public Safety Division of Emergency Management:				
Homeland Security Grant Program	97.067	97067HL7	30,504	
Homeland Security Grant Program	97.067	97067HL8	657,756	
Homeland Security Grant Program	97.067	97067CL8	1,568	
Homeland Security Grant Program	97.067	97067.11-HL1	16,873	
Homeland Security Grant Program	97.067	97067HL9	1,284,494	
Homeland Security Grant Program	97.067	97067CL9	20,174	
Homeland Security Grant Program	97.067	97067HL1	1,238,152	
Homeland Security Grant Program	97.067	97067CL1	11,237	
Homeland Security Grant Program	97.067	97067.11-HL1	5,933	
Homeland Security Grant Program	97.067	97067.11-CL1	10,184	
Homeland Security Grant Program	97.067	11-HL1	90,957	
Homeland Security Grant Program	97.067	9700109	<u>56,805</u>	3,424,637
Emergency Management Performance Grant (EMPG)	97.042	9704211	116,110	
Emergency Management Performance Grant (EMPG)	97.042	9704210	<u>23,891</u>	140,001
Pre-Disaster Mitigation	97.047	97047T10		268,590
Buffer Zone Protection Program (BZPP)	97.078	97078B09	221,263	
Buffer Zone Protection Program (BZPP)	97.078	97078B10	<u>182,598</u>	<u>403,861</u>
Total U.S. Department of Homeland Security				4,237,889
Total Expenditures of Federal Awards			\$	40,229,835

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, 2012

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 blended 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 \$6,366 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 \$18,241 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 \$238,599 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 \$49,982 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: 16.922 Federal Drug Forfeiture Program – Equitable sharing Program \$ 690,278

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
Housing Counseling Assistance Program	14.169	\$ 237
Community Development Block Grants/State's Program	14.228	550
Interest Earned-Federal Drug Forfeiture Program	16.UNKNOWN	20,454
JABG Carryforward	16.523	915
State and Community Highway Safety	20.600	130,458
Special Programs for the Aging Title III, Part B	93.044	24,890
Special Programs for the Aging Title III, Part C	93.045	108,271
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	4,911
Family Planning Services	93.217	60,732
Immunization Grants	93.268	157,533
Child Support Enforcement	93.563	3,409
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.977	26,313
Total Program Income		\$ 538,673

WASHOE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

Section I - Summary of Auditor's Results:

- Kafoury, Armstrong & Co. issued an unqualified opinion on the financial statements of Washoe County, Nevada for the year ended June 30, 2012.
- 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.
- A significant deficiency, not identified as a material weakness, in the internal control over a major federal award program was disclosed.
- Kafoury, Armstrong & Co. issued an unqualified opinion on compliance for major federal award programs of Washoe County, Nevada.
- An audit finding, relative to a major federal award program for Washoe County, Nevada, which is required to be reported under section .510(a) of OMB Circular A-133 is included on the following pages.
- Washoe County had seven major programs for the year ended June 30, 2012, as follows:

 Research and Development Cluster:

 National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants;

 Highway Safety Research and Development – CFDA 20.614

 Child Welfare Research Training or Demonstration – CFDA 93.648

 Special Supplemental Nutrition Program for Women, Infants and Children, WIC – CFDA 10.557

 ARRA – Recovery Act of 2009: Wildland Fire Management – CFDA 10.688

 Public Safety Partnership and Community Policing Grants (“COPS” Grants) – CFDA 16.710

 ARRA – Edward Byrne Memorial Competitive Grant Program – CFDA 16.808

 Highway Planning and Construction Cluster:

 Highway Planning and Construction – CFDA 20.205

 Recreational Trails Program – CFDA 20.219

 Child Support Enforcement – CFDA 93.563

- The dollar threshold used to distinguish between Type A and Type B programs for the year ended June 30, 2012 was \$1,206,895.
- Washoe County qualified as a low risk auditee for the year ended June 30, 2012 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.

**WASHOE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

Section III – Findings and Questioned Costs for Federal Awards:

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 the grant awards included under CFDA 93.648 on the Schedule of Expenditures of Federal Awards.

Criteria: 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.

Condition and Context: 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, we selected two of the four quarterly allocations, 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 30th, 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 30th. 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 employee terminated employment with the County in November 2011.

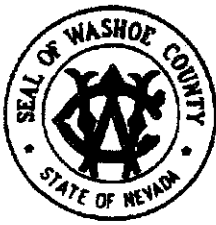
Questioned Costs: Undetermined.

Effect: Unallowable costs could have been charged to the Federal program.

Cause: Policies and procedures for storing and maintaining adequate supporting documentation were not sufficient during the quarter ended September 30th to ensure costs charged to the grant could be substantiated.

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

Management's Response: See management's response on page C- 22.



WASHOE COUNTY

"Dedicated to Excellence in Public Service"

DEPARTMENT OF SOCIAL SERVICES

350 S. CENTER STREET
POST OFFICE BOX 11130
RENO, NEVADA 89520-0027
PHONE: (775) 785-5641
FAX: (775) 785-5640

October 5, 2012

TO: Matthew McGuire
Children's Bureau

FROM: Terri Humes, Fiscal Manager:

SUBJECT: Finding 12-1 Finding and Questioned Costs for Federal Awards Child Welfare Research Training or Demonstration, CFDA 93.648.

CRITERIA AND CONDITION

As noted in OMB 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 allocation of time that are supported by time cards prepared and signed by employees and their supervisors. To test salary and benefit charges we selected two of four quarterly allocations, 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, 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. Program Management represented that the supporting information had been stored on a personal computer hardware device belonging to the employee responsible for preparing the allocations and that employee terminated employment with the County in November of 2011.

RECOMMENDATION

The County enhance the procedures related to the storage and retention of adequate supporting documentation to ensure that amounts charged to the grant can be substantiated.

MANAGEMENT'S RESPONSE

It should be noted that the Department did contact the federal fiscal person, assigned as support to Washoe County. She was made aware of the fact that

documentation was missing and did provide reports submitted by the former employee to help the Department reconstruct the grant costs and reports.

The Department did reconstruct all salary and benefit costs based on the signed time sheets that we had. Individual salary and benefit costs were calculated for each staff member working on the grant. All other costs were reconciled to actual with supporting documentation available. Although the salary and benefits portion of the grant was overcharged until the necessary journal entries were completed, the grant itself was never overcharged given the timeframes for billing for all services within the grant period. The grant period in question has been reconciled to actual eligible costs to the grant.

CORRECTIVE ACTION

As evidenced in the second quarter test, steps have been taken to preclude this from happening again. The contact person responsible for the corrective action is Terri Humes. The corrective action has already been implemented.

Cc: Cynthia Washburn Comptroller
Kafoury, Armstrong and Company


WASS

**WASHOE COUNTY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012**

U. S. Department of Transportation; passed through from the Nevada Department of Transportation:

Finding 11-1:

Highway Planning and Construction Cluster:
Highway Planning and Construction, CFDA 20.205
Recreational Trails Program, CFDA 20.219

Grant Award Number: Affects grant award number PR291-10-063 included under CFDA 20.205 on the Schedule of Expenditures of Federal Awards.

Criteria and Condition: OMB Circular A-133 prohibits non-Federal entities from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

We tested the County's procedures for entering into procurement contracts greater than \$25,000 for this program. The Public Works Department, who administers the grant identified above, relies on the County's Purchasing Department procedures for equipment contracts greater than \$25,000. Those procedures include obtaining a suspension and debarment certification from the entity or checking the Excluded Parties List System to verify that the contracted vendors are not suspended or debarred. Procurement procedures for the equipment purchase tested were performed by a separate governmental entity, and there was no evidence that the County performed procedures to verify the suspension and debarment status of the vendor.

Auditor's Recommendation: We recommend the County enhance procedures to verify the suspension and debarment status for vendors participating in all covered transactions.

Current Status: Corrective action has been taken. The department has performed a debarment/suspension check on all contractors and vendors for grant funded projects and purchases greater than \$25,000. The department ensures that all purchases and contracts utilizing grant funds are clearly identified in purchase requisitions. The Purchasing Department performs a debarment status check via www.epls.gov prior to contract execution and attaches the certificate electronically to the vendor's master file. Additionally, the department verifies that debarment/suspension lists are checked for all contracts and purchases greater than \$25,000 and retains a screen shot of the online epls.gov search results. The department was re-audited this month and received verbal confirmation that there were no findings.