

# DOUGLAS COUNTY, OREGON

## FEDERAL SINGLE AUDIT ACT AUDIT IN ACCORDANCE WITH OMB CIRCULAR A-133

Year Ended June 30, 2009

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON THE INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133

February 11, 2010

Board of Commissioners  
Douglas County, Oregon  
Roseburg, Oregon

Compliance

We have audited the compliance of Douglas County, Oregon with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Douglas County, Oregon's major federal programs are identified in the summary of audit 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 Douglas County, Oregon's management. Our responsibility is to express an opinion on Douglas County, Oregon's compliance based on our audit.

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 Douglas County, Oregon'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 Douglas County, Oregon's compliance with those requirements.

In our opinion, Douglas County, Oregon complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

## Internal Control Over Compliance

The management of Douglas County, Oregon 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 Douglas County, Oregon's internal control over compliance with the 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, 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 Douglas County, Oregon's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

## Schedule of Expenditures of Federal Awards

We have audited the financial statements of Douglas County, Oregon as of and for the year ended June 30, 2009, and have issued our report thereon dated December 21, 2009. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Commissioners, management 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.

*Kenneth Kuhns & Co.*

Kenneth Kuhns & Co.

DOUGLAS COUNTY, OREGON  
Schedule of Expenditures of Federal Awards  
for the year ended June 30, 2009

Grantor and Program Title	CFDA Number	Accrued or (Deferred) Revenue at July 1, 2008	Receipts	Disbursements/ Expenditures	Accrued or (Deferred) Revenue at June 30, 2009
<b><u>U.S. Department of Agriculture</u></b>					
Passed through Oregon Department of Education:					
Food Donations	10.unknown	\$ -	\$ 2,338	\$ 2,338	\$ -
School Breakfast Program	10.553	1,270	19,251	17,981	-
National School Lunch Program	10.555	2,290	35,071	32,781	-
Passed through Oregon Department of Human Services:					
Health Division:					
Supplemental Food Program for Women, Infants, & Children:	10.557	39,556	476,727	478,827	41,656
Passed through Oregon Executive Department:					
Secure Rural Schools and Community Self-Determination Act:					
Title I - Secure Payments		-	17,336,131	17,336,131	-
Title II - Special Projects		-	1,631,636	1,631,636	-
Title III - County Projects		(2,342,350)	1,427,681	936,205	(2,833,826)
Direct Programs					
Collaborative Forest Restoration	10.679	2,760	9,200	10,029	3,589
Community Facilities Loans and Grants	10.766	-	21,034	21,034	-
<b>Total U.S. Department of Agriculture</b>		<b>(2,296,474)</b>	<b>20,959,069</b>	<b>20,466,962</b>	<b>(2,788,581)</b>
<b><u>U.S. Department of Commerce-NOAA</u></b>					
Passed through Oregon Department of Land Conservation and Development:					
Coastal Zone Management Administration Awards	11.419	5,000	10,000	10,000	5,000
<b>Total U.S. Department of Commerce</b>		<b>5,000</b>	<b>10,000</b>	<b>10,000</b>	<b>5,000</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>					
Passed through Business Oregon					
Community Development Block Grants, State's Program	14.228	-	239,904	1,090,414	850,510
<b>Total U.S. Department of Housing and Urban Development</b>		<b>-</b>	<b>239,904</b>	<b>1,090,414</b>	<b>850,510</b>
<b><u>U.S. Department of the Interior</u></b>					
Direct programs:					
Secure Rural Schools and Community Self-Determination Act:					
Title I - Secure Payments		-	22,365,709	22,365,709	-
Title II - Special Projects		-	2,105,008	2,105,008	-
Title III - County Projects		(2,518,265)	1,841,882	706,719	(3,653,428)
Secure Rural Schools and Community Self-Determination Act:	15.234	2,160	2,160	11,980	11,980
Passed through Oregon State Marine Board:					
Clean Vessel Act-Us Fish and Wildlife	15.616	-	450	450	-
Passed through Oregon Parks and Recreation Department					
Historic Preservation Fund Grants-in-Aid	15.904	3,800	-	1,165	4,965
<b>Total U.S. Department of the Interior</b>		<b>(2,512,305)</b>	<b>26,315,209</b>	<b>25,191,031</b>	<b>(3,636,483)</b>

DOUGLAS COUNTY, OREGON  
Schedule of Expenditures of Federal Awards  
for the year ended June 30, 2009

<u>Grantor and Program Title</u>	<u>CFDA Number</u>	<u>Accrued or (Deferred) Revenue at July 1, 2008</u>	<u>Receipts</u>	<u>Disbursements/ Expenditures</u>	<u>Accrued or (Deferred) Revenue at June 30, 2009</u>
<b><u>U.S. Department of Justice</u></b>					
Direct Programs:					
State Criminal Alien Assistance Program	16.606	\$ -	\$ 15,711	\$ 31,411	\$ 15,700
Bullet Proof Vest Partnership Program	16.607	3,041	3,341	300	-
Public Safety Partnership & Community Policing Grants (COPS)	16.710	37,247	222,227	271,650	86,670
Passed through Oregon Secretary of State:					
Protection of Voting Rights (HAVA)	16.104	-	5,490	5,490	-
Passed through Oregon Department of Justice:					
Edward Byrne Memorial State & Local - Discretionary Grants	16.580	(65,000)	76,000	71,000	(70,000)
Crime Victim Assistance-VOCA Grant	16.575	8,603	38,465	47,093	17,231
HIDTA Grant	16.595	37,315	127,291	136,572	46,596
Passed through Oregon Commission on Children & Families:					
Juvenile Accountability Incentive Block Grant	16.523	2,500	5,000	7,500	5,000
Passed through Oregon State Police					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	-	28,262	41,740	13,478
<b>Total U.S. Department of Justice</b>		<b>23,706</b>	<b>521,787</b>	<b>612,756</b>	<b>114,675</b>
<b><u>U.S. Department of Transportation</u></b>					
Passed through Oregon State Sheriff's Association:					
State and Community Highway Safety	20.600	-	303	3,383	3,080
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	-	6,055	7,017	962
Safety Incentive Grants for Use of Seat Belts	20.604	-	2,467	2,467	-
Safety Incentive Grants to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	-	3,831	3,831	-
Child Safety and Child Booster Seats Incentive Grants	20.613	-	1,564	1,564	-
Passed through Oregon Department of Transportation					
Formula Grants for Other than Urbanized Areas	20.509	445,650	522,490	327,260	250,420
Capital Assist Program for Elderly Persons & Persons with Disabilities	20.513	12,162	24,802	21,703	9,063
Child Safety and Child Booster Seats Incentive Grants	20.613	-	3,000	3,000	-
<b>Total U.S. Department of Transportation</b>		<b>457,812</b>	<b>564,512</b>	<b>370,225</b>	<b>263,525</b>
<b><u>U.S. General Services Administration</u></b>					
Passed through Oregon Department of Administrative Services					
Disposal of Federal Surplus Real Property	39.002	-	5,254	5,254	-
Donation of Federal Surplus Property	39.003	-	210	210	-
<b>Total U.S. General Services Administration</b>		<b>-</b>	<b>5,464</b>	<b>5,464</b>	<b>-</b>
<b><u>U.S. Environmental Protection Agency</u></b>					
Passed through Oregon Department of Human Services:					
Health Services Division:					
State Public Water System Supervision	66.432	4,679	9,358	9,358	4,679
Capitalization Grants for Drinking Water State Revolving Funds	66.468	7,490	1,560	(5,930)	-
<b>Total U.S. Environmental Protection Agency</b>		<b>12,169</b>	<b>10,918</b>	<b>3,428</b>	<b>4,679</b>

DOUGLAS COUNTY, OREGON  
Schedule of Expenditures of Federal Awards  
for the year ended June 30, 2009

Grantor and Program Title	CFDA Number	Accrued or (Deferred) Revenue at July 1, 2008	Receipts	Disbursements/ Expenditures	Accrued or (Deferred) Revenue at June 30, 2009
<b><u>U.S. Dept. of Health and Human Resources</u></b>					
Direct Assistance					
Immunization Grants (Noncash assistance-vaccine)	93.268	\$ -	\$ 425,658	\$ 425,658	\$ -
Passed through Oregon Department Human Services:					
Senior and Disabled Services Division:					
Special Programs for Aging:					
Older American Act - Title VIIB	93.041	2,095	8,926	6,831	-
Older American Act - Title IIID	93.043	2,528	19,168	16,640	-
Older American Act - Title IIIB	93.044	-	141,922	166,822	24,900
Older American Act - Title IIIC1	93.045	-	153,111	159,054	5,943
Older American Act - Title IIIC2	93.045	8,583	126,043	125,015	7,555
National Family Caregiver Support	93.052	28,473	122,648	113,866	19,691
Nutrition Services Incentive Program	93.053	-	94,910	94,910	-
Health Services Division:					
Bioterrorism Preparedness & Response Program	93.069	-	105,377	126,146	20,769
Family Planning Services	93.217	5,355	60,473	60,802	5,684
Abstinence Education	93.235	8,121	25,454	21,724	4,391
Immunization Grants - Childhood Immunization Action Plan	93.268	-	425,658	425,658	-
Immunization Grants - Childhood Immunization Action Plan	93.778	143	143	-	-
Medical Assistance Program - Immunization	93.778	1,104	13,746	13,823	1,181
CDCP Investigation & Technical Assistance	93.283	14,316	14,316	-	-
National Bioterrorism Hospital Preparedness Program	93.889	24,916	169,649	158,046	13,313
HIV Care Formula Grants	93.917	7,819	66,294	66,677	8,202
HIV Prevention Activities	93.940	4,802	25,042	22,081	1,841
MCH Services Block Grant to States	93.994	12,396	58,471	50,808	4,733
Mental and Developmental Disability Services Division:					
Block Grants for Community Mental Health Services					
Community Treatment Services-Child & Adolescent	93.958	-	18,844	18,844	-
Non-residential Adult Services	93.958	-	89,752	89,752	-
Passed through Oregon Department of Justice:					
Child Support Enforcement - Title IV D	93.563	53,681	102,809	49,128	-
Foster Care - Title IV E	93.658	-	9,664	13,541	3,877
Passed through Oregon Commission on Children and Families:					
Child Care and Development Block Grant	93.575	3,358	4,745	36,376	34,989
Social Services Block Grant-Title XX-Youth Investment	93.667	54,343	81,559	187,911	160,695
Promoting Safe & Stable Families	93.556	2,121	2,121	47,732	47,732
Medical Assistance Program - Healthy Start	93.778	5,000	14,754	21,139	11,385
Passed through Oregon Association of Hospitals & Health Systems					
National Bioterrorism Hospital Preparedness Program	93.889	-	13,359	18,352	4,993
Passed through Oregon Health Sciences University-Child Development and Rehabilitation Center:					
MCH Services Block Grant to States	93.994	5,713	22,850	22,850	5,713
Passed through Health Care Coalition of Southern Oregon					
Healthy Start Eliminating Disparities Grant	93.926	35,527	214,777	170,882	(8,368)
<b>Total U.S. Department of Health and Human Services</b>		<b>280,394</b>	<b>2,632,243</b>	<b>2,731,068</b>	<b>379,219</b>

DOUGLAS COUNTY, OREGON  
Schedule of Expenditures of Federal Awards  
for the year ended June 30, 2009

<u>Grantor and Program Title</u>	<u>CFDA Number</u>	<u>Accrued or (Deferred) Revenue at July 1, 2008</u>	<u>Receipts</u>	<u>Disbursements/ Expenditures</u>	<u>Accrued or (Deferred) Revenue at June 30, 2009</u>
<b><u>Corporation for National Service</u></b>					
Direct programs:					
Retired and Senior Volunteer Program	94.002	\$ -	\$ 64,583	\$ 64,583	\$ -
Senior Companion Program	94.016	1,193	109,403	106,504	(1,706)
Foster Grandparent Program	94.011	(2,959)	100,740	98,250	(5,449)
<b>Total Corporation for National Service</b>		<b>(1,766)</b>	<b>274,726</b>	<b>269,337</b>	<b>(7,155)</b>
<b><u>Department of Homeland Security</u></b>					
Passed through Oregon Military Department:					
Oregon Emergency Management:					
Disaster Grants - Public Assistance	97.036	220,674	220,674	-	-
Emergency Management Performance Grants	97.042	17,021	74,658	78,070	20,433
State Homeland Security Program	97.073	14,272	20,908	30,439	23,803
State Homeland Security Program	97.074	-	19,129	12,349	(6,780)
<b>Total U.S. Department of Homeland Security</b>		<b>251,967</b>	<b>335,369</b>	<b>120,858</b>	<b>37,456</b>
<b>Total Federal Assistance</b>		<b>\$ (3,779,497)</b>	<b>\$ 51,869,201</b>	<b>\$ 50,871,543</b>	<b>\$ (4,777,155)</b>



## DOUGLAS COUNTY, OREGON

### Notes to Schedule of Expenditures of Federal Awards For the year ended June 30, 2009

#### 1. **Purpose of the Schedule:**

The accompanying schedule of expenditures of federal awards (the Schedule) is a supplementary schedule to Douglas County, Oregon's (the County) financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of the County, it is not intended to and does not present either the financial position or changes in net assets of the County.

#### 2. **Significant Accounting Policies:**

**Reporting Entity:** The reporting entity is fully described in Note 1 to the County's financial statements. The Schedule includes all federal financial assistance programs administered by the County for the year ended June 30, 2009.

**Basis of Presentation:** The information in the Schedule is presented in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**Federal Financial Assistance:** Pursuant to OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

**Major Program:** OMB Circular A-133 establishes a dollar limit and risk base criteria for selecting major federal programs. Using this criteria, the County has two Type A programs, of which one of the programs was selected for testing as a major program.

**Basis of Accounting:** The expenditures in the Schedule are recognized as incurred based on the accrual basis of accounting and the cost accounting principles contained in OMB Circular A-87, *Cost Principles for State and Local Governments*. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

**Matching Costs:** The Schedule does not include matching expenditures.

DOUGLAS COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

**A - Summary of Audit Results:**

1. The independent auditor's report expresses an unqualified opinion on the financial statements of Douglas County, Oregon.
2. There were no significant deficiencies in internal control over financial reporting reported during the audit of the financial statements of Douglas County, Oregon.
3. No instances of noncompliance material to the financial statements of Douglas County, Oregon were disclosed during the audit.
4. There were no significant deficiencies in internal control over compliance reported during the audit of the major federal award programs of Douglas County, Oregon.
5. The independent auditor's report on compliance for the major federal award programs of Douglas County, Oregon expresses an unqualified opinion.
6. No findings relative to the major federal award programs of Douglas County, Oregon are reported in this schedule.
7. The programs tested as major programs included the following programs:

<u>Program Name</u>	<u>CFDA Number</u>
U.S. Department of Agriculture, Secure Rural Schools and Community Self-Determination Act of 2000	10.unknown

8. The threshold for distinguishing Type A programs from Type B programs was \$1,526,000.
9. Douglas County, Oregon was determined to be a low-risk auditee.

**B - Findings, Financial Statements Audit:**

None.

**C - Findings and Questioned Costs, Major Federal Award Programs Audit:**

None.