



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

February 11, 2014

To the Board of Commissioners of Coos County:

Report on Compliance for Each Major Federal Program

We have audited Coos County'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 its major federal programs for the year ended June 30, 2013. Coos County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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 Coos County'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 Coos County'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 on Coos County's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

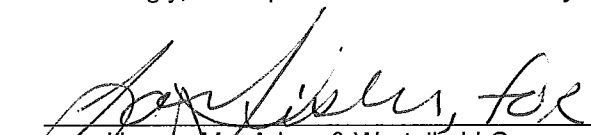
Management of Coos County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Coos County's internal control over compliance with types of requirements that could have a direct and material effect on a major federal program to determine our auditing procedures that are appropriate in the circumstances 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 the County'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 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.

Purpose of this Report

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.



Hough, MacAdam & Wartnik, LLC
Certified Public Accountants

COOS COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013

SECTION I SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued	_____	Qualified	_____	<u>X</u>	Unqualified
Internal control of financial reporting:					
Material weakness(es) identified?	_____	Yes	_____	<u>X</u>	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____	Yes	_____	<u>X</u>	No
Noncompliance material to financial statements noted?	_____	Yes	_____	<u>X</u>	No

Federal Awards:

Internal control over major programs:					
Any material weaknesses identified?	_____	Yes	_____	<u>X</u>	No
Any significant deficiencies identified not considered to be material weaknesses?	_____	Yes	_____	<u>X</u>	None reported
Type of auditor's report issued on compliance for major programs	_____	Qualified	_____	<u>X</u>	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of Circular A-133?	_____	Yes	_____	<u>X</u>	No

Identification of major programs:

Distribution of Receipts to State and Local Governments	CFDA#	15.227			
Payments in Lieu of Taxes	CFDA#	15.226			
ARRA - Public Safety Partnership and Community Policing Grants	CFDA#	16.710			
Dollar threshold used to distinguish between type A and type B programs	\$	<u>300,000</u>			
Auditee qualified as low-risk auditee?	_____	Yes	_____	<u>X</u>	No

SECTION II FINDINGS - FINANCIAL STATEMENT FINDINGS

None

SECTION III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

COOS COUNTY, OREGON
SUMMARY OF PRIOR AUDIT FINDINGS RELATED TO FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2013

Questioned Costs:

There were no questioned costs for the year ended June 30, 2012.

Findings:

There were no findings for the year ended June 30, 2012.

COOS COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
U.S. Department of Agriculture		
Forest Service - Schools and Roads--Grants to States	10.665	\$ 72,199
<i>Passed through Oregon Health Authority:</i>		
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	300,742
WIC Grants To States (WGS)	10.578	18,668
<i>Passed through State of Oregon Department of Administrative Services:</i>		
Forest Service - Schools and Roads--Grants to States	10.665	<u>299,440</u>
Subtotal U.S. Department of Agriculture		<u>691,049</u>
U.S. Department of Commerce		
<i>Passed through State of Oregon Department of Land Conservation and Development:</i>		
Coastal Zone Management Administration Awards	11.419	<u>42,150</u>
Subtotal U.S. Department of Commerce		<u>42,150</u>
U.S. Department of Interior		
National Wildlife Refuge Fund	15.659	19,022
Payments in Lieu of Taxes	15.226	* 378,821
Distribution of Receipts to State and Local Governments	15.227	* 2,594,095
Secure Rural Schools and Community Self-Determination	15.234	97,956
<i>Passed through State of Oregon Marine Board</i>		
Clean Vessel Act	15.616	<u>14,000</u>
Subtotal U.S. Department of Interior		<u>3,103,894</u>
U.S. Department of Justice		
State Criminal Alien Assistance Program	16.606	2,582
Bulletproof Vest Partnership Program	16.607	1,100
AARA - Public Safety Partnership and Community Policing Grants	16.710	* 278,300
Congressionally Recommended Awards	16.753	9,772
<i>Passed through State of Oregon Commission on Children & Families:</i>		
Juvenile Accountability Block Grants	16.523	7,090
<i>Passed through Oregon Criminal Justice Commission:</i>		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	36,790
<i>Passed through State of Oregon Department of Justice:</i>		
Crime Victim Assistance	16.575	32,138
ARRA - Violence Against Women Formula Grants	16.588	39,375
<i>Passed through Coquille Indian Tribe:</i>		
ARRA - Public Safety Partnership and Community Policing Grants	16.710	* <u>228,238</u>
Subtotal U.S. Department of Justice		<u>635,385</u>
U.S. Department of Transportation		
<i>Passed through State of Oregon Department of Transportation:</i>		
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	211,880
Formula Grants for Rural Areas	20.509	<u>223,832</u>
Subtotal U.S. Department of Transportation		<u>435,712</u>

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
General Services Administration		
<i>Passed through State of Oregon Department of Administrative Services:</i>		
Disposal of Federal Surplus Real Property	39.002	** \$ 326
Donation of Federal Surplus Personal Property	39.003	** 94
Subtotal General Services Administration		<u>420</u>
Environmental Protection Agency		
<i>Passed through Oregon Health Authority:</i>		
ARRA Capitalization Grants for Drinking Water State Revolving Funds	66.468	9,275
State Public Water System Supervision	66.432	9,340
Subtotal Environmental Protection Agency		<u>18,615</u>
U.S. Department of Health and Human Services		
Drug-Free Communities Support Program Grants	93.276	98,429
<i>Passed through Oregon Health Authority:</i>		
Public Health Emergency Preparedness	93.069	99,334
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	819
Family Planning Services	93.217	25,961
PPHF 2012-Prevention & Public Health Fund (Affordable Care Act) - Capacity Building		
Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by 2012 Prevention and Public Health Funds	93.539	40,469
National Bioterrorism Hospital Preparedness Program	93.889	23,167
Block Grants for Community Mental Health Services	93.958	31,950
Block Grants for Prevention and Treatment of Substance Abuse	93.959	117,516
Maternal and Child Health Services Block Grant to the States	93.994	44,030
<i>Passed through Oregon Health & Science University:</i>		
Maternal and Child Health Services Block Grant to the States	93.994	12,631
<i>Passed through State of Oregon Department of Justice:</i>		
Child Support Enforcement	93.563	102,823
AARA Foster Care Title IV-E	93.658	16,381
<i>Passed through State of Oregon Commission on Children & Families:</i>		
Promoting Safe and Stable Families	93.556	21,341
ARRA Foster Care Title IV-E	93.658	12,000
Social Services Block Grant	93.667	59,788
Medical Assistance Program	93.778	5,833
Subtotal U.S. Department of Health and Human Services		<u>712,472</u>
U.S. Department of Homeland Security		
<i>Passed through Oregon Military Department:</i>		
Emergency Management Performance Grants	97.042	61,678
State Homeland Security Program (SHSP)	97.073	28,810
Subtotal U.S. Department of Homeland Security		<u>90,488</u>
Total Federal Assistance		<u>\$ 5,730,185</u>

* Indicates a major program

** Indicates non-cash assistance

COOS COUNTY, OREGON
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2013

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Coos County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2. Amounts provided to Subrecipients

The following federal award amounts were passed through to local subrecipients:

U.S. Department of Agriculture

Passed through to Local School Districts:

Forest Service - Schools and Roads - Grants to States	10.665	74,860
---	--------	--------

U.S. Department of Transportation

Passed through to Coos County Area Transit Service District

Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	211,880
Formula Grants for Rural Areas	20.509	223,832

U.S. Department of Health and Human Services

Passed through to Local School Districts:

Promoting Safe and Stable Families	93.556	15,926
ARRA - Foster Care Title IV-E	93.658	2,648
Social Services Block Grant	93.667	57,924

Passed through to Adapt:

Block Grants for Prevention and Treatment of Substance Abuse	93.959	107,235
--	--------	---------