

**COUNTY OF NEVADA,  
CALIFORNIA**



**SINGLE AUDIT ACT  
REPORTS AND SCHEDULES  
FOR THE YEAR ENDED  
JUNE 30, 2013**

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**COUNTY OF NEVADA**  
**Single Audit Act**  
**For the Year Ended June 30, 2013**

**Table of Contents**

	Page
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. ....	1-2
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. ....	3-5
Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2013. ....	6-10
Notes to Schedule of Expenditures of Federal Awards.....	11-14
Schedule of Findings and Questioned Costs. ....	15-21
Schedule of Prior Year Findings and Questioned Costs. ....	22
Supplemental Statements of Revenue and Expenditure. ....	23-29

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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**

Board of Supervisors and the Grand Jury  
County of Nevada  
Nevada City, California

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, each major fund, and the aggregate remaining fund information of the County of Nevada, California, (County) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 20, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weaknesses. (13-FS-01)

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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.

### **County's Response to Findings**

The County of Nevada's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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 Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Smith & Newell CPAs  
Yuba City, California  
December 20, 2013

**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**

Board of Supervisors and the Grand Jury  
County of Nevada  
Nevada City, California

**Report on Compliance for Each Major Federal Program**

We have audited the County of Nevada, California's (County) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2013. The 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 the 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 the 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 of the County's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the County 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.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 13-SA-01, 13-SA-02 and 13-SA-03. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Report on Internal Control Over Compliance**

Management of the 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 of compliance, we considered the County'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 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.

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.

Board of Supervisors and the Grand Jury  
County of Nevada  
Nevada City, California

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County of Nevada, California, (County) as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 20, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

  
Smith & Newell, CPAs  
Yuba City, California  
December 20, 2013

**COUNTY OF NEVADA**  
**Schedule of Expenditure of Federal Awards**  
**For the Year Ended June 30, 2013**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
Direct Program:			
Rural Housing Preservation Grants	10.433	-	\$ 68,723
Rural Housing Preservation Grants	10.433	-	<u>21,580</u>
<b>Subtotal 10.433</b>			<u>90,303</u>
Passed through State Department of Education:			
School Breakfast Program	10.553	02022	8,961
National School Lunch Program	10.555	02022	16,848
Passed through State Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	11-10755	170,576
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CEC-29-2012	<u>1,301,473</u>
<b>Subtotal 10.561</b>			<u>1,472,049</u>
Passed through State Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	11-10476	699,742
Passed through State Controller's Office:			
Schools and Roads - Grants to States	10.665	110235A	<u>204,619</u>
<b>Total U.S. Department of Agriculture</b>			<u>2,492,522</u>
<b>U.S. Department of Housing and Urban Development</b>			
Passed through State Department of Housing and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	09 STBG 6413	491,651
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Outstanding Loans	<u>1,577,097</u>
<b>Subtotal 14.228</b>			<u>2,068,748</u>
Home Investment Partnerships Program	14.239	11-HOME-7667	232,700
Home Investment Partnerships Program	14.239	Outstanding Loans	<u>2,416,224</u>
<b>Subtotal 14.239</b>			<u>2,648,924</u>
Supportive Housing Program	14.235	CA1093BT151100	5,274
Shelter Plus Care	14.238	CA0978C9T151000	15,109
Housing Opportunities for Persons with AIDS	14.241	10-10140	29,912
Rural Housing and Economic Development	14.250	Outstanding Loans	<u>316,766</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>5,084,733</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF NEVADA**  
**Schedule of Expenditure of Federal Awards**  
**For the Year Ended June 30, 2013**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor Number	Federal Expenditures
<b>U.S. Department of the Interior</b>			
Direct Program:			
Payments in Lieu of Taxes	15.226	-	\$ 277,934
<b>Total U.S. Department of the Interior</b>			<u>277,934</u>
<b>U.S. Department of Justice</b>			
Direct Program:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	-	11,915
Passed through Board of State and Community Corrections:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 616-12	48,164
Passed through State Emergency Management Agency:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DC 1122 0290	6,990
Crime Victim Assistance	16.575	UV 1203 0290	38,480
Crime Victim Assistance	16.575	VW 1226 0290	53,565
<b>Subtotal 16.575</b>			<u>92,045</u>
Passed through State Drug Enforcement Agency:			
Drug Court Discretionary Grant Program	16.001	2012-34	41,517
Drug Court Discretionary Grant Program	16.001	2013-37	974
<b>Subtotal 16.001</b>			<u>42,491</u>
<b>Total U.S. Department of Justice</b>			<u>201,605</u>
<b>U.S. Department of Transportation</b>			
Passed through Federal Aviation Administration:			
Airport Improvement Program	20.106	AIP 3-06-0095-13	3,279
Airport Improvement Program	20.106	AIP 3-06-0095-15	562,892
<b>Subtotal 20.106</b>			<u>566,171</u>
Passed through State Department of Transportation:			
Federal Transit - Capital Investment Grants	20.500	646904	272,103
Formula Grants for Other Than Urbanized Areas	20.509	None	325,365
Formula Grants for Other Than Urbanized Areas	20.516	649868	6,894
Highway Planning and Construction	20.205	BHLO-5917(040)	294,762
Highway Planning and Construction	20.205	BRLO-5917(045)	59,246
Highway Planning and Construction	20.205	BRLO-5917(069)	18,363
Highway Planning and Construction	20.205	BRLOZA-5917(031)	100,718
Highway Planning and Construction	20.205	CML-5917(070)	114,347
Highway Planning and Construction	20.205	HRRRL-5917(075)	10,900
<b>Subtotal 20.205</b>			<u>598,336</u>
<b>Total U.S. Department of Transportation</b>			<u>1,768,869</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF NEVADA**  
**Schedule of Expenditure of Federal Awards**  
**For the Year Ended June 30, 2013**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Health and Human Services</b>			
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	CEC-29-2013	\$ 52,202
Community-Based Child Abuse Prevention Grants	93.590	None	30,543
Stephanie Tubbs Jones Child Welfare Services Program	93.645	CEC-29-2013	28,622
Social Services Block Grant	93.667	CEC-29-2013	281,911
Chafee Foster Care Independence Program	93.674	CEC-29-2013	34,028
Temporary Assistance for Needy Families	93.558	CEC-29-2013	2,595,884
Temporary Assistance for Needy Families	93.558	800-29-2013	1,141,017
<b>Subtotal 93.558</b>			<u>3,736,901</u>
Foster Care - Title IV-E	93.658	CEC-29-2013	668,011
Foster Care - Title IV-E	93.658	800-29-2013	700,220
<b>Subtotal 93.658</b>			<u>1,368,231</u>
Adoption Assistance	93.659	CEC-29-2013	4,357
Adoption Assistance	93.659	800-29-2013	793,444
<b>Subtotal 93.659</b>			<u>797,801</u>
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563	Sierra-Nevada	1,784,594
Passed through State Department of Aging:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	78-09-29-13	45,078
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	78-09-29-13 OTO	2,169
<b>Subtotal 93.044</b>			<u>47,247</u>
Passed through State Department of Health Services:			
Public Health Emergency Preparedness	93.069	EPO 12-29	129,217
Childhood Lead Poisoning Prevention Projects - State and Local			
Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	11-10402	16,185
Immunization Cooperative Agreements	93.268	11-10598	35,153
The Affordable Care Act: Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	2011-101209	9,683
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	201129	618,953
National Bioterrorism Hospital Preparedness Program	93.889	EPO 12-29	85,264
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	D04RH23569	196,511
HIV Care Formula Grants	93.917	10-95276	38,727
Maternal and Child Health Services Block Grant to the States	93.994	201129	111,235

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF NEVADA**  
**Schedule of Expenditure of Federal Awards**  
**For the Year Ended June 30, 2013**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Health and Human Services (Continued)</b>			
Passed through State Department of Health Services: (Continued)			
Medical Assistance Program	93.778	09-86032	\$ 72,359
Medical Assistance Program	93.778	10-NNA29	128,661
Medical Assistance Program	93.778	CHDP	124,338
Medical Assistance Program	93.778	CCS	176,384
Medical Assistance Program	93.778	HCPCFC	61,738
Medical Assistance Program	93.778	IHSS	188,089
<b>Subtotal 93.778</b>			<u>751,569</u>
Passed through State Department of Mental Health Services:			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	C292908	12,500
Block Grants for Community Mental Health Services	93.958	C292908	92,450
Passed through State Department of Alcohol and Drug Programs:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	10-NNA29	651,895
Passed through California Family Health Council, Inc.:			
Family Planning - Services	93.217	9903-5320-71209-12	44,197
Family Planning - Services	93.217	9903-5320-71209-13	35,246
<b>Subtotal 93.217</b>			<u>79,443</u>
Passed through State Department of Community Services and Development:			
Low-Income Home Energy Assistance	93.568	11B-5726	307,311
Low-Income Home Energy Assistance	93.568	12B-5825	415,341
Low-Income Home Energy Assistance	93.568	13B-5025	174,497
<b>Subtotal 93.568</b>			<u>897,149</u>
ARRA - Community Services Block Grant	93.569	12F-4429	129,048
Community Services Block Grant	93.569	13F-3029	102,223
<b>Subtotal 93.569</b>			<u>231,271</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>12,119,285</u>
<b>U.S. Department of Homeland Security</b>			
Passed through State Office of Emergency Services:			
Emergency Management Performance Grants	97.042	2012-0027	145,072

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF NEVADA**  
**Schedule of Expenditure of Federal Awards**  
**For the Year Ended June 30, 2013**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Homeland Security (Continued)</b>			
Passed through State Office of Emergency Services: (Continued)			
Homeland Security Grant Program	97.067	2010-0085	\$ 81,823
Homeland Security Grant Program	97.067	2011-0077	62,315
Homeland Security Grant Program	97.067	2012-00123	<u>76,923</u>
<b>Subtotal 97.067</b>			<u>221,061</u>
<b>Total U.S. Department of Homeland Security</b>			<u>366,133</u>
<b>Total</b>			<u><u>\$ 22,311,081</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF NEVADA**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2013**

**1. REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Nevada. The County of Nevada reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the Schedule of Expenditures of Federal Awards.

**2. BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. The accompanying Schedule of Expenditures of Federal Awards, is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in the notes to the County financial statements. In addition, the outstanding balance of prior year's loans that have significant continuing compliance requirements have been included in total federal expenditures.

**3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the related federal financial assistance reports.

**4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the County's basic financial statements.

**5. PASS -THROUGH ENTITIES' IDENTIFYING NUMBER**

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

**6. AMERICAN RECOVERY AND REINVESTMENT ACT EXPENDITURES**

In accordance with requirements under OMB Circular A-133, expenditures for federal awards under the American Recovery and Reinvestment Act of 2009 (ARRA) are separately identified by inclusion of the prefix "ARRA" on the Schedule of Expenditures of Federal Awards.

**COUNTY OF NEVADA**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2013**

**7. LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS**

The County participates in certain federal award programs that sponsor revolving loan programs, which are administered by the County. These programs require servicing arrangements with the County. The funds are returned to the programs upon repayment of the principal and interest. In accordance with Subpart B, Section 205 of the U.S. Office of Management and Budget Circular A-133, the County has reported the outstanding balance of loans from previous years that have significant continuing compliance requirements as of June 30, 2013, along with the value of total outstanding and new loans made during the current year.

The programs listed below had the following aggregate, federally funded loans outstanding at June 30, 2013:

Federal CFDA	Program Title	Amount Outstanding	
		July 1, 2012	June 30, 2013
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	\$ 1,577,097	\$ 1,506,779
14.239	Home Investment Partnerships Program	2,416,224	2,347,570
14.250	Rural Housing and Economic Development	316,766	281,257
	Total Loans Outstanding	<u>\$ 4,310,087</u>	<u>\$ 4,135,606</u>

**8. SUBRECIPIENTS**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County of Nevada provided federal awards to subrecipients as follows:

Federal CFDA	Subrecipient	Amount
93.556	Child Advocates	\$ 12,235
93.556	Nevada County Behavioral Health	15,000
93.556	Community Recovery Resource	12,000
93.558	Sierra Nevada Children's Services	379,958
93.569	Foothill House of Hospitality	27,340
93.569	Child Advocates	16,518
93.569	Victor Community Support Services	44,997
93.590	Child Advocates	21,101
93.674	Nevada County Superintendent of Schools	34,028
	Total	<u>\$ 563,177</u>

**COUNTY OF NEVADA**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2013**

**9. PROGRAM CLUSTERS**

Federal programs, which must be audited together as a program cluster, include the following:

Federal CFDA	Program Title	Federal Expenditures
<u>Child Nutrition Cluster</u>		
10.553	School Breakfast Program	\$ 8,961
10.555	National School Lunch Program	16,848
Total		<u>\$ 25,809</u>

**10. CALIFORNIA DEPARTMENT OF AGING (CDA) REPORTING REQUIREMENTS**

The terms and conditions of contracts with CDA require agencies to display state-funded expenditures discretely along with the related federal expenditures. The following schedule is presented to comply with these requirements.

<u>CFDA</u>	Federal Expenditures	State Expenditures
93.044	\$ 47,247	\$ -
Total	<u>\$ 47,247</u>	<u>\$ -</u>

**11. CALIFORNIA EMERGENCY MANAGEMENT AGENCY GRANT EXPENDITURES**

The following schedule represents expenditures for U.S. Department of Justice grants passed through the State of California, Emergency Management Agency (CalEMA), as well as CalEMA funded grant expenditures for the year ended June 30, 2013. This information is included in the County's single audit report at the request of CalEMA.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2012	For the Year Through June 30, 2013	Cumulative As of June 30, 2013	Federal Share	State Share	County Share
<u>DC11220290 - Anti-Drug Enforcement</u>						
Personal services	\$ 78,062	\$ -	\$ 78,062	\$ -	\$ -	\$ -
Operating expenses	35,544	6,990	42,534	6,990	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ 113,606</u>	<u>\$ 6,990</u>	<u>\$ 120,596</u>	<u>\$ 6,990</u>	<u>\$ -</u>	<u>\$ -</u>
<u>UV12030290 - Unserved/Underserved Victim Advocacy and Outreach Program</u>						
Personal services	\$ -	\$ 38,009	\$ 38,009	\$ 26,410	\$ -	\$ 11,599
Operating expenses	-	12,070	12,070	12,070	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 50,079</u>	<u>\$ 50,079</u>	<u>\$ 38,480</u>	<u>\$ -</u>	<u>\$ 11,599</u>

**COUNTY OF NEVADA**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2013**

**11. CALIFORNIA EMERGENCY MANAGEMENT AGENCY GRANT EXPENDITURES**  
**(CONTINUED)**

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2012	For the Year Through June 30, 2013	Cumulative As of June 30, 2013	Federal Share	State Share	County Share
<u>VW12260290 - Victim Witness Assistance</u>						
Personal services	\$ -	\$ 121,939	\$ 121,939	\$ 53,565	\$ 68,374	\$ -
Operating expenses	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 121,939</u>	<u>\$ 121,939</u>	<u>\$ 53,565</u>	<u>\$ 68,374</u>	<u>\$ -</u>

**COUNTY OF NEVADA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2013**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

<b>Financial Statements</b>	<b><u>Status</u></b>
1. Type of auditor's report issued	Unqualified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	Yes
b. Significant deficiencies identified not considered to be material weaknesses?	No
3. Noncompliance material to financial statements noted?	No

**Federal Awards**

1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
2. Type of auditor's report issued on compliance for major programs:	Unqualified
3. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 Section 510(a)?	Yes
4. Identification of major programs:	
14.239 Home Investment Partnerships Program	
93.505 Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	
93.558 Temporary Assistance for Needy Families	
93.568 Low-Income Home Energy Assistance	
93.658 Foster Care - Title IV-E	
93.659 Adoption Assistance	
5. Dollar threshold used to distinguish between Type A and Type B programs?	\$669,332
6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530?	Yes

**SECTION III - FINANCIAL STATEMENT FINDINGS**

Capital Assets	13-FS-01
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**SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

14.239 Home Investment Partnerships Program	13-SA-01
93.659 Foster Care - Title IV-E	13-SA-02
93.658 Foster Care - Title IV-E	13-SA-03

**COUNTY OF NEVADA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2013**

**13-FS-01 Capital Assets (Material Weakness)**

**Condition**

During our audit we noted that the County had adjusted capital assets for land and infrastructure that was disposed in a prior year and easements that were acquired in a prior year for a net prior period adjustment of \$2,084,770.

**Cause**

The County did not record the land and infrastructure disposals on the capital assets schedules in the year of disposal and did not record the easements in the year of acquisition.

**Criteria**

Good internal control requires that capital assets acquisitions and disposals be properly documented and that acquired assets be added to the capital assets schedule at the date of acquisition and disposed assets be removed from the capital assets schedule at the date of disposition.

**Effect of Condition**

Capital assets were overstated and a prior period adjustment was required to correct the balance.

**Recommendation**

We recommend that the County review the capital assets schedules to ensure that all acquisitions and dispositions are included.

**Corrective Action Plan**

The Road department performed a complete inventory of the County owned road segments utilizing more accurate measurement techniques. Since the original valuation of the roads was determined based on square footage, the valuations were revised to reflect the revised square footage.

**COUNTY OF NEVADA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2013**

**13-SA-01**

**Name:** Home Investment Partnerships Program  
**CFDA #:** 14.239  
**Federal Grantor:** U.S. Department of Housing and Urban Development  
**Pass Through Entity:** State Department of Housing and Community Development  
**Award No.:** Various  
**Year:** 2012/2013

**Condition**

During our audit of HOME loans receivable files, we noted that documentation of homeowner's insurance was missing from four of the ten files tested.

**Perspective**

Monitoring of compliance with loan provisions was inadequate.

**Criteria**

The loan promissory note requires that loan recipients maintain homeowner's insurance on the property acquired with loan funds.

**Effect of Condition**

The County was not verifying that loan recipients were maintaining homeowner's insurance as required in the loan promissory note.

**Questioned Costs**

No costs are questioned. All ten loan recipients were eligible to receive HOME loans. The problem was that the County was not verifying compliance with the requirements of the promissory note.

**Recommendation**

We recommend that County verify that all HOME loan recipients have the required homeowner's insurance and maintain documentation on an annual basis.

**Corrective Action Plan**

HHSA plans on assigning the task of following up to document homeowner's insurance as a routine assignment for a HHSA fiscal staff member to be completed no later than May 31, 2014; and subsequently on an annual basis.

**COUNTY OF NEVADA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2013**

**13-SA-02**

<b>Name:</b>	<b>Foster Care - Title IV-E</b>
<b>CFDA #:</b>	<b>93.658</b>
<b>Federal Grantor:</b>	<b>U.S. Department of Health and Human Services</b>
<b>Pass Through Entity:</b>	<b>State Department of Social Services</b>
<b>Award No.:</b>	<b>Various</b>
<b>Year:</b>	<b>2012/2013</b>

**Condition**

Federal eligibility requires that the determination of the child's eligibility for foster care be documented in the case record on the Determination of Federal AFDC-FC Eligibility form (FC 3). The County does document eligibility on the FC 3 by completion of the form. However, a signature is required on the FC 3. The Eligibility Worker must sign the FC 3 and check the appropriate box, which indicates recipient's eligibility or non-eligibility.

On one of twenty-five cases tested, the FC 3 was completed but not signed by the Eligibility Worker.

**Perspective**

Appropriate training or review procedures concerning required forms completion was inadequate.

**Criteria**

The County is not in compliance with Federal eligibility requirements for the Foster Care - Title IV-E program.

**Effect of Condition**

When the FC 3 is not available for review or signed by the Eligibility Worker and/or the federal eligibility or non-eligibility box is not marked, the likelihood of errors in eligibility determination increase.

**Questioned Costs**

No costs are questioned. The one case was eligible for Federal Foster Care. The problem was that their eligibility was not properly documented, as required, on the FC 3.

**Recommendation**

We recommend that County require that the FC 3's be signed by the Eligibility Worker and that this person check the appropriate box showing determination of the recipient eligibility on the bottom of this form. We also recommend that the County incorporate into their review process procedures to ensure that the FC 3's are properly completed and executed.

**COUNTY OF NEVADA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2013**

**13-SA-02 (Continued)**

**Corrective Action Plan**

The following steps are being taken to ensure that these errors are not repeated:

1. The FC and AAP cases have been reassigned to new eligibility staff as of 7/8/13. One EWIII and one EWII are now responsible for administering this caseload. The Eligibility Supervisor has provided training to these workers on 7/8/13 regarding the regulations and policies regarding the use of the FC-3 form.
2. A checklist tool has been updated and is designed to avoid errors of omission. Both EWs have been instructed on 7/8/13 to complete this checklist on every new case.
3. As of 7/9/13, EWs are reviewing the existing caseload to 1) ensure completion of the FC-2 and FC-3 and 2) ensure a checklist has been completed on every active case. On a flow basis, EWs are submitting the completed checklists to the Supervisor who will then move these cases into caseloads that have been designated only for cases that have been reviewed.
4. On an ongoing basis, the EWs will bring all new FC and AAP cases to the Eligibility Supervisor for review upon completion and prior to scanning/indexing. Supervisor will run a monthly C-IV caseload report to identify all new cases to ensure EWs are bringing the cases to her for review.
5. By 12/30/13, the Eligibility Supervisor will create a password protected network database of all checklists of active and pending cases.

**COUNTY OF NEVADA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2013**

**13-SA-03**

**Name:** Foster Care - Title IV-E  
**CFDA #:** 93.658  
**Federal Grantor:** U.S. Department of Health and Human Services  
**Pass Through Entity:** State Department of Social Services  
**Award No.:** Various  
**Year:** 2012/2013

**Condition**

According to Federal eligibility guidelines, CSWs must review for accuracy, annotate, as needed, and sign the FC-2, Statement of Facts Supporting Eligibility for AFDC Foster Care (FC), in order to ensure AFDC-FC reimbursement. The CSW must also sign the SOC 158A certifying the AFDC-FC information on the FC-2 form. Both forms are to be signed at the time of initial placement, at the annual redetermination, and when there is a change in authority for placement. A child is ineligible for Federal AFDC-FC funding until these forms are completed and signed by the CSW.

The County does document eligibility on the FC-2 by the completion of the form, which is signed by the Placement Worker. However, the Eligibility Worker must also sign the FC-2 and check the appropriate box, which indicates foster care case eligibility or non-eligibility. On four of thirty-one cases tested, the FC-2s were completed but not signed by the Eligibility Worker and the Federal Eligibility box was not checked to indicate the case was eligible for Federal Foster Care.

**Perspective**

Appropriate training or review procedures concerning required forms completion was inadequate.

**Criteria**

The County is not in compliance with federal eligibility guidelines.

**Effect of Condition**

When the FC-2 is not signed by the Eligibility Worker and/or the federal eligibility on non-eligibility box is not marked, the likelihood of errors in eligibility determination increase.

**Questioned Costs**

No costs are questioned. The four cases were eligible for Federal Foster Care. The problem was that their eligibility was not properly documented, as required, on the FC-2.

**Recommendation**

We recommend that the County require that the FC-2's be signed by the Eligibility Worker and that this person check the appropriate box showing determination of eligibility on this form. We also recommend that the County incorporate into their review process procedures to ensure that the FC-2's are properly completed and executed.

**COUNTY OF NEVADA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2013**

**13-SA-03 (Continued)**

**Corrective Action Plan**

The following steps are being taken to ensure that these errors are not repeated:

1. The FC and AAP cases have been reassigned to new eligibility staff as of 7/8/13. One EWIII and one EWII are now responsible for administering this caseload. The Eligibility Supervisor has provided training to these workers on 7/8/13 regarding the regulations and policies regarding the use of the FC-3 form.
2. A checklist tool has been updated and is designed to avoid errors of omission. Both EWs have been instructed on 7/8/13 to complete this checklist on every new case.
3. As of 7/9/13, EWs are reviewing the existing caseload to 1) ensure completion of the FC-2 and FC-3 and 2) ensure a checklist has been completed on every active case. On a flow basis, EWs are submitting the completed checklists to the Supervisor who will then move these cases into caseloads that have been designated only for cases that have been reviewed.
4. On an ongoing basis, the EWs will bring all new FC and AAP cases to the Eligibility Supervisor for review upon completion and prior to scanning/indexing. Supervisor will run a monthly C-IV caseload report to identify all new cases to ensure EWs are bringing the cases to her for review.
5. By 12/30/13, the Eligibility Supervisor will create a password protected network database of all checklists of active and pending cases.

**COUNTY OF NEVADA**  
**Schedule of Prior Year Findings and Questioned Costs**  
**For the Year Ended June 30, 2013**

<u>Audit Reference</u>	<u>Status of Prior Year Audit Recommendation</u>
<b>12-SA-01</b>	<p><b>Adoption Assistance</b></p> <p><b>Recommendation</b></p> <p>We recommend that County require that the AAP-4s be signed by the “Authorized Official of County Welfare Department” (County eligibility staff) and that this person check the appropriate box showing determination of FFP eligibility on the bottom of this form. We also recommend that the County incorporate into their review process procedures to ensure that the AAP-4s are properly completed and executed.</p> <p><b>Status</b></p> <p>Implemented</p>
<b>12-SA-02</b>	<p><b>Foster Care - Title IV-E</b></p> <p><b>Recommendation</b></p> <p>We recommend that County require that the FC 3's be signed by the Eligibility Worker and that this person check the appropriate box showing determination of the recipient eligibility on the bottom of this form. We also recommend that the County incorporate into their review process procedures to ensure that the FC 3's are properly completed and executed.</p> <p><b>Status</b></p> <p>Not Implemented</p>

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**Supplemental Statements of Revenue and  
Expenditures Passed Through State  
Department of Community Services and  
Development**

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**COUNTY OF NEVADA**  
**Supplemental Statement of Revenue and Expenditure**  
**CSD Contract No. 11B-5726 (WX) (LIHEAP)**  
**For the Period January 1, 2011 Through June 30, 2013**

	<u>January 1 through June 30, 2011</u>	<u>July 1, 2011 through June 30, 2012</u>	<u>July 1, 2012 through June 30, 2013</u>	<u>Totals</u>
<u>Revenue</u>				
Grant revenue	\$ 83,931	\$ 48,661	\$ 202,688	\$ 335,280
Total Revenue	<u>\$ 83,931</u>	<u>\$ 48,661</u>	<u>\$ 202,688</u>	<u>\$ 335,280</u>
<u>Expenditures</u>				
Administrative costs	\$ 2,538	\$ 5,116	\$ 19,170	\$ 26,824
Program Costs:				
Intake	1,393	1,279	4,034	6,706
Outreach	-	4,198	12,567	16,765
Training and technical assistance	-	3,198	13,567	16,765
Direct program activities	-	33,117	235,103	268,220
Total Program Costs	<u>1,393</u>	<u>41,792</u>	<u>265,271</u>	<u>308,456</u>
Total Expenditures	<u>\$ 3,931</u>	<u>\$ 46,908</u>	<u>\$ 284,441</u>	<u>\$ 335,280</u>

**COUNTY OF NEVADA**  
**Supplemental Statement of Revenue and Expenditure**  
**CSD Contract No. 11B-5726 (ECIP/HEAP)**  
**For the Period January 1, 2011 Through June 30, 2013**

	<u>January 1 through June 30, 2011</u>	<u>July 1, 2011 through June 30, 2012</u>	<u>July 1, 2012 through June 30, 2013</u>	<u>Totals</u>
<u>Revenue</u>				
Grant revenue	\$ 179,747	\$ 294,392	\$ 22,870	\$ 497,009
Total Revenue	<u>\$ 179,747</u>	<u>\$ 294,392</u>	<u>\$ 22,870</u>	<u>\$ 497,009</u>
<u>Expenditures</u>				
Assurance 16 costs:				
Assurance 16 activities	<u>\$ 3,373</u>	<u>\$ 60,696</u>	<u>\$ 2,670</u>	<u>\$ 66,739</u>
Administrative costs EHA 16:				
Administrative costs	<u>5,184</u>	<u>35,697</u>	<u>1,704</u>	<u>42,585</u>
Intake:				
Intake costs	<u>5,263</u>	<u>12,300</u>	<u>-</u>	<u>17,563</u>
Outreach:				
Outreach	<u>4,227</u>	<u>39,949</u>	<u>(271)</u>	<u>43,905</u>
Training and Technical Assistance:				
Training and technical assistance	<u>-</u>	<u>4,350</u>	<u>13,213</u>	<u>17,563</u>
ECIP/HEAP:				
HEAP Wood, propane, and oil payments	<u>161,700</u>	<u>141,400</u>	<u>5,554</u>	<u>308,654</u>
Total ECIP/HEAP	<u>161,700</u>	<u>141,400</u>	<u>5,554</u>	<u>308,654</u>
Total Expenditures	<u>\$ 179,747</u>	<u>\$ 294,392</u>	<u>\$ 22,870</u>	<u>\$ 497,009</u>

**COUNTY OF NEVADA**  
**Supplemental Statement of Revenue and Expenditure**  
**CSD Contract No. 12B-5825 (WX) (LIHEAP)**  
**For the Period January 1, 2012 Through June 30, 2013**

	<u>January 1 through June 30, 2012</u>	<u>July 1, 2012 through June 30, 2013</u>	<u>Totals</u>
<u>Revenue</u>			
Grant revenue	\$ 45,900	\$ 171,915	\$ 217,815
Total Revenue	<u>\$ 45,900</u>	<u>\$ 171,915</u>	<u>\$ 217,815</u>
<u>Expenditures</u>			
Administrative costs	\$ -	\$ 18,707	\$ 18,707
Program Costs:			
Intake	-	10,855	10,855
Outreach	-	11,674	11,674
Training and technical assistance	-	11,692	11,692
Direct program activities	-	175,128	175,128
Total Program Costs	<u>-</u>	<u>209,349</u>	<u>209,349</u>
Total Expenditures	<u>\$ -</u>	<u>\$ 228,056</u>	<u>\$ 228,056</u>

**COUNTY OF NEVADA**  
**Supplemental Statement of Revenue and Expenditure**  
**CSD Contract No. 12B-5825 (ECIP/HEAP)**  
**For the Period January 1, 2012 Through June 30, 2013**

	<u>January 1 through June 30, 2012</u>	<u>July 1, 2012 through June 30, 2013</u>	<u>Totals</u>
<u>Revenue</u>			
Grant revenue	\$ 217,409	\$ 147,265	\$ 364,674
Total Revenue	<u>\$ 217,409</u>	<u>\$ 147,265</u>	<u>\$ 364,674</u>
<u>Expenditures</u>			
Assurance 16 costs:			
Assurance 16 activities	\$ 24,431	\$ 23,036	\$ 47,467
Administrative costs EHA 16:			
Administrative costs	16,960	16,663	33,623
Intake:			
Intake costs	17,728	17,744	35,472
Outreach:			
Outreach	17,728	17,744	35,472
Training and Technical Assistance:			
Training and technical assistance	7,092	7,098	14,190
ECIP/HEAP:			
HEAP Wood, propane, and oil payments	93,450	105,000	198,450
Total ECIP/HEAP	<u>93,450</u>	<u>105,000</u>	<u>198,450</u>
Total Expenditures	<u>\$ 177,389</u>	<u>\$ 187,285</u>	<u>\$ 364,674</u>

**COUNTY OF NEVADA**  
**Supplemental Statement of Revenue and Expenditure**  
**CSD Contract No. 13B-5025 (ECIP/HEAP)**  
**For the Period January 1, 2013 Through June 30, 2013**

	<u>January 1 through June 30, 2013</u>	<u>Totals</u>
<u>Revenue</u>		
Grant revenue	\$ 130,984	\$ 130,984
Total Revenue	<u>\$ 130,984</u>	<u>\$ 130,984</u>
<u>Expenditures</u>		
Assurance 16 costs:		
Assurance 16 activities	<u>\$ 12,208</u>	<u>\$ 12,208</u>
Administrative costs EHA 16:		
Administrative costs	<u>13,855</u>	<u>13,855</u>
Intake:		
Intake costs	<u>20,300</u>	<u>20,300</u>
Outreach:		
Outreach	<u>10,231</u>	<u>10,231</u>
Training and Technical Assistance:		
Training and technical assistance	<u>10,903</u>	<u>10,903</u>
ECIP/HEAP:		
HEAP Wood, propane, and oil payments	<u>107,000</u>	<u>107,000</u>
Total ECIP/HEAP	<u>107,000</u>	<u>107,000</u>
Total Expenditures	<u>\$ 174,497</u>	<u>\$ 174,497</u>

**COUNTY OF NEVADA**  
**Supplemental Statement of Revenue and Expenditure**  
**CSD Contract No. 12F-4429 (CSBG)**  
**For the Period January 1, 2012 Through December 31, 2012**

	<b>January 1 through June 30, 2012</b>	<b>July 1 through December 31, 2012</b>	<b>Totals</b>
<u>Revenue</u>			
Grant revenue	\$ 165,131	\$ 81,479	\$ 246,610
Total Revenue	\$ 165,131	\$ 81,479	\$ 246,610
<u>Expenditures</u>			
Administrative Costs:			
Salaries and wages	\$ 31,466	\$ 28,546	\$ 60,012
Fringe benefits	18,263	10,015	28,278
Operating expenses	12,762	21,853	34,615
Other costs	-	27,050	27,050
Total Administrative Costs	62,491	87,464	149,955
Program Costs:			
Salaries and wages	6,207	13,797	20,004
Fringe benefits	3,657	5,760	9,417
Operating expenses	2,841	7,283	10,124
Subcontractor services	42,366	4,313	46,679
Other costs	-	10,431	10,431
Total Program Costs	55,071	41,584	96,655
Total Expenditures	\$ 117,562	\$ 129,048	\$ 246,610

**COUNTY OF NEVADA**  
**Supplemental Statement of Revenue and Expenditure**  
**CSD Contract No. 13F-3029 (CSBG)**  
**For the Period January 1, 2013 Through June 30, 2013**

	<u>January 1 through June 30, 2013</u>	<u>Totals</u>
<u>Revenue</u>		
Grant revenue	\$ 134,059	\$ 134,059
Total Revenue	<u>\$ 134,059</u>	<u>\$ 134,059</u>
<u>Expenditures</u>		
Administrative Costs:		
Salaries and wages	\$ 9,880	\$ 9,880
Fringe benefits	6,442	6,442
Other costs	<u>10,816</u>	<u>10,816</u>
Total Administrative Costs	<u>27,138</u>	<u>27,138</u>
Program Costs:		
Salaries and wages	17,594	17,594
Fringe benefits	9,177	9,177
Operating expenses	1,913	1,913
Subcontractor services	<u>46,401</u>	<u>46,401</u>
Total Program Costs	<u>75,085</u>	<u>75,085</u>
Total Expenditures	<u>\$ 102,223</u>	<u>\$ 102,223</u>

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