

COUNTY OF SACRAMENTO, CALIFORNIA

**Single Audit Report
(Uniform Guidance)**

For the Fiscal Year Ended June 30, 2016

COUNTY OF SACRAMENTO, CALIFORNIA

**SINGLE AUDIT REPORT
(UNIFORM GUIDANCE)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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**INDEPENDENT AUDITORS' 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***

Honorable Board of Supervisors
County of Sacramento, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Sacramento (the County), California, as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 18, 2017. Our report included an emphasis of a matter paragraph regarding the uncertainties regarding the future outcome of litigation for which management asserts the ultimate outcome cannot presently be determined. In addition, our report included an emphasis of matter paragraph regarding the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, effective July 1, 2015.

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.

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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be a significant deficiency.

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*.

County's Responses to Findings

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Vavrinik, Trine, Day & Co. LLP

Sacramento, California
January 18, 2017



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH FEDERAL MAJOR PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Board of Supervisors
County of Sacramento, California

Report on Compliance for Each Major Federal Program

We have audited the County of Sacramento, California's (the County) compliance with the types of compliance requirements described in the *OMB 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, 2016. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the First 5 Sacramento Commission (Commission), which received \$1,026,722 of federal awards, which is not included in the schedule during the year ended June 30, 2016. Our audit, described below, did not include the operations of the Commission because they engaged other auditors to perform an audit in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-002 through 2016-005. 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 is 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 the Uniform Guidance, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-002 through 2016-006 that we consider to be significant deficiencies.

The County's responses to the internal control over compliance findings identified in our audit is 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.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated January 18, 2017, which contained unmodified opinions on those financial statements. Our report included an emphasis of a matter paragraph regarding the uncertainties regarding the future outcome of litigation for which management asserts the ultimate outcome cannot presently be determined. In addition, our report included an emphasis of matter paragraph regarding the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, effective July 1, 2015. 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 the Uniform Guidance 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.

Varrinck, Trine, Day & Co. LLP

Sacramento, California
March 24, 2017

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR PASSED THROUGH GRANT PROGRAM TITLE/CLUSTER	FEDERAL CFDA NUMBER	PASS-THROUGH AGENCY GRANT NUMBER	FEDERAL EXPENDITURES	PASSED THROUGH AWARDS TO SUBRECIPIENTS
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<u>SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) CLUSTER</u>				
<u>PASSED THROUGH CALIFORNIA DEPARTMENT OF PUBLIC HEALTH</u>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	13-20491	2,248,401	1,221,973
<u>PASSED THROUGH CALIFORNIA DEPARTMENT OF SOCIAL SERVICES</u>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - SNAP				
E&T 50% Participant Reimbursement - CalFresh Employment or Training Program Supply of Service	10.561	16167CACA4S2520	(45,405)	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - SNAP				
E&T 50% - CalFresh Employment or Training Program	10.561	16167CACA4S2519	535,608	59,753
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program- SNAP				
Employment & Training (E&T) 100% - CFET	10.561	16167CACA4Q7503	457,548	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - SNAP				
State Administrative Expense - CalFresh	10.561	16167CACA4S2514	33,253,107	105,238
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - CalFresh				
(Food Stamps) – CalWIN Project	10.561	16167CACA4S2514	1,792,184	-
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) CLUSTER TOTAL			<u>38,241,443</u>	<u>1,386,964</u>
<u>PASSED THROUGH CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE</u>				
Plant and Animal Disease, Pest Control, and Animal Care - European Grape Vine	10.025	14-0557-SF	968	-
Plant and Animal Disease, Pest Control, and Animal Care - Glassy-winged Sharpshooter (GWSS)	10.025	14-0300-SF	213,296	-
Plant and Animal Disease, Pest Control, and Animal Care - High Risk Pest Exclusion	10.025	15-0047-SF	37,725	-
Plant and Animal Disease, Pest Control, and Animal Care - Light Brown Apple Moth Pest Detection (LBAM I)	10.025	15-0509-SF	4,664	-
Plant and Animal Disease, Pest Control, and Animal Care - Light Brown Apple Moth Pest Detection (LBAM II)	10.025	14-0467-SF	4,892	-
Plant and Animal Disease, Pest Control, and Animal Care - Light Brown Apple Moth Regulatory (LBAM I)	10.025	15-0470-SF	49,125	-
Plant and Animal Disease, Pest Control, and Animal Care - Light Brown Apple Moth Regulatory (LBAM II)	10.025	15-0561-SF	3,719	-
Plant and Animal Disease, Pest Control, and Animal Care - Light Brown Apple Moth Regulatory (LBAM III)	10.025	14-0495-SF	22,281	-
Plant and Animal Disease, Pest Control, and Animal Care - Nursery	10.025	15-0331-SF	7,471	-
Plant and Animal Disease, Pest Control, and Animal Care - Organic	10.025	15-0058-SA	1,910	-
Plant and Animal Disease, Pest Control, and Animal Care - Sudden Oak Death (SOD)	10.025	15-0384-SF	29,534	-
Plant and Animal Disease, Pest Control, and Animal Care - California Dog Team	10.025	15-0422-SF	400,740	-
Plant and Animal Disease, Pest Control, and Animal Care - Pest Detection	10.025	15-0256-SF	371,462	-
CATALOG TOTAL			<u>1,147,787</u>	<u>-</u>
<u>PASSED THROUGH CALIFORNIA DEPARTMENT OF PUBLIC HEALTH</u>				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	15-1010	4,836,428	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>44,225,658</u>	<u>1,386,964</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR PASSED THROUGH GRANT PROGRAM TITLE/CLUSTER	FEDERAL CFDA NUMBER	PASS-THROUGH AGENCY GRANT NUMBER	FEDERAL EXPENDITURES	PASSED THROUGH AWARDS TO SUBRECIPIENTS
<u>U.S. DEPARTMENT OF DEFENSE</u>				
<u>DIRECT PROGRAMS</u>				
Public Benefit Land Conveyance- Mather Dam	12.UNKNOWN	N/A	238,801	-
Community Economic Adjustment Assistance for Realignment or Closure of a Military Installation - Environmental Services Cooperative Agreement	12.607	FA8903-09-2-0002	4,565,858	-
Community Economic Adjustment Assistance for Realignment or Closure of a Military Installation - Finding of Suitability for Early Transfer (FOSET) Environmental Services (II)	12.607	McClellanFoset2	1,858,798	-
Community Economic Adjustment Assistance for Realignment or Closure of a Military Installation - Finding of Suitability for Early Transfer (FOSET) Environmental Services (III)	12.607	McClellanFoset3	5,805,998	-
CATALOG TOTAL			12,230,654	-
TOTAL U.S. DEPARTMENT OF DEFENSE			12,469,455	-
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<u>DIRECT PROGRAMS</u>				
Continuum of Care Program - Volunteers of America - Adolfo Transitional Housing Program for Emancipated Youth	14.267	CA0130L9T031407	264,779	264,779
<u>COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG) ENTITLEMENT GRANTS CLUSTER</u>				
<u>PASSED THROUGH SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY</u>				
Community Development Block Grants/Entitlement Grants - (CDBG I)	14.218	B-13-UC-16-0005	177,620	-
Community Development Block Grants/Entitlement Grants - (CDBG II)	14.218	B-16-UC-06-0005	28,475	-
Community Development Block Grants/Entitlement Grants - (CDBG III)	14.218	B-13-UC-06-0005	485,824	-
Community Development Block Grants/Entitlement Grants - (CDBG IV)	14.218	B-14-UC-06-0005	604,385	-
Community Development Block Grants/Entitlement Grants - (CDBG V)	14.218	B-14-UC-06-0005	166	-
Community Development Block Grants/Entitlement Grants - (CDBG VI)	14.218	B-07-UC-06-0005	83,697	-
Community Development Block Grants/Entitlement Grants - (CDBG VII)	14.218	B-14-UC-06-0005	121,576	-
Community Development Block Grants/Entitlement Grants - (CDBG VIII)	14.218	B-14-UC-06-0005	23,362	-
Community Development Block Grants/Entitlement Grants - (CDBG IX)	14.218	B-14-UC-06-0005	24,175	-
Community Development Block Grants/Entitlement Grants - (CDBG X)	14.218	B-16-UC-06-0005	2,146	-
COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG) ENTITLEMENT GRANTS CLUSTER TOTAL			1,551,426	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			1,816,205	264,779
<u>U.S. DEPARTMENT OF THE INTERIOR</u>				
<u>DIRECT PROGRAMS</u>				
Wild Horse and Burro Resource Management - Wild Horse Training Grant	15.229	L13AC00086	91,647	-
Partners for Fish and Wildlife - Partners for Fish and Wildlife 2012	15.631	F12AS00014	5,671	-
Partners for Fish and Wildlife	15.631	F14AC00496	28,152	-
CATALOG TOTAL			33,823	-
TOTAL U.S. DEPARTMENT OF INTERIOR			125,470	-

See accompanying notes to the Schedule of Expenditures of Federal Awards

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR PASSED THROUGH GRANT PROGRAM TITLE/CLUSTER	FEDERAL CFDA NUMBER	PASS-THROUGH AGENCY GRANT NUMBER	FEDERAL EXPENDITURES	PASSED THROUGH AWARDS TO SUBRECIPIENTS
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<u>DIRECT PROGRAMS</u>				
Domestic Cannabis Eradication and Suppression Program (DCESP I)	16.UNKNOWN	2016-40	12,379	-
Domestic Cannabis Eradication and Suppression Program (DCESP II)	16.UNKNOWN	2015-45	45,000	-
CATALOG TOTAL			57,379	-
Drug Court Discretionary Grant Program - Adult Drug Court Discretionary Grant	16.585	2014-DC-BX-0003	130,031	-
State Criminal Alien Assistance Program	16.606	2015-AP-BX-0181	514,687	-
Public Safety Partnership and Community Policing Grants - Internet Crimes Against Children	16.710	2013-MC-FX-K004	407,649	-
Public Safety Partnership and Community Policing Grants - Community Oriented Policing Services (COPS)				
Anti-Gang Initiative Program	16.710	2015-GV-WX-0006	190,065	-
CATALOG TOTAL			597,714	-
PREA Program: Demonstration Projects to Establish "Zero Tolerance" Cultures for Sexual Assault in Correctional Facilities - Prison Rape Elimination Act (PREA)	16.735	2015-RP-BX-0001	123,359	-
Edward Byrne Memorial Justice Assistance Grant Program - 2014	16.738	2014-DJ-BX-0438	180,525	-
DNA Backlog Reduction Program - 2014 DNA Capacity Enhancement and Backlog Reduction Program	16.741	2014-DN-BX-0015	258,411	-
Equitable Sharing Program	16.922	N/A	1,310,028	-
<u>PASSED THROUGH BOARD OF STATE & COMMUNITY CORRECTIONS (BSCC)</u>				
Juvenile Accountability Block Grant - (JABG I)	16.523	BSCC 173-15	66,739	-
Juvenile Accountability Block Grant - (JABG II)	16.523	BSCC 203-15	36,000	36,000
Juvenile Accountability Block Grant - (JABG) Evidence Based Practices (EBP) Training	16.523	BSCC 223-15	17,102	-
CATALOG TOTAL			119,841	36,000
<u>PASSED THROUGH GOVERNOR'S OFFICE OF EMERGENCY SERVICES</u>				
Crime Victim Assistance - Human Trafficking and Advocacy	16.575	HA 14 01 0340	20,510	-
Crime Victim Assistance - Human Trafficking and Advocacy (I)	16.575	HA 15 02 0340	55,223	-
Crime Victim Assistance - Unserved/Underserved Victim Advocacy/Outreach	16.575	UV 14 05 0340	88,849	-
Crime Victim Assistance - Unserved/Underserved Victim Advocacy/Outreach (I)	16.575	UV 15 01 0340	35,282	-
Crime Victim Assistance - Victim Witness Assistance Program	16.575	VW 15 34 0340	582,217	-
CATALOG TOTAL			782,081	-
Violence Against Women Formula Grants - Violence Against Women Vertical Prosecution	16.588	VV 15 07 0340	217,934	-
Residential Substance Abuse Treatment for State Prisoners	16.593	BSCC 528-14	1,884	-
Residential Substance Abuse Treatment for State Prisoners (I)	16.593	BSCC 528-15	153,380	-
CATALOG TOTAL			155,264	-
Paul Coverdell Forensic Sciences Improvement Grant Program - Paul Coverdell FSIA (CA Coverdell I)	16.742	CQ14 10-0340	1,893	-
Paul Coverdell Forensic Sciences Improvement Grant Program - Paul Coverdell FSIA (CA Coverdell II)	16.742	CQ15 11-0340	12,005	-
CATALOG TOTAL			13,898	-
TOTAL U.S. DEPARTMENT OF JUSTICE			4,461,152	36,000

See accompanying notes to the Schedule of Expenditures of Federal Awards

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR PASSED THROUGH GRANT PROGRAM TITLE/CLUSTER	FEDERAL CFDA NUMBER	PASS-THROUGH AGENCY GRANT NUMBER	FEDERAL EXPENDITURES	PASSED THROUGH AWARDS TO SUBRECIPIENTS
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<u>DIRECT PROGRAMS</u>				
Airport Improvement Program (I)	20.106	3-06-0204-54-2014	503,789	-
Airport Improvement Program (II)	20.106	3-06-0363-18	302,670	-
Airport Improvement Program (III)	20.106	03-06-0204-55-2015	7,769,912	-
CATALOG TOTAL			8,576,371	-
<u>HIGHWAY PLANNING AND CONSTRUCTION CLUSTER</u>				
<u>PASSED THROUGH STATE DEPARTMENT OF TRANSPORTATION</u>				
Highway Planning and Construction - Moving Ahead for Progress in the 21st Century Act (MAP-21 I)	20.205	03-5924R	2,793,810	-
Highway Planning and Construction - Moving Ahead for Progress in the 21st Century Act (MAP-21 II)	20.205	03-5924R	4,665,246	-
HIGHWAY PLANNING AND CONSTRUCTION CLUSTER TOTAL			7,459,056	-
<u>HIGHWAY SAFETY CLUSTER</u>				
<u>PASSED THROUGH STATE DEPARTMENT OF TRAFFIC SAFETY</u>				
National Priority Safety Programs - Alcohol and Drug Impaired Driver Vertical Prosecution Program (I)	20.616	DI 1612	663,332	-
National Priority Safety Programs - Alcohol and Drug Impaired Driver Vertical Prosecution Program (II)	20.616	DI 1512	230,607	-
National Priority Safety Programs- Selective Traffic Enforcement and Multilingual Child Passenger Safety Program (I)	20.616	OP 1504	140,835	-
National Priority Safety Programs - Selective Traffic Enforcement and Multilingual Child Passenger Safety Program (II)	20.616	OP 1617	120,431	-
National Priority Safety Programs - Traffic Safety Resource Prosecutor Program (I)	20.616	DI 1528	217,268	-
National Priority Safety Programs - Traffic Safety Resource Prosecutor Program (II)	20.616	AL 1606	651,258	-
HIGHWAY SAFETY CLUSTER TOTAL			2,023,731	-
<u>PASSED THROUGH STATE DEPARTMENT OF TRANSPORTATION</u>				
Formula Grants for Rural Areas - Federal Transit Administration (FTA) 5311	20.509	64B015-00254	275,122	275,122
<u>PASSED THROUGH STATE DEPARTMENT OF TRAFFIC SAFETY</u>				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated - Enhanced Forensic Laboratory Support for Prosecution of Alcohol and Drug Impaired Drivers	20.608	AL 1605	115,753	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated - Intensive Probation Supervision For High Risk Felony & Repeat DUI Offender (I)	20.608	AL 1649	312,611	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated - Intensive Probation Supervision For High Risk Felony & Repeat DUI Offender (II)	20.608	AL 1513	128,338	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated - Avoid Driving Under the Influence Program (I)	20.608	AL 1515	11,786	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated - Avoid Driving Under the Influence Program (II)	20.608	AL 1637	22,108	-
CATALOG TOTAL			590,596	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			18,924,876	275,122

See accompanying notes to the Schedule of Expenditures of Federal Awards

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR PASSED THROUGH GRANT PROGRAM TITLE/CLUSTER	FEDERAL CFDA NUMBER	PASS-THROUGH AGENCY GRANT NUMBER	FEDERAL EXPENDITURES	PASSED THROUGH AWARDS TO SUBRECIPIENTS
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>				
<u>HEALTH CENTER PROGRAM CLUSTER</u>				
<u>DIRECT PROGRAMS</u>				
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless and Public Housing Primary Care) - McKinney Homeless Grant	93.224	H80CS00045	1,457,777	203,724
HEALTH CENTER PROGRAM CLUSTER TOTAL			<u>1,457,777</u>	<u>203,724</u>
HIV Emergency Relief Projects Grants - Ryan White Part A (I)	93.914	H89HA00048	848,581	714,318
HIV Emergency Relief Projects Grants - Ryan White Part A (II)	93.914	H89HA00048	2,813,941	2,513,583
CATALOG TOTAL			<u>3,662,522</u>	<u>3,227,901</u>
Substance Abuse and Mental Health Services Projects of Regional and National Significance - Room for Dads Project	93.243	1H79TI026101-01	94,408	91,042
<u>PASSED THROUGH CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES</u>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance - California Strategic Prevention Framework State Incentive Grant (SPF-SIG)	93.243	15-92170	105,206	97,503
CATALOG TOTAL			<u>199,614</u>	<u>188,545</u>
<u>AGING CLUSTER</u>				
<u>PASSED THROUGH AREA 4 AGENCY ON AGING</u>				
Special Programs for the Aging, Title III, Part B Grants for Supportive Service and Senior Centers - Area 4 Agency on Aging (A4AA I)	93.044	1100-46-01-46	72,730	-
Special Programs for the Aging, Title III, Part B Grants for Supportive Service and Senior Centers - Area 4 Agency on Aging (A4AA II)	93.044	1100-46-01-16	3,892	-
AGING CLUSTER TOTAL			<u>76,622</u>	<u>-</u>
<u>MEDICAID CLUSTER</u>				
<u>PASSED THROUGH CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES</u>				
Medical Assistance Program - Alcohol & Drug Medi-Cal	93.778	14-90086	10,703,813	10,321,850
Medical Assistance Program - Child Health Disability Protection (CHDP) - Medi-Cal and Foster Care	93.778	2015-2016	1,002,219	-
Medical Assistance Program - County Based Medi-Cal Administrative Activities (CMAA)	93.778	13-90007	678,163	596,452
Medical Assistance Program - Medi-Cal	93.778	1505CA5ADM	30,978,052	-
Medical Assistance Program - Medi-Cal - CalWin Project	93.778	1505CA5ADM	3,918,661	-
Medical Assistance Program - Medi-Cal - Outreach and Enrollment - AB 82	93.778	1505CA5ADM	287,454	287,454
Medical Assistance Program - School Based Medi-Cal Administrative Activities	93.778	14-90014	1,500,000	1,500,000
Medical Assistance Program - Targeted Case Management (TCM)	93.778	13-1318	177,500	-
SUBTOTAL			<u>49,245,862</u>	<u>12,705,756</u>
<u>PASSED THROUGH CALIFORNIA DEPARTMENT OF SOCIAL SERVICES</u>				
Medical Assistance Program - Adult Protective Services	93.778	County 34	3,872,647	156,586
Medical Assistance Program - Child Welfare Services - Title XIX	93.778	County 34	2,216,139	-
Medical Assistance Program - Community Services Block Grant (CSBG)	93.778	County 34	325,002	-
Medical Assistance Program - In-Home Support Services (IHSS)	93.778	County 34	13,497,303	348,986
MEDICAID CLUSTER TOTAL			<u>69,156,953</u>	<u>13,211,328</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR PASSED THROUGH GRANT PROGRAM TITLE/CLUSTER	FEDERAL CFDA NUMBER	PASS-THROUGH AGENCY GRANT NUMBER	FEDERAL EXPENDITURES	PASSED THROUGH AWARDS TO SUBRECIPIENTS
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (CONTINUED)</u>				
<u>TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) CLUSTER</u>				
<u>PASSED THROUGH CALIFORNIA DEPARTMENT OF SOCIAL SERVICES</u>				
Temporary Assistance for Needy Families - Child Welfare Service - Emergency Assistance (EA) (TANF)	93.558	County 34	12,416,111	-
Temporary Assistance for Needy Families - CalWORKS (TANF)	93.558	1601CATANF	83,248,486	12,762,573
Temporary Assistance for Needy Families - CalWORKS (TANF) - Approved Relative Care (ARC)	93.558	1601CATANF	123,379	-
Temporary Assistance for Needy Families - CalWORKS (TANF) - CalWIN Project	93.558	1601CATANF	813,968	-
Temporary Assistance for Needy Families - CalWORKS (TANF) - Federal	93.558	1601CATANF	40,942,350	-
Temporary Assistance for Needy Families - CalWORKS (TANF) - Incentives	93.558	1601CATANF	51,728	-
Temporary Assistance for Needy Families - CalWORKS (TANF) - Stage One Child Care	93.558	1601CATANF	10,779,733	-
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) CLUSTER Total			<u>148,375,755</u>	<u>12,762,573</u>
<u>PASSED THROUGH CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES</u>				
Centers for Disease Control and Prevention Investigations and Technical Assistance - Centers for Disease Control and Prevention (CDC) BioSense 2.0	93.283	5U0E000015-03	60,727	-
Children's Health Insurance Program- California Children's Services (CCS) - TCLIP	93.767	N/A	639,449	-
HIV Prevention Activities Health Department Based - HIV Prevention Program	93.940	13-20248 A01	324,844	163,891
Block Grants for Community Mental Health Services - Substance Abuse & Mental Health Services Administration (SAMSHA)	93.958	N/A	2,267,071	2,187,290
Block Grants for Prevention and Treatment of Substance Abuse Alcohol & Drug - Substance Abuse Prevention & Treatment (SAPT)	93.959	14-90086	6,160,997	2,616,464
Maternal and Child Health Services Block Grant to the States- California Children's Services	93.994	N/A	3,683,407	-
<u>PASSED THROUGH CALIFORNIA DEPARTMENT OF PUBLIC HEALTH</u>				
Maternal and Child Health Services Block Grant to the States - Black Infant Health (BIH)	93.994	201534	401,584	-
Maternal and Child Health Services Block Grant to the States - California Home Visiting Program (CHVP)	93.994	15-10167 A01	1,854,852	-
Maternal and Child Health Services Block Grant to the States - Maternal, Child & Adolescent Health (MCAH)	93.994	201534	202,947	21,268
CATALOG TOTAL			<u>6,142,790</u>	<u>21,268</u>
Public Health Emergency Preparedness- Public Health Emergency Preparedness (PHEP)	93.069	14-10532 A02	1,394,899	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements - Ebola Preparedness and Response	93.074	15-10377 A01	140,082	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements - Epidemiology Services	93.074	1371337030000	25,209	-
CATALOG TOTAL			<u>165,291</u>	-
Affordable Care Act (ACA) Personal Responsibility Education Program - Personal Responsibility Education Program (PREP)	93.092	15-10305 A01	159,736	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs - Tuberculosis (TB) Program	93.116	TB Base Award	345,511	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs - Tuberculosis (TB) Augmentation Program	93.116	TB Augmentation	37,822	-
CATALOG TOTAL			<u>383,333</u>	-

See accompanying notes to the Schedule of Expenditures of Federal Awards

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR PASSED THROUGH GRANT PROGRAM TITLE/CLUSTER	FEDERAL CFDA NUMBER	PASS-THROUGH AGENCY GRANT NUMBER	FEDERAL EXPENDITURES	PASSED THROUGH AWARDS TO SUBRECIPIENTS
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (CONTINUED)</u>				
<u>PASSED THROUGH CALIFORNIA DEPARTMENT OF PUBLIC HEALTH (CONTINUED)</u>				
Immunization Cooperative Agreements - Immunization Assistance Program (IAP)	93.268	15-10443	405,662	-
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke - Center for Disease Control 1305 Prevention First	93.757	14-10944 A01	250,000	-
National Bioterrorism Hospital Preparedness Program - Hospital Preparedness Program (HPP)	93.889	14-10532 A02	417,390	48,417
HIV Care Formula Grants - HIV Care Program Part B & Minority AIDS Initiative (MAI)	93.917	13-20067 A03	1,430,440	1,289,222
Refugee and Entrant Assistance State Administered Programs - Refugee Health Assessment Program	93.566	15-34-90840-00	1,518,270	-
Refugee and Entrant Assistance State Administered Programs - Refugee Health Promotion Project	93.566	15-34-90841-00	32,335	-
<u>PASSED THROUGH CALIFORNIA DEPARTMENT OF SOCIAL SERVICES</u>				
Refugee and Entrant Assistance State Administered Program - Refugee and Entrant Assistance (RCA I)	93.566	1501CARCMA	42,119	-
Refugee and Entrant Assistance State Administered Program - Refugee and Entrant Assistance (RCA II)	93.566	1601CARSOC	833,664	-
Refugee and Entrant Assistance State Administered Program - Refugee and Entrant Assistance (RCA) - CalWIN Project	93.566	1501CARCMA	981	-
CATALOG TOTAL			2,427,369	-
Guardianship Assistance - Kinship Guardianship Assistance Program Title IV-E (Kin-GAP) 18+	93.090	1601CAGARD	153,752	-
Guardianship Assistance - Kinship Guardianship Assistance Payment Title IV-E (Fed-GAP) 4T	93.090	1601CAGARD	2,970,937	-
Guardianship Assistance - Kinship Guardianship Program - Title IV-E (Kin-GAP IV-E)	93.090	1601CAGARD	222,897	-
CATALOG TOTAL			3,347,586	-
Promoting Safe and Stable Families (PSSF)	93.556	County 34	1,084,031	96,940
Promoting Safe and Stable Families (PSSF) – Monthly Caseworker visits	93.556	County 34	87,302	-
CATALOG TOTAL			1,171,333	96,940
Child Support Enforcement - Child Support Administration	93.563	1604CACS	20,996,408	-
Community Services Block Grant (CSBG) - Adult Protective Services Community Services Block Grant (APS-CSBG)	93.569	N/A	378,204	-
Stephanie Tubbs Jones Child Welfare Services Program - Child Welfare Services - Title IV-B	93.645	County 34	2,094,036	-
Stephanie Tubbs Jones Child Welfare Services Program - Group Home Monthly Visits	93.645	County 34	182,103	-
CATALOG TOTAL			2,276,139	-
Foster Care Title IV-E - Child Welfare Services Outcome Improvement Project (CWSOIP) - COHORT	93.658	County 34	292,843	-
Foster Care Title IV-E - Child Welfare Services (CWS) - Title IV-E California Well-Being Project	93.658	County 34	35,070,540	832,410
Foster Care Title IV-E- Child Welfare Services - Title IV-E	93.658	County 34	5,102,657	1,458,709
Foster Care Title IV-E - Community Care Licensing (CCL) - Foster Family Homes (FFH)	93.658	County 34	303,076	-
Foster Care Title IV-E - Aid to Families with Dependent Children (AFDC)	93.658	1601CAFOST	1,563,252	-
Foster Care Title IV-E - AFDC Foster Care	93.658	1601CAFOST	22,218,043	-
Foster Care Title IV-E - Emergency Assistance	93.658	1601CAFOST	2,612,805	-
Foster Care Title IV-E - Extended Foster Care 18+	93.658	1601CAFOST	3,154,271	-
Foster Care Title IV-E - Program (I)	93.658	1501CAFOST	2,143,526	96,809
Foster Care Title IV-E - Program (II)	93.658	1601CAFOST	7,878,251	900,805
Foster Care Title IV-E - Residentially Based Services (RBS)	93.658	1601CAFOST	435,012	-
Foster Care Title IV-E - Foster Parent Training & Recruitment (AB2129)	93.658	County 34	124,478	-
Foster Care Title IV-E - Kinship Program	93.658	County 34	116,699	-
CATALOG TOTAL			81,015,453	3,288,733

See accompanying notes to the Schedule of Expenditures of Federal Awards

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR PASSED THROUGH GRANT PROGRAM TITLE/CLUSTER	FEDERAL CFDA NUMBER	PASS-THROUGH AGENCY GRANT NUMBER	FEDERAL EXPENDITURES	PASSED THROUGH AWARDS TO SUBRECIPIENTS
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (CONTINUED)</u>				
<u>PASSED THROUGH CALIFORNIA DEPARTMENT OF SOCIAL SERVICES (CONTINUED)</u>				
Adoption Assistance	93.659	County 34	2,240,543	-
Adoption Assistance - Title IV-E	93.659	1601CAADPT	517,075	-
Adoption Assistance - 18+ Program	93.659	1601CAADPT	35,224	-
Adoption Assistance - Title IV-E	93.659	1601CAADPT	24,051,066	-
CATALOG TOTAL			26,843,908	-
Social Services Block Grant - Child Welfare Services - Title XIX	93.667	County 34	3,415,468	-
Social Services Block Grant - AFDC Foster Care Title XX	93.667	1501CASOSR	2,055,665	-
Social Services Block Grant - Title XX	93.667	1501CASOSR	4,737,063	-
CATALOG TOTAL			10,208,196	-
Chafee Foster Care Independence Program - Independent Living Program	93.674	County 34	700,030	376,850
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			392,496,498	39,683,146
<u>U.S. CORPORATION FOR NATIONAL & COMMUNITY SERVICE</u>				
<u>FOSTER GRANDPARENT/SENIOR COMPANION CLUSTER</u>				
<u>DIRECT PROGRAMS</u>				
Foster Grandparent Program - Foster Grandparent Program (FGP)	94.011	14SFPCA03	425,103	-
Senior Companion Program (SCP)	94.016	13SCPCA001	101,875	-
FOSTER GRANDPARENT/SENIOR COMPANION CLUSTER TOTAL			526,978	-
Retired and Senior Volunteer Program - Retired and Senior Volunteer Program	94.002	13SRPCA008	193,935	-
TOTAL U.S. CORPORATION FOR NATIONAL & COMMUNITY SERVICE			720,913	-
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>				
<u>DIRECT PROGRAMS</u>				
High Intensity Drug Trafficking Areas Program - Central Valley California High Intensity Drug Trafficking Area (I)	95.001	G13CV0002A	1,750	-
High Intensity Drug Trafficking Areas Program - Central Valley California High Intensity Drug Trafficking Area (II)	95.001	G14CV0002A	1,988,999	-
High Intensity Drug Trafficking Areas Program - Central Valley California High Intensity Drug Trafficking Area (III)	95.001	G15CV0002A	1,300,643	-
High Intensity Drug Trafficking Areas Program - Central Valley California High Intensity Drug Trafficking Area (IV)	95.001	G16CV0002A	3,604	-
CATALOG TOTAL			3,294,996	-
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT			3,294,996	-
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<u>DIRECT PROGRAMS</u>				
Port Security Grant Program - 2014 Post Security Grant Program	97.056	EMW2014PU000383	458,041	-
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS0213HSLR136	76,860	-
Law Enforcement Officer Reimbursement Agreement Program (I)	97.090	HSTS0216HSLR667	40,040	-
CATALOG TOTAL			574,941	-
<u>PASSED THROUGH CALIFORNIA DEPARTMENT OF PARKS AND RECREATION</u>				
Boating Safety Financial Assistance - Law Enforcement Equipment Grant Program	97.012	C15L0619	49,998	-

See accompanying notes to the Schedule of Expenditures of Federal Awards

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR PASSED THROUGH GRANT PROGRAM TITLE/CLUSTER	FEDERAL CFDA NUMBER	PASS-THROUGH AGENCY GRANT NUMBER	FEDERAL EXPENDITURES	PASSED THROUGH AWARDS TO SUBRECIPIENTS
<u>U.S. DEPARTMENT OF HOMELAND SECURITY (CONTINUED)</u>				
<u>PASSED THROUGH GOVERNOR'S OFFICE OF EMERGENCY SERVICES</u>				
Emergency Management Performance Grants - Emergency Management Performance Grant (EMPG)	97.042	2015-0049	429,637	-
Pre-Disaster Mitigation - FY 15 Pre Disaster Mitigation Competitive Grant Program	97.047	067-00000	62,590	-
Homeland Security Grant Program - CommLink Grant	97.067	2014-00093	18,346	-
Homeland Security Grant Program	97.067	2015-00078	114,289	-
Homeland Security Grant Program (I)	97.067	2014-00093	1,432,267	-
Homeland Security Grant Program (II)	97.067	2015-55-00078	82,307	-
Homeland Security Grant Program (III)	97.067	2013-00110	312,382	-
Homeland Security Grant Program - Urban Areas Security Initiative (UASI)	97.067	G11013200	144,800	-
CATALOG TOTAL			2,104,391	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			3,221,557	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			481,756,780	41,646,011

See accompanying notes to the Schedule of Expenditures of Federal Awards

COUNTY OF SACRAMENTO, CALIFORNIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the County of Sacramento California (County) under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County. The County’s basic financial statements include the operations of the First 5 Sacramento Commission (Commission), which received \$1,026,722 of federal awards, which is not included in the schedule during the year ended June 30, 2016.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for the governmental funds and the accrual basis of accounting for the proprietary funds. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – MEDICAID CLUSTER

Except for Medi-Cal administrative expenditures, Medicaid (Medi-Cal) and Medicare program expenditures are excluded from the schedule of expenditures of federal awards. These expenditures represent fees for services; therefore, neither is considered a federal award program of the County for purposes of the schedule of expenditures of federal awards or in determining major programs. The County assists the State of California (the State) in determining eligibility and provides Medi-Cal and Medicare services through County-owned health facilities. Medi-Cal administrative expenditures are included in the schedule of expenditures of federal awards as they do not represent fees for services.

NOTE 4 – 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 has 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.

NOTE 5 – INDIRECT COST RATE

The County elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Type of auditors' report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Programs or Clusters</u>
12.607	Community Economic Adjustment Assistance for Realignment or Closure of a Military Installation
20.106	Airport Improvement Program
93.778	Medicaid Cluster
93.558	Temporary Assistance for Needy Family (TANF) Cluster
93.994	Maternal and Child Health Services Block Grant to the States
93.090	Guardianship Assistance

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 3,000,000
Auditee qualified as low-risk auditee?	Yes

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

II. FINANCIAL STATEMENT FINDINGS

The following findings represent significant deficiencies that are required to be reported in accordance with generally accepted government auditing standards.

Finding 2016-001

GENERAL FUND UNASSIGNED FUND BALANCE

Criteria:

County management has the responsibility of ensuring the ongoing financial health of the County. To accomplish this task it is imperative that the County adopt and adhere to balanced budgets, provide for the ongoing monitoring for all financial aspects of the County, and adjust/react to changes in the financial position of the County in a timely manner. The adequacy of unassigned fund balance in the general fund should be assessed based upon the County's own specific circumstances. According to the Government Finance Officers Association, it is recommended, at a minimum, that general-purpose local governments, regardless of size, maintain unassigned fund balance in their general fund of no less than two months of regular general fund operating revenues or expenditures. A government's particular situation, of course, may require levels of unassigned fund balance in the general fund significantly in excess of these recommended minimum levels.

Condition:

Significant Deficiency - As noted in the prior year findings, the County's General Fund balance had declined significantly over the past several years. Interfund transfers and one-time revenue sources have been used to balance the general fund budget, in addition to expenditure reductions. During the current year, the General Fund unassigned fund balance was \$24.9 million as compared to an unassigned fund balance deficit of \$13.5 and \$38.9 million in fiscal year 2015 and 2014, respectively.

The County recently adopted a revised general reserve policy during fiscal year 2016. The policy sets a goal of having general reserves equal to 10% of discretionary revenues and reimbursements, and calls for increasing the general reserves each fiscal year by an amount equal to 10% of actual available ending (June 30) fund balance carry forward. The revised policy no longer specifically addresses the repayment of the interfund loans.

Context:

The County's financial condition was considered as part of the audit process.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

II. FINANCIAL STATEMENT FINDINGS

Cause:

As a result of the economic downturn starting in Fiscal Year 2008-09, the County was required to use all of the available fund balance of the General Fund and borrow from other funds, in order to balance the budget. These interfund advances took place in Fiscal Years 2008-09, 2009-10 and 2010-11, and resulted in negative unassigned fund balance. The long-term advances do not have scheduled repayment terms. As such, the County's General Fund unassigned fund balance will likely be needed to repay these remaining outstanding interfund advances.

Effect:

There may be significant financial consequences to the general fund unassigned fund balance if the County delays in repaying the interfund advances and does not increase the unassigned fund balance to levels recommended by the GFOA.

Recommendation:

This is a repeat condition from Fiscal Year 2015

We noted that the County adopted the Fund Balance and Reinvestment Policy in fiscal year 2011 and replaced the policy in fiscal year 2016, to establish the policy for increasing the general reserve. We recommend that the County continue to develop short and long-range planning and budgeting aimed at addressing the observed conditions relating to the County's future stability. We recommend that the County focus on factors that will positively increase the general fund unassigned fund balance, while also accelerating the repayment of interfund advances.

Views of Responsible Officials and Planned Corrective Actions:

See separate corrective action plan.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

The following findings represent significant deficiencies, and/or instances of noncompliance, including questioned costs, required to be reported in accordance with the Uniform Guidance.

Finding 2016-002

Program: Medicaid Cluster – Medi-Cal Assistance

CFDA No.: 93.778

Federal Agency: U.S. Department of Health and Human Services

Passed-through: California Department of Health Care Services

Award Year: 2015-2016

Compliance Requirement: Eligibility

Criteria:

Per the *June 2016 OMB Compliance Supplement*, agencies are required to maintain eligibility records, including documents to support the agency's eligibility determination and information about each individual and benefits paid to or on behalf of the individual. In addition, it is required that eligibility determinations and redeterminations, including obtaining any required documentation and verifications, are performed to determine if individuals are eligible in accordance with the compliance requirements of the program.

Condition Found:

Significant Deficiency, Instance of Non-Compliance – As a result of our eligibility testing, we noted 1 case in which the required documentation supporting the redetermination of eligibility was not available for review covering the fiscal year under audit.

Questioned Costs:

We identified no questioned costs in our tests of compliance with this requirement.

Context:

The condition noted above was identified in 1 of 60 cases selected during our testing procedures over eligibility.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (CONTINUED)

Effect:

Lack of documentation supporting the timely eligibility re-determinations could result in ineligible individuals receiving benefits.

Cause:

The condition is caused by the County not following its policies and procedures to ensure that documentation pursuant to redeterminations of program eligibility are securely retained.

Recommendation:

This is a repeat condition from Fiscal Year 2015.

We recommend that the County strengthen its current policies and procedures with regards to the safekeeping of documentation associated with the redeterminations of eligibility to ensure that documentation is available for retrieval.

Views of Responsible Officials and Planned Corrective Actions:

See separate corrective action plan.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2016-003

Program: Medicaid Cluster - In-Home Supportive Services (IHSS)

CFDA No.: 93.778

Federal Agency: U.S. Department of Health and Human Services

Passed-through: California Department of Social Services

Award Year: FY 2015-2016

Compliance Requirement: Eligibility

Criteria:

Per the *June 2016 Compliance Supplement*, agencies are required to maintain documentation to support the agency's eligibility determination, and to re-determine eligibility at least every 12 months. In addition, the State of California Department of Social Services (CDSS) regulations also state that County's social services staff are to have a face-to-face contact at least once every 12 months, except as provided in MPP section 30-761.215 through 30-761.217, to adequately determine that the recipient continues to reside safely in their home with the IHSS services provided (MPP Section 30-761.13).

Condition Found:

Significant Deficiency, Instance of Non-Compliance – As a result of our eligibility testing, we noted:

- 24 cases where the recipient redetermination of eligibility was not performed timely (outside of the 12 month requirement)
- 1 case that did not contain the SOC 873 Health Care Certification
- 2 cases where the SOC 295 Application for Social Services was not signed by the social worker

Questioned Costs:

We identified no questioned costs in our tests of compliance with this requirement.

Context:

The condition noted above was identified in 27 of 60 cases selected during our testing procedures over eligibility. The County charges administrative expenditures associated with the determination of eligibility to the State while the State pays the amounts out to providers.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (CONTINUED)

Effect:

Lack of supporting documentation for initial and ongoing eligibility determinations could result in ineligible individuals receiving benefits.

Cause:

The condition is caused by the County not following its policies and procedures to ensure the eligibility case files contain documentation to support eligibility and re-certifications.

Recommendation:

This is a repeat condition from Fiscal Year 2015.

We recommend that the County strengthen its current policies and procedures with regards to initial and ongoing eligibility determination, required documentation, and maintenance of participant file and ensure that such policies and procedures are formally documented and strictly adhered to by County personnel. This will help ensure the accuracy of the participant data and that eligibility determinations are supported by the proper documentation in the participant file.

Views of responsible officials and planned corrective actions:

See separate corrective action plan.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2016-004

Program: Medicaid Cluster - Alcohol & Drug, Medicaid Cluster - In-Home Supportive Services, Temporary Assistance for Needy Families (TANF) – EA TANF, Cluster - Maternal and Child Health Services Block Grant to the States

CFDA No.: 93.778, 93.558, 93.994

Federal Agency: U.S. Department of Health and Human Services

Passed-through: California Department of Social Services, California Department of Health Care Services

Award Year: FY 2015-2016

Compliance Requirement: Cash Management

Criteria:

Per the *June 2016 Compliance Supplement*, when agencies are funded under the reimbursement method, they must have paid for the costs for which reimbursement was requested prior to the date of the reimbursement request (2 CFR section 200.305(b)(3)). When awards are received on an advance basis, the non-Federal entity must minimize the time elapsing between the transfer of funds from the U.S. Treasury or pass-through entity and disbursement by the non-Federal entity.

In addition, Title 2 CFR Section 200.302(b)(6) of the Uniform Guidance requires all non-Federal entities to establish written procedures to implement the requirements of 2 CFR section 200.305 (Cash Management).

Condition Found:

Significant Deficiency, Instance of Non-Compliance –

- The County did not maintain written cash management procedures as required by Title 2 CFR Section 200.302 (b)(6) as part of the administration of the programs noted above.
- One federally funded expenditure reimbursement was requested before disbursement was made by the County in the Medicaid Cluster – Alcohol and Drug program.

Context:

The condition noted above was noted during review of the County's cash management processes and procedures.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (CONTINUED)

Questioned Costs:

We identified no questioned costs in our tests of compliance with this requirement.

Effect:

The County has not complied with the specific requirements for written procedures over cash management as described in the Uniform Guidance.

Cause:

The condition is caused by the County not following its established policies and procedures to ensure that federal reimbursements are requested after the disbursement is made. Also, the County did not ensure the required written procedures were developed and implemented in accordance with the Uniform Guidance.

Recommendation:

We recommend that the County strengthen its current policies and procedures with regards to cash management and ensure that such policies and procedures are formally documented and adhered to by County personnel. We recommend the County formalize written procedures related to cash management requirements required by 2 CFR Section 200.305.

View of Responsible Officials and Planned Corrective Action:

See separate corrective action plan.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2016-005

Program: Guardianship Assistance

CFDA No.: 93.090

Federal Agency: U.S. Department of Health and Human Services

Passed-through: California Department of Social Services

Award Year: FY 2015-2016

Compliance Requirement: Eligibility

Criteria:

Per the *June 2016 OMB Compliance Supplement*, the objective of the Guardianship Assistance Program is to help agencies authorized to administer Title IV-E programs to provide kinship guardianship assistance payments under Title IV-E of the Social Security Act, as amended, for relatives taking legal guardianship of children who have been in foster care. Federal assistance may be used only in support of the care of children who meet the eligibility requirements and their siblings under certain situations as specified in the statute.

Also per the *June 2016 OMB Compliance Supplement*, agencies are required to maintain eligibility records, including documents to support the agency's eligibility determination and information about each individual and benefits paid to or on behalf of the individual. In addition, it is required that eligibility determinations and redeterminations, including obtaining any required documentation and verifications, are performed to determine if individuals are eligible in accordance with the compliance requirements of the program.

Condition Found:

Significant Deficiency, Instance of Non-Compliance – As a result of our eligibility testing, we noted the following:

- 4 cases where the child was determined by the County to be ineligible for federal AFDC-FC, however federal Guardianship Assistance payments were made on the case.
- 1 case where the child did not reside for at least 6 consecutive months in the home of the prospective relative guardian.
- 1 cases where the required Guardianship KG-2 form did not have evidence of eligibility worker signature.
- 8 cases in which the required SOC 369 guardianship agreement was not completed prior to the establishment of guardianship.
- 1 case in which the required SOC 369 guardianship agreement was not dated.
- 7 cases where the required SOC 369 guardianship agreement was not present in the case file.
- 3 cases where the incorrect payment rate was utilized.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (CONTINUED)

Questioned Costs:

\$23,556 was identified as questioned costs across six cases.

Context:

The condition noted above was identified during our testing procedures over eligibility.

Effect:

Lack of supporting documentation for eligibility determinations could result in ineligible individuals receiving benefits.

Cause:

The condition is caused by the County not following its policies and procedures to ensure the eligibility case files contain documentation to support eligibility.

Recommendation:

This is a repeat condition from Fiscal Year 2015.

We recommend that the County strengthen its current policies and procedures with regards to eligibility determination, required documentation, and maintenance of participant file and ensure that such policies and procedures are formally documented. This will help ensure the accuracy of the participant data and that eligibility determinations are supported by the proper documentation in the participant file.

Views of Responsible Officials and Planned Corrective Actions:

See separate corrective action plan.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2016-006

Program: Community Economic Adjustment Assistance for Establishment, Expansion, Realignment, or Closure of a Military Installation

CFDA No.: 12.607

Federal Agency: U.S. Department of Defense

Award Year: 2015-2016

Compliance Requirement: Reporting

Criteria:

Per the *OMB Circular A-102*, agencies are required to use the standard financial reporting forms to report program outlays and program income. Recipients of federal funding can use the *Federal Financial Report (SF-425)* to report expenditures under Federal awards as well as cash status.

Also, per *OMB Circular A-133, Sub-part C, Section 300, Part b*, states that the auditee is responsible for “maintaining internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.”

County program policy and procedures require that the *Federal Financial Reports (SF-425)* be reviewed and signed by an authorized certifying official to indicate review and approval of the report.

Condition Found:

Significant Deficiency – Two *Federal Financial Reports (SF-425)* were not reviewed by the program management.

Questioned Costs:

We identified no questioned costs in our tests of compliance with this requirement.

Context:

The condition noted above was identified in 2 out of 3 reports selected during our testing procedures over reporting.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (CONTINUED)

Effect:

Deficiency in internal controls on reporting can cause inaccuracy and misrepresentation of reported information regarding federal expenditures.

Cause:

Reports were not reviewed and certified by management.

Recommendation:

We recommend that the County strengthens its policies and procedures to ensure that program management review and approve the reports before submitting to the federal agency.

Views of Responsible Officials and Planned Corrective Actions:

See separate corrective action plan.

**COUNTY OF SACRAMENTO, CALIFORNIA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016**

Summarized below is the current status of corrective action on audit findings reported in the prior year schedule of audit findings and questioned costs.

Finding No.	Program Name/Description	CFDA No.	Compliance Requirement	Status of Corrective Action
2015-001	Long Term Financial Plan	N/A	N/A	Partially Implemented – See finding 2016-001
2015-002	Medicaid Cluster – Medi-Cal Assistance	93.778	Eligibility	Not Implemented – See finding 2016-002
2015-003	Medicaid Cluster - In-Home Supportive Services	93.778	Eligibility	Not Implemented – See finding 2016-003
2015-004	Guardianship Assistance	93.090	Eligibility	Not Implemented – See finding 2016-005