



**COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
AUDITOR-CONTROLLER DIVISION**

**SINGLE AUDIT REPORTS
(OMB CIRCULAR A-133)
FOR THE FISCAL YEAR ENDED
JUNE 30, 2012**

COUNTY OF SACRAMENTO, CALIFORNIA

**Single Audit Report
(OMB Circular A-133)**

For the Fiscal Year Ended June 30, 2012

COUNTY OF SACRAMENTO, CALIFORNIA

**SINGLE AUDIT REPORT
(OMB CIRCULAR A-133)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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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 the financial statements of the governmental activities, the business-type activities, 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, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 28, 2012. Our report was modified to include an explanatory paragraph regarding the County's General Fund Unassigned Fund Balance deficit and regarding the dissolution of the redevelopment agencies through Assembly Bill X1 26 and the transfer of assets from the Sacramento Housing and Redevelopment Agency to the County. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as items 2012-01, 2012-02, 2012-03, and 2012-04 that we consider to be significant deficiencies in internal control over financial reporting. 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.

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*.

We noted certain matters that we reported to management of the County in a separate letter dated December 28, 2012.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

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

Vavrinik, Trine, Day & Co. LLP

Sacramento, California
December 28, 2012



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE, AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Board of Supervisors
County of Sacramento, California

Compliance

We have audited the County of Sacramento, California's (the 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, 2012. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination on the County's compliance with those requirements.

As described in items 2012-07 and 2012-13, in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding eligibility that are applicable to its Medicaid Cluster programs, and requirements regarding subrecipient monitoring that are applicable to its Supportive Housing Program. Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, 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 2012-05, 2012-06, 2012-08, 2012-09, 2012-10, 2012-11, and 2012-12.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2012-07 and 2012-13 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2012-05, 2012-06, 2012-08, 2012-09, 2012-10, 2012-11 and 2012-12 to be significant deficiencies.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2012, and have issued our report thereon dated December 28, 2012 which contained an unqualified opinion on those financial statements. Our report was modified to include an explanatory paragraph regarding the County's General Fund Unassigned Fund Balance deficit and regarding the dissolution of the redevelopment agencies through Assembly Bill X1 26 and the transfer of assets from the Sacramento Housing and Redevelopment Agency to the County. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the County's 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 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 financial statements or to the 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 expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on the responses.

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

Vavrinik, Trine, Day & Co. LLP

Sacramento, California
March 18, 2013

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

FEDERAL GRANTOR PASS-THROUGH GRANT PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	AWARD AMOUNT	FEDERAL EXPENDITURES
<u>U.S. CORPORATION FOR NATIONAL & COMMUNITY SERVICE</u>				
<u>DIRECT PROGRAMS:</u>				
Retired and Senior Volunteer Program:				
CNCS Retired Senior Volunteer Program (1)	94.002	10-SRPCA012	\$ 320,805	\$ 102,841
CNCS Retired Senior Volunteer Program (2)	94.002	10-SRPCA016	242,000	101,910
CATALOG TOTAL			<u>562,805</u>	<u>204,751</u>
Foster Grandparent Program	94.011	11SFPCA004	1,328,448	426,109
CATALOG TOTAL			<u>1,328,448</u>	<u>426,109</u>
Senior Companion Program	94.016	10-SCPCA001	318,360	104,193
CATALOG TOTAL			<u>318,360</u>	<u>104,193</u>
TOTAL DIRECT PROGRAMS:			<u>2,209,613</u>	<u>735,053</u>
TOTAL U.S. CORPORATION FOR NATIONAL & COMMUNITY SERVICE			<u>2,209,613</u>	<u>735,053</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<u>PASSED THROUGH STATE DEPARTMENT OF FOOD AND AGRICULTURE:</u>				
Plant and Animal Disease, Pest Control, and Animal Care:				
Sudden Oak Death (SOD)	10.025	11-0331-SF	8,648	8,648
European Grape Vine Moth (EGVM)	10.025	11-0254-SF	62,140	62,140
Canine Team	10.025	11-0381-SF	185,590	185,590
High Risk Exclusion	10.025	11-0124	83,270	83,270
Pest Detection	10.025	11-0023	342,510	342,510
Glassy-winged Sharpshooter (GWSS)	10.025	10-0355-1	260,017	260,017
Light Brown Apple Moth Regulatory (LBAM)	10.025	11-0367-SF	163,323	163,323
CATALOG TOTAL			<u>1,105,498</u>	<u>1,105,498</u>
Recovery Act of 2009: Wildland Fire Management:				
ARRA - Weed Management (1)	10.688	09-0647	11,283	11,283
ARRA - Weed Management (2)	10.688	10-0676	16,750	16,750
CATALOG TOTAL			<u>28,033</u>	<u>28,033</u>
TOTAL PASSED THROUGH STATE DEPARTMENT OF FOOD AND AGRICULTURE:			<u>1,133,531</u>	<u>1,133,531</u>
<u>PASSED THROUGH STATE DEPARTMENT OF HEALTH SERVICES:</u>				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	11-10487	5,706,189	5,706,189
CATALOG TOTAL			<u>5,706,189</u>	<u>5,706,189</u>
<u>PASSED THROUGH STATE DEPARTMENT OF SOCIAL SERVICES:</u>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:				
CalFresh (SNAP - Food Stamps)	10.561		27,638,228	27,638,228
CalFresh (FS) - CalWIN Project	10.561		1,292,470	1,292,470
CATALOG TOTAL			<u>28,930,698</u>	<u>28,930,698</u>
TOTAL PASS-THROUGH PROGRAMS:			<u>35,770,418</u>	<u>35,770,418</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>35,770,418</u>	<u>35,770,418</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, 2012**

FEDERAL GRANTOR PASS-THROUGH GRANT PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	AWARD AMOUNT	FEDERAL EXPENDITURES
<u>U.S. DEPARTMENT OF DEFENSE</u>				
<u>DIRECT PROGRAMS:</u>				
Community Economic Adjustment Assistance for Establishment, Expansion, Realignment, or Closure of a Military Installation:				
McClellan Gateway 3 & 5 Overlay Project	12.607	SP0453-08-02	\$ 5,600,000	\$ 1,397,666
Environmental Services Coop Agreement II	12.607		15,100,000	50,672
Environmental Services Coop Agreement III	12.607	FA 89030820001	11,200,000	4,030,600
Environmental Services Coop Agreement IV	12.607	FA 89030920002	23,493,475	1,046,635
CATALOG TOTAL			<u>55,393,475</u>	<u>6,525,573</u>
TOTAL DIRECT PROGRAMS:			<u>55,393,475</u>	<u>6,525,573</u>
TOTAL U.S. DEPARTMENT OF DEFENSE			<u>55,393,475</u>	<u>6,525,573</u>
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>				
<u>DIRECT PROGRAMS:</u>				
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers):				
McKinney Homeless Grant	93.224	H80CS00045	1,055,530	1,055,530
CATALOG TOTAL			<u>1,055,530</u>	<u>1,055,530</u>
HIV Emergency Relief Project Grants:				
Ryan White Part A (2)	93.914	H89HA00048	2,794,220	242,521
Ryan White Part A (1)	93.914	H89HA00048	2,677,884	2,164,951
CATALOG TOTAL			<u>5,472,104</u>	<u>2,407,472</u>
TOTAL DIRECT PROGRAMS:			<u>6,527,634</u>	<u>3,463,002</u>
<u>PASSED THROUGH ACADEMY FOR EDUCATIONAL DEVELOPMENT/FHI360:</u>				
Civil Rights and the Privacy Rule Compliance Activities:				
The Health Marketing Communications	93.001	371101	20,000	15,000
CATALOG TOTAL			<u>20,000</u>	<u>15,000</u>
<u>PASSED THROUGH AREA 4 AGENCY ON AGING:</u>				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers:				
A4AA Mental Health (Loneliness)	93.044	31-10-34-12	91,346	91,346
CATALOG TOTAL			<u>91,346</u>	<u>91,346</u>
<u>PASSED THROUGH CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES:</u>				
Medical Assistance Program:				
School Based Medi-Cal Admin. Activities (SMAA)	93.778	11-88007	5,000,000	2,800,000
County Based Medi-Cal Admin. Activities (CMAA)	93.778	08-85126	4,000,000	1,515,000
Child Health Disability Protection (CHDP) - Medi-Cal and Foster Care	93.778	2011-2012	2,220,614	1,255,818
CATALOG TOTAL			<u>11,220,614</u>	<u>5,570,818</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, 2012**

FEDERAL GRANTOR PASS-THROUGH GRANT PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	AWARD AMOUNT	FEDERAL EXPENDITURES
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (CONTINUED)</u>				
<u>PASSED THROUGH CALIFORNIA DEPARTMENT OF PUBLIC HEALTH:</u>				
Public Health Emergency Preparedness:				
Public Health Emergency Response for Disease Control and Prevention (CDC)	93.069	EPO CDC 11-34	\$ 2,080,777	\$ 1,681,670
CATALOG TOTAL			<u>2,080,777</u>	<u>1,681,670</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs:				
Tuberculosis Program	93.116		547,167	328,318
Tuberculosis Program - Augmentation	93.116		35,428	35,428
CATALOG TOTAL			<u>582,595</u>	<u>363,746</u>
Immunization Cooperative Agreements:				
Immunization Assistance Program (IAP)	93.268	10-95354	430,874	429,118
CATALOG TOTAL			<u>430,874</u>	<u>429,118</u>
Refugee and Entrant Assistance - State Administered Programs:				
Refugee Health Basic	93.566	11-34-90840-00	465,158	465,158
CATALOG TOTAL			<u>465,158</u>	<u>465,158</u>
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements:				
Hospital Preparedness Program (HPP)	93.889	EPO HPP 11-34	633,792	588,851
CATALOG TOTAL			<u>633,792</u>	<u>588,851</u>
HIV Care Formula Grants:				
HIV CARE (SAM & MAI)	93.917	10-95282	928,781	928,750
CATALOG TOTAL			<u>928,781</u>	<u>928,750</u>
Maternal and Child Health Services Block Grant to the States:				
Black Infant Health (BIH)	93.994	2011-34	413,489	369,531
California Home Visiting Program (North & South)	93.994	201134	947,868	419,068
CATALOG TOTAL			<u>1,361,357</u>	<u>788,599</u>
TOTAL PASSED THROUGH CALIFORNIA DEPARTMENT OF PUBLIC HEALTH:			<u>6,483,334</u>	<u>5,245,892</u>
<u>PASSED THROUGH STATE DEPARTMENT OF ALCOHOL & DRUG:</u>				
Medical Assistance Program:				
Alcohol & Drug Medi-Cal	93.778	NNA 34	5,195,120	5,195,120
CATALOG TOTAL			<u>5,195,120</u>	<u>5,195,120</u>
Block Grants for Prevention and Treatment of Substance Abuse:				
Alcohol & Drug - Substance Abuse Prevention & Treatment	93.959	NNA 34	6,971,496	6,971,496
CATALOG TOTAL			<u>6,971,496</u>	<u>6,971,496</u>
TOTAL PASSED THROUGH STATE DEPARTMENT OF ALCOHOL & DRUG:			<u>12,166,616</u>	<u>12,166,616</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, 2012**

FEDERAL GRANTOR PASS-THROUGH GRANT PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	AWARD AMOUNT	FEDERAL EXPENDITURES
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (CONTINUED)</u>				
<u>PASSED THROUGH STATE DEPARTMENT OF HEALTH SERVICES:</u>				
Medical Assistance Program:				
Collaborative Primary Care Integration	93.778	09-86347	\$ 19,834	\$ 19,834
Targeted Case Management (TCM)	93.778	34-0712	2,006,930	626,949
CATALOG TOTAL			<u>2,026,764</u>	<u>646,783</u>
HIV Prevention Activities - Health Department Based:				
AIDS MG - HIV Prevention Program	93.940	10-95282	564,150	479,797
CATALOG TOTAL			<u>564,150</u>	<u>479,797</u>
Maternal and Child Health Services Block Grant to the States:				
Material, Child & Adolescent Health (MCAH)	93.994	2011-34	161,059	154,900
CATALOG TOTAL			<u>161,059</u>	<u>154,900</u>
TOTAL PASSED THROUGH STATE DEPARTMENT OF HEALTH SERVICES:			<u>2,751,973</u>	<u>1,281,480</u>
<u>PASSED THROUGH STATE DEPARTMENT OF MENTAL HEALTH:</u>				
Projects for Assistance in Transition from Homelessness (PATH)				
CATALOG TOTAL	93.150		<u>468,156</u>	<u>468,156</u>
Substance Abuse and Mental Health Services - Projects of Regional and National				
Children Affected by Methamphetamine (CAM)	93.243	1H79TI023291-01	393,125	393,125
CATALOG TOTAL			<u>393,125</u>	<u>393,125</u>
Block Grants for Community Mental Health Services:				
Substance Abuse & Mental Health Srvc. Admin. (SAMHSA)	93.958		1,919,077	1,801,332
CATALOG TOTAL			<u>1,919,077</u>	<u>1,801,332</u>
TOTAL PASSED THROUGH STATE DEPARTMENT OF MENTAL HEALTH:			<u>2,780,358</u>	<u>2,662,613</u>
<u>PASSED THROUGH STATE DEPARTMENT OF SOCIAL SERVICES:</u>				
Guardianship Assistance:				
KINGAP - 4T	93.090		2,619,732	2,619,732
KinGAP IV - E	93.090		147,349	147,349
CATALOG TOTAL			<u>2,767,081</u>	<u>2,767,081</u>
Promoting Safe and Stable Families:				
Promoting Safe and Stable Families (PSSF)	93.556		1,144,457	1,144,457
PSSF - Monthly Caseworker Visits	93.556		172,634	172,634
CATALOG TOTAL			<u>1,317,091</u>	<u>1,317,091</u>
Temporary Assistance for Needy Families:				
Child Welfare Services - EA TANF	93.558		12,416,111	12,416,111
Stage One Child Care	93.558		10,557,936	10,557,936
CalWORKS - Administration	93.558		73,434,999	73,434,999
CalWORKS - CalWIN Project	93.558		1,056,848	1,056,848
CalWORKS (Assist)	93.558		69,826,797	69,826,797
CATALOG TOTAL			<u>167,292,691</u>	<u>167,292,691</u>
Child Support Enforcement:				
Child Support Admin. - Early Intervention	93.563		590,676	389,846
Child Support Administration	93.563		20,903,832	20,903,832
CATALOG TOTAL			<u>21,494,508</u>	<u>21,293,678</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, 2012**

FEDERAL GRANTOR PASS-THROUGH GRANT PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	AWARD AMOUNT	FEDERAL EXPENDITURES
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (CONTINUED)</u>				
<u>PASSED THROUGH STATE DEPARTMENT OF SOCIAL SERVICES (CONTINUED):</u>				
Refugee and Entrant Assistance - State Administered Programs:				
Refugee Cash Asst. (RCA) & Other Refugee Prgm. (Admin)	93.566		\$ 41,638	\$ 41,638
RCA - CalWIN Project	93.566		1,622	1,622
Refugee Cash Asst. (RCA) & Other Refugee Prgm. (Assist)	93.566		330,961	330,961
CATALOG TOTAL			<u>374,221</u>	<u>374,221</u>
Adoption Incentive Payments:				
Federal Adoptions Incentive	93.603		45,798	45,798
CATALOG TOTAL			<u>45,798</u>	<u>45,798</u>
Stephanie Tubbs Jones Child Welfare Services Program:				
Group Home Monthly Visits	93.645		170,438	170,438
Child Welfare Services - Title IV-B	93.645		2,253,495	2,253,495
CATALOG TOTAL			<u>2,423,933</u>	<u>2,423,933</u>
Foster Care - Title-IV-E:				
Foster Parent Training & Recruitment (AB 2129)	93.658		135,510	135,510
Emergency Assistance Foster Care	93.658		1,032,150	1,032,150
Foster Care (AFDC) - Assistance	93.658		17,012,807	17,012,807
Foster Care - Residentially Based Services	93.658		592,488	592,488
ARRA - Foster Care - Residentially Based Services	93.658		76	76
FC - Title IV - E TETR	93.658		4,297	4,297
Family Children Care Home	93.658		312,793	312,793
CWSOIP/COHORT 1	93.658		418,207	418,207
Foster Care (AFDC) - ADMINISTRATION	93.658		1,654,151	1,654,151
Family Preservation Program (FPP)	93.658		11,689	11,689
Child Welfare Services - Title IV-E	93.658		21,092,370	21,092,370
Community Care Licensing (CCL) - Foster Family Homes (FFH)	93.658		307,268	307,268
CATALOG TOTAL			<u>42,573,806</u>	<u>42,573,806</u>
Adoption Assistance:				
Adoption Assistance	93.659		2,316,281	2,303,509
Adoption Assistance Program (AAP)	93.659		22,071,899	22,071,899
Adoption Program Administrative	93.659		483,823	483,823
CATALOG TOTAL			<u>24,872,003</u>	<u>24,859,231</u>
Community Services Block Grant:				
Community Services Block Grant (CSBG)	93.569		220,580	220,580
CATALOG TOTAL			<u>220,580</u>	<u>220,580</u>
Social Services Block Grant:				
Child Welfare Services - Title XX	93.667		3,415,468	3,415,468
CATALOG TOTAL			<u>3,415,468</u>	<u>3,415,468</u>
Chafee Foster Care Independence Program:				
Independent Living Program	93.674		741,997	741,997
CATALOG TOTAL			<u>741,997</u>	<u>741,997</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, 2012**

FEDERAL GRANTOR PASS-THROUGH GRANT PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	AWARD AMOUNT	FEDERAL EXPENDITURES
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (CONTINUED)</u>				
<u>PASSED THROUGH STATE DEPARTMENT OF SOCIAL SERVICES (CONTINUED):</u>				
Medical Assistance Program:				
Child Welfare Services - Title XIX	93.778		\$ 3,985,440	\$ 2,113,474
In-Home Support Services (IHSS)	93.778		11,105,011	8,877,076
Medi-Cal Assistance-CalWIN Project	93.778		2,117,752	2,117,752
Medi-Cal Administrative	93.778		18,349,462	18,349,462
Adult Protective Services	93.778		3,728,507	3,728,507
CATALOG TOTAL			<u>39,286,172</u>	<u>35,186,271</u>
TOTAL PASSED THROUGH STATE DEPARTMENT OF SOCIAL SERVICES:			<u>306,825,349</u>	<u>302,511,846</u>
TOTAL PASS-THROUGH PROGRAMS:			<u>342,339,590</u>	<u>329,545,611</u>
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SVCS.			<u>348,867,224</u>	<u>333,008,613</u>
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>				
<u>DIRECT PROGRAMS:</u>				
Supportive Housing Program:				
LSS - Saybrook Apartments (1)	14.235	CA0150B9T031003	499,037	384,778
Homeless Management Information System (1)	14.235	CA0138B9T030802	99,959	38,269
Homeless Management Information System (2)	14.235	CA0138B9T031003	99,959	57,852
LSS - Achieving Change Together	14.235	CA0828B9T030900	314,030	69,314
LSS - Adolfo PH Emancipated Youth (1)	14.235	CA0129B9T030802	497,726	45,409
LSS - Adolfo PH Emancipated Youth (2)	14.235	CA0129B9T031003	497,726	446,757
LSS - Building Bridges (2)	14.235	CA0132B9T031003	362,022	253,181
Mather Community Campus (1)	14.235	CA0139B9T031003	3,061,636	2,542,920
LSS - Mutual Housing at the Highlands	14.235	CA01B703001	320,520	162,014
Resource For Independent Living (2)	14.235	CA0157B9T031104	123,496	18,674
LSS - Saybrook Apartments (2)	14.235	CA0150B9T031104	499,037	144,301
LSS - Teen Trans Housing Connections (1)	14.235	CA0135B9T031003	275,838	229,212
LSS - Teen Trans Housing Connections (2)	14.235	CA0125B9T031104	275,838	42,223
LSS - Transitional Housing For Families (1)	14.235	CA0155B9T031003	229,107	152,275
Quinn Cottages (2)	14.235	CA0147B9T031003	312,138	195,917
LSS - Transitional Housing For Youth (1)	14.235	CA0156B9T030802	178,849	103,469
Mather Community Campus (2)	14.235	CA0139B9T030802	3,061,636	1,004,766
LSS - Building Bridges (1)	14.235	CA0132B9T031104	362,022	85,160
SAEHC - Casas Serenes (1)	14.235	CA0134B9T031003	256,032	181,122
McClellan Park (1)	14.235	CA0140B9T030802	226,000	127,779
McClellan Park (2)	14.235	CA0140B9T031003	226,000	118,042
Friendship Housing (2)	14.235	CA0137B9T030802	154,110	75,269
Friendship Housing (1)	14.235	CA0137B9T031003	154,110	88,404
Friendship Housing Expansion (1)	14.235	CA0750B9T031002	314,738	267,068
Friendship Housing Expansion (2)	14.235	CA0750B9T031103	314,738	55,391
Resource For Independent Living (1)	14.235	CA0157B9T031003	123,496	100,569
SAEHC - Casas de Esperanza (1)	14.235	CA0133B9T031104	327,869	68,750
AIDS Housing Alliance - Avalon (2)	14.235	CA0131B9T030802	81,746	49,787

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, 2012**

FEDERAL GRANTOR PASS-THROUGH GRANT PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	AWARD AMOUNT	FEDERAL EXPENDITURES
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT (CONTINUED):</u>				
<u>DIRECT PROGRAMS (CONTINUED):</u>				
Supportive Housing Program (Continued):				
SAEHC - Casas Serenes (2)	14.235	CA0134B9T031104	\$ 256,032	\$ 44,383
Omega Project (2)	14.235	CA0143B9T030802	316,033	35,657
Omega Project (1)	14.235	CA0143B9T031003	316,033	286,752
Quinn Cottages (1)	14.235	CA0147B9T030802	312,138	117,315
Sacramento Children's Home Crisis Nursery (2)	14.235	CA0148B9T031104	187,714	35,431
Sacramento Children's Home Crisis Nursery (1)	14.235	CA0148B9T031003	187,714	135,610
LSS - Transitional Housing For Youth (2)	14.235	CA0156B9T031003	178,849	85,523
SAEHC - Casas de Esperanza (2)	14.235	CA0133B9T031003	327,869	198,519
St. John's Shelter - Greenway (3)	14.235	CA0131B9T031003	81,746	4,051
Mercy Housing Center - King Project (2)	14.235	CA0751B9T030901	154,345	31,903
NOVA House (2)	14.235	CA0142B9T031104	102,107	21,004
NOVA House (1)	14.235	CA0142B9T031003	102,107	54,654
VOA - Adolfo Trans Housing For Emancipated Youth (2)	14.235	CA0130B9T031003	259,830	259,830
VOA - Adolfo Trans Housing For Emancipated Youth (1)	14.235	CA0130B9T030802	259,830	57,790
Families Beyond Transition (1)	14.235	CA0136B9T031003	398,509	367,044
St. John's Shelter - Greenway (1)	14.235	CA0128B9T031102	110,250	19,993
St. John's Shelter - Greenway (2)	14.235	CA0128B9T030801	110,250	89,792
SAEHC - Omega Expansion (1)	14.235	CA0144B9T031002	128,148	95,900
SAEHC - Omega Expansion (2)	14.235	CA0144B9T030801	128,148	21,534
LSS - Transitional Housing For Families (2)	14.235	CA0155B9T031104	229,107	75,992
Mercy Housing Center - King Project (1)	14.235	CA0751B9T031002	154,345	115,975
Families Beyond Transition (2)	14.235	CA0136B9T031104	398,509	30,430
CATALOG TOTAL			<u>17,949,028</u>	<u>9,293,754</u>
TOTAL DIRECT PROGRAMS:			<u>17,949,028</u>	<u>9,293,754</u>
<u>PASSED THROUGH SACRAMENTO HOUSING & REDEVELOPMENT AGENCY:</u>				
Community Development Block Grants/Entitlement Grants	14.218		451,620	352,926
CATALOG TOTAL			<u>451,620</u>	<u>352,926</u>
<u>PASSED THROUGH STATE DEPARTMENT OF TRANSPORTATION:</u>				
Community Development Block Grants/Entitlement Grants:				
Community Development Block Grant (CDBG) (1)	14.218		216,987	216,987
Community Development Block Grant (CDBG) (2)	14.218		2,048,439	2,048,439
CATALOG TOTAL			<u>2,265,426</u>	<u>2,265,426</u>
TOTAL PASS-THROUGH PROGRAMS:			<u>2,717,046</u>	<u>2,618,352</u>
TOTAL U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:			<u>20,666,074</u>	<u>11,912,106</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, 2012**

FEDERAL GRANTOR PASS-THROUGH GRANT PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	AWARD AMOUNT	FEDERAL EXPENDITURES
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<u>DIRECT PROGRAMS:</u>				
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program:				
Intellectual Property Enforcement Program (2)	16.580	2011-DB-BX-0020	\$ 200,000	\$ 152,600
CATALOG TOTAL			<u>200,000</u>	<u>152,600</u>
Local Law Enforcement Block Grants Program:				
FY 2009 Edward Byrne Justice Assistance Grant (JAG) Program	16.592	2009-DJ-BX-0451	471,225	16,247
FY 2010 Edward Byrne Justice Assistance Grant (JAG) Program	16.592	2010-DJ-BX-1506	412,815	398,161
CATALOG TOTAL			<u>884,040</u>	<u>414,408</u>
State Criminal Alien Assistance Program	16.606	2011-AP-BX-0883	1,317,384	1,317,384
CATALOG TOTAL			<u>1,317,384</u>	<u>1,317,384</u>
Public Safety Partnership and Community Policing Grants:				
COPS Hiring Program (2)	16.710	2011ULWX0004	11,306,450	1,580,224
COPS Hiring Program (1)	16.710	2010ULWX0006	21,382,750	7,720,198
Internet Crimes Against Children	16.710	2010-MC-CX-K003	656,436	358,025
CATALOG TOTAL			<u>33,345,636</u>	<u>9,658,447</u>
DNA Backlog Reduction Program:				
Forensic Casework DNA Backlog Reduction Program - FY 2011	16.741	2011-DN-BX-K436	586,429	84,293
Forensic Casework DNA Backlog Reduction Program - FY 2010	16.741	2010-DN-BX-K071	435,152	337,410
Forensic Casework DNA Backlog Reduction Program - FY 2009	16.741	2009-DN-BX-K065	533,345	208,020
CATALOG TOTAL			<u>1,554,926</u>	<u>629,723</u>
Paul Coverdell Forensic Sciences Improvement Grant Program - FY 2011	16.742	2011-CD-BX-0055	100,625	100,625
CATALOG TOTAL			<u>100,625</u>	<u>100,625</u>
Economic High-Tech and Cyber Crime Prevention:				
Intellectual Property Enforcement Program (1)	16.752	2010-BE-BX-0003	403,758	76,237
CATALOG TOTAL			<u>403,758</u>	<u>76,237</u>
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants To Units of Local Government:				
ARRA - Gang Suppression Unit Project	16.804	2009-SB-B9-0746	1,936,990	25,430
CATALOG TOTAL			<u>1,936,990</u>	<u>25,430</u>
Second Chance Act Prisoner Reentry Initiative:				
Family Based Prisoner Substance Abuse Program	16.812	2010-RN-BX-0020	300,000	130,697
OJJDP FY10 Second Chance Act Adults & Juvenile Offender Reentry Demonstration Projects	16.812	2010-CZ-BX-0068	1,125,000	680,969
CATALOG TOTAL			<u>1,425,000</u>	<u>811,666</u>
TOTAL DIRECT PROGRAMS:			<u>41,168,359</u>	<u>13,186,520</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, 2012**

FEDERAL GRANTOR PASS-THROUGH GRANT PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	AWARD AMOUNT	FEDERAL EXPENDITURES
<u>U.S. DEPARTMENT OF JUSTICE (CONTINUED)</u>				
<u>PASSED THROUGH CALIFORNIA DEPARTMENT OF CORRECTIONS & REHABILITATION:</u>				
Juvenile Accountability Block Grants:				
Juvenile Accountability Block Grant	16.523	CSA 203-11	\$ 36,825	\$ 36,825
FY 2010-11 Juvenile Accountability Block Grant (JABG) - EBP Project	16.523	CSA 208-11	300,000	55,548
FY 2011-12 Juvenile Accountability Block Grant (JABG)	16.523	CSA 173-11	157,064	157,064
Anger Management & Youth Violence Prevention Training	16.523	CSA17309AMYVPT	30,410	17,180
CATALOG TOTAL			<u>524,299</u>	<u>266,617</u>
Juvenile Justice and Delinquency Prevention - Allocation to States:				
Title II Sustaining Effective Treatment and Supervision (SETS)	16.540	CSA 391-11	197,174	127,274
Enhanced Disp. Minority Contact Tech. Asst. Prj. II (DMC TAP II)	16.540	CSA 361-11	150,000	71,605
Title II Probation and Court Based Alternatives (PCBA) Grant	16.540	CSA 372-11	261,290	131,714
CATALOG TOTAL			<u>608,464</u>	<u>330,593</u>
TOTAL PASSED THROUGH CALIFORNIA DEPARTMENT OF CORRECTIONS & REHABILITATION:			<u>1,132,763</u>	<u>597,210</u>
<u>PASSED THROUGH CALIFORNIA EMERGENCY MANAGEMENT AGENCY:</u>				
Crime Victim Assistance:				
Victim Witness Assistance Program	16.575	VW11300340	420,822	420,822
Unserved/Underserved Victim Advocacy and Outreach (1)	16.575	UV10010340	125,000	34,741
Unserved/Underserved Victim Advocacy and Outreach (2)	16.575	UV11020340	125,000	99,360
CATALOG TOTAL			<u>670,822</u>	<u>554,923</u>
Violence Against Women Formula Grants:				
Violence Against Women Vertical Prosecution	16.588	VV11030340	188,634	188,634
CATALOG TOTAL			<u>188,634</u>	<u>188,634</u>
Residential Substance Abuse Treatment for State Prisoners				
Residential Substance Abuse Treatment (RSAT) Program	16.593	RT10020340	400,001	197,134
CATALOG TOTAL			<u>400,001</u>	<u>197,134</u>
Edward Byrne Memorial Justice Assistance Grant Program:				
Anti-Drug and Child Abuse Enforcement Team	16.738	DC112404340	669,926	577,719
CATALOG TOTAL			<u>669,926</u>	<u>577,719</u>
Paul Coverdell Forensic Science Improvement Program - FY 2010				
CATALOG TOTAL	16.742	CQ10070340	242,502	70,873
			<u>242,502</u>	<u>70,873</u>
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to States and Territories:				
ARRA - Anti-Drug and Child Abuse Enforcement Team	16.803	ZA09010340	492,869	199,674
ARRA - Cal-MMET	16.803	ZM09010340	490,228	261,321
ARRA - Adult Day Reporting Center (ADRC)	16.803	ZP09010340	1,622,107	727,735
ARRA - Regional Anti-Gang Intelligence LED	16.803	ZG09010340	300,000	27,808
ARRA - Anti-Human Trafficking	16.803	ZH09010340	500,000	270,427
CATALOG TOTAL			<u>3,405,204</u>	<u>1,486,965</u>
TOTAL PASSED THROUGH CALIFORNIA EMERGENCY MANAGEMENT AGENCY:			<u>5,577,089</u>	<u>3,076,248</u>
TOTAL PASS-THROUGH PROGRAMS:			<u>6,709,852</u>	<u>3,673,458</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>47,878,211</u>	<u>16,859,978</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, 2012**

FEDERAL GRANTOR PASS-THROUGH GRANT PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	AWARD AMOUNT	FEDERAL EXPENDITURES
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<u>DIRECT PROGRAMS:</u>				
Airport Improvement Program:				
Airport Improvement Program 0084-04	20.106	3-06-0084-04	\$ 300,000	\$ 12,184
Airport Improvement Program 0204-49	20.106	3-06-0204-49	441,046	441,046
Airport Improvement Program 0363-16	20.106	3-06-0363-16	3,041,791	3,041,791
Airport Improvement Program 0363-17	20.106	3-06-0363-17	999,131	999,131
Airport Improvement Program 0204-48	20.106	3-06-0204-48	8,678,808	8,678,808
CATALOG TOTAL			<u>13,460,776</u>	<u>13,172,960</u>
TOTAL DIRECT PROGRAMS:			<u>13,460,776</u>	<u>13,172,960</u>
<u>PASSED THROUGH STATE DEPARTMENT OF TRAFFIC SAFETY:</u>				
State and Community Highway Safety				
DUI Prosecution & Community Awareness	20.600	AL1039	161,984	161,984
CATALOG TOTAL			<u>161,984</u>	<u>161,984</u>
Alcohol Impaired Driving Countermeasures Incentive Grants I:				
Traffic Safety Resource Prosecutor Program (TSRP) (2)	20.601	20414	742,595	742,595
Traffic Safety Resource Prosecutor Program (TSRP) (1)	20.601	AL1106	283,335	283,335
Detection and Quantitation of Psychoactive Drugs in DUI Drug Cases	20.601	20195	420,105	420,105
New DUI Vertical Prosecution & Community Awareness	20.601	20386	660,014	660,014
DUI County Recidivist Arrests and Sweeps Hit (CRASH) Team	20.601	AL1108	101,991	101,991
CATALOG TOTAL			<u>2,208,040</u>	<u>2,208,040</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated:				
Intensive Probation Supervision for High-Risk Felony & Repeat DUI Offenders	20.608	20255	306,000	228,487
CATALOG TOTAL			<u>306,000</u>	<u>228,487</u>
TOTAL PASSED THROUGH STATE DEPARTMENT OF TRAFFIC SAFETY:			<u>2,676,024</u>	<u>2,598,511</u>
<u>PASSED THROUGH STATE DEPARTMENT OF TRANSPORTATION:</u>				
Highway Planning and Construction:				
ARRA - Safe, Accountable, Flexible, Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU) (Road Fund)	20.205	03-5924R	2,074,930	2,074,930
Safe, Accountable, Flexible, Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU) (Road Fund)	20.205	03-5924R	3,428,321	3,428,321
ARRA - Safe, Accountable, Flexible, Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU) (Sales Tax)	20.205	03-5924R	791,002	791,002
Transportation Equity Act for the 21 st Century (TEA-21)	20.205	03-928515	1,506,625	64,485
Safe, Accountable, Flexible, Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU) (Sales Tax)	20.205	03-5924R	3,657,585	3,657,585
CATALOG TOTAL			<u>11,458,463</u>	<u>10,016,323</u>
Formula Grants for Other Than Urbanized Areas:				
Federal Transit Administration 5311	20.509	642133	133,253	133,253
CATALOG TOTAL			<u>133,253</u>	<u>133,253</u>
TOTAL PASSED THROUGH STATE DEPARTMENT OF TRANSPORTATION:			<u>11,591,716</u>	<u>10,149,576</u>
TOTAL PASS-THROUGH PROGRAMS:			<u>14,267,740</u>	<u>12,748,087</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>27,728,516</u>	<u>25,921,047</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, 2012**

FEDERAL GRANTOR PASS-THROUGH GRANT PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	AWARD AMOUNT	FEDERAL EXPENDITURES
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>				
<u>DIRECT PROGRAMS:</u>				
Climate Showcase Communities: River Friendly Landscaping to Reduce GHGs	66.041	AF-83452801-0	\$ 486,668	\$ 153,118
CATALOG TOTAL			<u>486,668</u>	<u>153,118</u>
TOTAL DIRECT PROGRAMS:			<u>486,668</u>	<u>153,118</u>
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>486,668</u>	<u>153,118</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<u>DIRECT PROGRAMS:</u>				
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS0208HSLR348	1,571,428	294,566
CATALOG TOTAL			<u>1,571,428</u>	<u>294,566</u>
TOTAL DIRECT PROGRAMS:			<u>1,571,428</u>	<u>294,566</u>
<u>PASSED THROUGH CALIFORNIA EMERGENCY MANAGEMENT AGENCY:</u>				
Cooperating Technical Partners:				
Flood Insurance Rate Map Study	97.045	EMF2009GR0918	300,000	24,078
CATALOG TOTAL			<u>300,000</u>	<u>24,078</u>
Pre-Disaster Mitigation:				
FY 2010 Pre-Disaster Mitigation Competitive Program	97.047	PDMC-09-CA-10	145,300	34,443
CATALOG TOTAL			<u>145,300</u>	<u>34,443</u>
Homeland Security Grant Program:				
FY 2010 Metropolitan Medical Response System (MMRS)	97.067	2010-0085	317,419	166,975
FY 2009 Metropolitan Medical Response System (MMRS)	97.067	2009-0019	321,221	135,189
FY 2009 State Homeland Security Grant Program (SHSGP)	97.067	2009-0019	2,910,925	1,399,958
FY 2010 State Homeland Security Grant Program (SHSGP)	97.067	2010-0085	3,942,866	1,322,242
Emergency Management Performance Grant (EMPG)	97.067	2011-0048	390,273	390,273
FY 2008 State Homeland Security Grant Program (SHSGP)	97.067	2008-0006	3,020,965	910
FY 2011 State Homeland Security Grant Program (SHSGP)	97.067	2011-SS-0077	2,969,265	6,633
FY 2009 Regional Terrorism Threat Assessment Center (RTTAC)	97.067	2009-0019	1,000,000	690,092
CATALOG TOTAL			<u>14,872,934</u>	<u>4,112,272</u>
Competitive Training Grant Program - FY2006	97.068	2006-GT-T6-K006	3,291,338	713,909
CATALOG TOTAL			<u>3,291,338</u>	<u>713,909</u>
Buffer Zone Protection Program (BZPP) - FY2009	97.078	2009-BF-T9-0026	199,820	144,750
CATALOG TOTAL			<u>199,820</u>	<u>144,750</u>
PASSED THROUGH CALIFORNIA EMERGENCY MANAGEMENT AGENCY:			<u>18,809,392</u>	<u>5,029,452</u>
TOTAL PASS-THROUGH PROGRAMS:			<u>18,809,392</u>	<u>5,029,452</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>20,380,820</u>	<u>5,324,018</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, 2012**

FEDERAL GRANTOR PASS-THROUGH GRANT PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	AWARD AMOUNT	FEDERAL EXPENDITURES
<u>U.S. DEPARTMENT OF ENERGY</u>				
<u>DIRECT PROGRAMS:</u>				
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-EE0000900	\$ 5,364,600	\$ 806,596
CATALOG TOTAL			<u>5,364,600</u>	<u>806,596</u>
TOTAL DIRECT PROGRAMS:			<u>5,364,600</u>	<u>806,596</u>
<u>PASSED THROUGH SACRAMENTO MUNICIPAL UTILITY DISTRICT (SMUD):</u>				
Electricity Delivery and Energy Reliability, Research, Development and Analysis:				
ARRA - Smart Grid Investment Grant (SMUD SGIG)	81.122	DE-OE0000214	1,500,000	411,559
CATALOG TOTAL			<u>1,500,000</u>	<u>411,559</u>
TOTAL PASS-THROUGH PROGRAMS:			<u>1,500,000</u>	<u>411,559</u>
TOTAL U.S. DEPARTMENT OF ENERGY			<u>6,864,600</u>	<u>1,218,155</u>
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>				
<u>DIRECT PROGRAMS:</u>				
High Intensity Drug Trafficking Areas Program:				
Central Valley CA High Intensity Drug Trafficking Area VII	95.001	G12CV0002A	2,722,304	71,671
Central Valley CA High Intensity Drug Trafficking Area VI	95.001	G11CV0002A	3,060,000	1,036,235
Central Valley CA High Intensity Drug Trafficking Area V	95.001	G10CV0002A	4,206,702	1,811,764
Central Valley CA High Intensity Drug Trafficking Area IV	95.001	G09CV0002A	4,694,620	1,129,902
CATALOG TOTAL			<u>14,683,626</u>	<u>4,049,572</u>
TOTAL DIRECT PROGRAMS:			<u>14,683,626</u>	<u>4,049,572</u>
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT			<u>14,683,626</u>	<u>4,049,572</u>
TOTAL DIRECT PROGRAMS			<u>158,815,207</u>	<u>51,680,714</u>
TOTAL PASS-THROUGH PROGRAMS			<u>422,114,038</u>	<u>389,796,937</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 580,929,245</u>	<u>\$ 441,477,651</u>

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, 2012

NOTE 1 – GENERAL

The accompanying schedule of expenditures of federal awards (SEFA) for the fiscal year ended June 30, 2012, presents the activity of all federal financial assistance programs of the County of Sacramento, California (the County). The County reporting entity is defined in Note 1 to the County's basic financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the SEFA.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying SEFA is presented using the modified accrual basis of accounting for most grants accounted for in the governmental fund types, and the accrual basis of accounting for most grants accounted for in the proprietary fund types, as described in Note 1 to the County's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

NOTE 3 – FEDERAL CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The CFDA numbers included in this report were determined based on the program name, review of grant contract information, and the Office of Management and Budget's Catalog of Federal Domestic Assistance.

NOTE 4 – 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 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 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.

COUNTY OF SACRAMENTO, CALIFORNIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012

NOTE 5 – AMOUNT PROVIDED TO SUBRECIPIENTS

Federal assistance provided to subrecipients is treated as an expenditure when it is paid to the subrecipient and is summarized as follows:

PROGRAM TITLE	FEDERAL CFDA NUMBER	PROJECT NAME	PASS- THROUGH AMOUNT
Community Development Block Grants/Entitlement Grants	14.218	Community Development Block Grant	\$ 312,101
Supportive Housing Program	14.235	AIDS Housing Alliance - Avalon (2)	49,695
	14.235	Families Beyond Transition (1)	358,006
	14.235	Families Beyond Transition (2)	29,791
	14.235	Friendship Housing (1)	84,945
	14.235	Friendship Housing (2)	75,119
	14.235	Friendship Housing Expansion (1)	260,923
	14.235	Friendship Housing Expansion (2)	54,454
	14.235	LSS - Achieving Change Together	68,000
	14.235	LSS - Adolfo PH Emancipated Youth (1)	45,409
	14.235	LSS - Adolfo PH Emancipated Youth (2)	435,322
	14.235	LSS - Building Bridges (1)	82,715
	14.235	LSS - Building Bridges (2)	247,340
	14.235	LSS - Mutual Housing at the Highland	156,031
	14.235	LSS - Saybrook Apartments (1)	375,980
	14.235	LSS - Saybrook Apartments (2)	142,207
	14.235	LSS - Teen Transitional Housing Connections (1)	223,417
	14.235	LSS - Teen Transitional Housing Connections (2)	41,212
	14.235	LSS - Transitional Housing For Families (1)	150,378
	14.235	LSS - Transitional Housing For Families (2)	72,952
	14.235	LSS - Transitional Housing For Youth (1)	85,905
	14.235	LSS - Transitional Housing For Youth (2)	82,295
	14.235	Mather Community Campus (1)	2,529,955
	14.235	Mather Community Campus (2)	1,001,272
	14.235	McClellan Park (1)	125,716
	14.235	McClellan Park (2)	115,438

COUNTY OF SACRAMENTO, CALIFORNIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012

NOTE 5 – AMOUNT PROVIDED TO SUBRECIPIENTS (Continued)

PROGRAM TITLE	FEDERAL CFDA NUMBER	PROJECT NAME	PASS- THROUGH AMOUNT
Supportive Housing Program (Continued)	14.235	Mercy Housing Center - King Project (1)	\$ 112,088
	14.235	Mercy Housing Center - King Project (2)	31,903
	14.235	NOVA House (1)	54,482
	14.235	NOVA House (2)	18,626
	14.235	Omega Project (1)	279,229
	14.235	Omega Project (2)	34,992
	14.235	Quinn Cottages (1)	115,691
	14.235	Quinn Cottages (2)	189,741
	14.235	Resource For Independent Living (1)	98,353
	14.235	Resource For Independent Living (2)	18,135
	14.235	Sacramento Children's Home Crisis Nursery (1)	132,071
	14.235	Sacramento Children's Home Crisis Nursery (2)	34,189
	14.235	SAEHC - Casas de Esperanza (1)	66,835
	14.235	SAEHC - Casas de Esperanza (2)	193,014
	14.235	SAEHC - Casas Serenes (1)	177,109
	14.235	SAEHC - Casas Serenes (2)	42,529
	14.235	SAEHC - Omega Expansion (1)	92,849
	14.235	SAEHC - Omega Expansion (2)	20,713
	14.235	St. John's Shelter - Greenway (1)	18,794
	14.235	St. John's Shelter - Greenway (2)	88,362
	14.235	St. John's Shelter - Greenway (3)	3,902
	14.235	VOA - Adolfo Transitional Housing For Emancipated Youth (1)	57,790
	14.235	VOA - Adolfo Transitional Housing For Emancipated Youth (2)	253,644
Juvenile Accountability Block Grants	16.523	Juvenile Accountability Block Grant	36,825
Formula Grants for Other Than Urbanized Areas	20.509	Federal Transit Administration 5311	133,253
Safety Belt Performance Grants	20.600	DUI Prosecution & Community Awareness	60,646

COUNTY OF SACRAMENTO, CALIFORNIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012

NOTE 5 – AMOUNT PROVIDED TO SUBRECIPIENTS (Continued)

<u>PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PROJECT NAME</u>	<u>PASS- THROUGH AMOUNT</u>
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	New DUI Vertical Prosecution & Community Awareness	\$ 163,098
	20.601	Traffic Safety Resource Prosecutor Program (TSRP) (1)	252,399
	20.601	Traffic Safety Resource Prosecutor Program (TSRP) (2)	699,110
Projects for Assistance in Transition from Homelessness (PATH)	93.150	Projects for Assistance in Transition from Homelessness (PATH)	468,156
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	Children Affected by Methamphetamine (CAM)	393,125
Promoting Safe and Stable Families	93.556	Promoting Safe and Stable Families (PSSF)	96,940
Foster Care Title IV-E	93.658	Child Welfare Services – Title IV-E	139,759
	93.658	CWSOIP/COHORT1	33,487
	93.658	Foster Parent Training & Recruitment (AB 2129)	6,834
Chafee Foster Care Independence Program	93.674	Independent Living Program	198,080
Medical Assistance Program	93.778	Alcohol & Drug Medi-Cal	4,744,486
	93.778	County Based Medi-Cal Admin. Activities (CMAA)	1,402,415
	93.778	School Based Medi-Cal Admin. Activities (SMAA)	2,632,000
National Bioterrorism Hospital Preparedness Program	93.889	Hospital Preparedness Program (HPP)	152,411
Health Services	93.958	Substance Abuse & Mental Health Srv. Admin. (SAMHSA)	1,801,332
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Alcohol & Drug - Substance Abuse Prevention & Treatment	3,112,619
Homeland Security Grant Program	97.067	FY 2008 State Homeland Security Grant Program (SHSGP)	910
	97.067	FY 2009 State Homeland Security Grant Program (SHSGP)	687,590
	97.067	FY 2010 State Homeland Security Grant Program (SHSGP)	425,874
	97.067	FY 2011 State Homeland Security Grant Program (SHSGP)	6,633
Total Provided To Subrecipients			<u>\$ 26,989,601</u>

COUNTY OF SACRAMENTO, CALIFORNIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012

NOTE 6 – PROGRAM/CLUSTER TOTALS

The schedule of expenditures of federal awards does not summarize programs that cross agency funding. Also, the schedule does not summarize clusters. The following summarizes those programs that cross agency funding and clusters:

<u>Program Title</u>	<u>CFDA#</u>	<u>Pass Through Agency</u>	<u>Amount</u>
SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	State Department of Social Services	\$ 28,930,698
		Cluster Total	<u>\$ 28,930,698</u>
CDBG – Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218	State Department of Social Services	\$ 2,265,426
		Sacramento Housing & Redevelopment Agency	352,926
		Cluster Total	<u>\$ 2,618,352</u>
JAG Program Cluster			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	California Emergency Management Agency	\$ 577,719
ARRA – Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	California Emergency Management Agency	1,486,965
ARRA – Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	N/A (Direct program)	25,430
		Cluster Total	<u>\$ 2,090,114</u>
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	State Department of Transportation	\$ 10,016,323
		Cluster Total	<u>\$ 10,016,323</u>

COUNTY OF SACRAMENTO, CALIFORNIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012

NOTE 6 – PROGRAM/CLUSTER TOTALS (Continued)

<u>Program Title</u>	<u>CFDA#</u>	<u>Pass Through Agency</u>	<u>Amount</u>
Highway Safety Cluster			
State and Community Highway Safety	20.600	State Department of Traffic Safety	\$ 161,984
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	State Department of Traffic Safety	2,208,040
		Cluster Total	<u>\$ 2,370,024</u>
Aging Cluster			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	Area 4 Agency on Aging	\$ 91,346
		Cluster Total	<u>\$ 91,346</u>
Health Centers Cluster			
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	93.224	N/A (Direct program)	\$ 1,055,530
		Cluster Total	<u>\$ 1,055,530</u>
Immunization Cluster			
Immunization	93.268	State Department of Health Services	\$ 429,118
		Cluster Total	<u>\$ 429,118</u>
TANF Cluster			
Temporary Assistance for Needy Families (TANF) State Programs	93.558	State Department of Social Services	\$ 167,292,691
		Cluster Total	<u>\$ 167,292,691</u>
Medicaid Cluster			
Medical Assistance Program (Medicaid)	93.778	State Department of Social Services	\$ 35,186,271
		State Department of Alcohol & Drug	5,195,120
		State Department of Health Care	5,570,818
		State Department of Health Services	646,783
		Cluster Total	<u>\$ 46,598,992</u>

COUNTY OF SACRAMENTO, CALIFORNIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012

NOTE 6 – PROGRAM/CLUSTER TOTALS (Continued)

<u>Program Title</u>	<u>CFDA#</u>	<u>Pass Through Agency</u>	<u>Amount</u>
Foster Grandparent/Senior Companion Cluster			
Foster Grandparent Program	94.011	N/A (Direct program)	\$ 426,109
Senior Companion Program	94.016	N/A (Direct program)	104,193
		Cluster Total	<u>\$ 530,302</u>
Community Services Block Grant Cluster			
Community Services Block Grant	93.569	State Department of Social Services	\$ 220,580
		Cluster Total	<u>\$ 220,580</u>

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

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified?	Yes
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weakness(es) identified?	Yes
Significant deficiencies identified?	Yes

Type of auditors' report issued on compliance for major programs:

Unqualified for all major programs except for Supportive Housing Program and Medicaid Cluster, which were qualified	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	Yes

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.561	Supplemental Nutrition Assistance Program Cluster
93.778	Medicaid Cluster
93.558	Temporary Assistance for Needy Families Cluster
93.658	Foster Care - Title IV-E (includes ARRA)
93.659	Adoption Assistance
14.235	Supportive Housing Program
16.710	Public Safety Partnership and Community Policing Grants
16.738/16.803/16.804	Justice Assistance Grant Cluster (Includes ARRA)
20.205	Highway, Planning, and Construction Program (includes ARRA)
81.128	Energy Efficiency and Conservation Block Grant Program (includes ARRA)
81.122	Electricity Delivery and Energy Reliability, Research, Development and Analysis (includes ARRA)

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 3,000,000
Auditee qualified as low-risk auditee?	No

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

II. FINANCIAL STATEMENT FINDINGS

The following findings represent significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with generally accepted government auditing standards.

Finding 2012-01

LONG TERM FINANCIAL PLAN

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 either 1) no less than 5 to 15 percent of regular general fund operating revenues, or 2) no less than one to two months of regular general fund operating 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 - The County is currently in an improved but continued period of financial stress. As noted in the prior year findings, the County's General Fund balance has 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 balance improved to an unassigned fund balance of negative \$3.38 as compared to a negative unassigned fund balance of \$30.8M in the prior year. Although the County adopted the revised reserve and reinvestment policy during fiscal year 2011, the policy does not address long term financial planning.

Long-term financial planning combines financial forecasting with strategizing. It is a highly collaborative process that considers future scenarios and helps governments navigate challenges. Long-term financial planning works best as part of an overall strategic plan. Financial forecasting is the process of projecting revenues and expenditures over a long-term period, using assumptions about economic conditions, future spending scenarios, and other salient variables. Long-term financial planning is the process of aligning financial capacity with long-term service objectives. Financial planning uses forecasts to provide insight into future financial capacity so that strategies can be developed to achieve long-term sustainability in light of the government's service objectives and financial challenges.

Context:

The 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, 2012**

II. FINANCIAL STATEMENT FINDINGS (CONTINUED)

Effect:

There may be significant financial consequences with making Interfund Transfers to the General Fund from non-General Fund resources, and using these Interfund Transfer amounts to fund ongoing expenditures in the General Fund.

Cause:

The Interfund Transfers to the General Fund from non-General Fund resources were recorded in the General Fund financial statements as Long-term Advances From Other Funds. These Interfund Transfers 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 balance will likely remain negative until a substantial portion of these Long-term Advances are repaid from the General Fund to the non-General Fund funds.

Recommendation:

This is a repeat condition from Fiscal Year 2009, 2010, and 2011.

We noted that the County adopted the Fund Balance and Reinvestment Policy to establish the policy for reinvesting in reserves and high priority programs. 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 mitigate the General Fund's negative unassigned fund balance, including accelerating the repayment of Interfund Advances. We also recommend that the County review the adequacy of unassigned fund balance.

Views of Responsible Officials and Planned Corrective Actions:

The County General Fund has been and continues to experience financial stress due to the impacts of the general economic downturn, including a significant decline in County property values. The County identifies its "budget gap" in advance of each upcoming fiscal year, and solutions to closing any "gap" are adopted by the Board of Supervisors during June budget hearings, in order to have a balanced budget in place by July 1, the beginning of the County's fiscal year. The County has addressed these budget gaps over the last several years with a combination of significant permanent program reductions and staffing reductions, as well as using one-time resources.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

II. FINANCIAL STATEMENT FINDINGS (CONTINUED)

Finding 2012-02

DAILY CASH RECONCILIATION

Criteria:

The County is responsible for maintaining appropriate cash controls and segregation of duties. Cashiers within the Consolidated Utility Billing Services Unity prepare the daily cash reconciliation form documenting the cash receipts during the day and provide the form and the Cash Register Tape (X-Report) to the supervisor for review and approval. Supervisors are to review and approve the form via signature ensuring that the Cash Reconciliation Form matches the daily collections in the deposit envelope and that the form can be reconciled to the Cash Register Tape. Any reconciling items should be researched and investigated.

Condition:

Significant Deficiency - The Daily Cash Reconciliation prepared by the cashiers and reviewed and approved by the CUBS supervisor was not reconciled to the Cash Register Tape (X-Report) and there were variances between the reports.

Context:

The Daily Cash Reconciliation report was not properly reconciled to the Cash Register Tape in the 10 selections tested and included variances between the report and register tape representing 100% of the sample population.

Effect:

There is the risk that county cash could be lost due to error or theft.

Cause:

CUBS Supervisors were not aware of the importance of maintaining appropriate cash controls to prevent or detect fraud or error.

Recommendation:

The County should implement policies and procedures to ensure that the cash controls are properly performed to determine any differences between cash collections on the Daily Cash Reconciliation and the Cash Register Tape and implement policies for reviewing and investigating variances.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

II. FINANCIAL STATEMENT FINDINGS (CONTINUED)

Views of Responsible Officials and Planned Corrective Actions:

CUBS has implemented SAP's (SAP is CUBS billing system) Payment Cash Desk functionality. This functionality allows payments to be posted directly to the customer's account and a receipt is issued from the billing system instead of having the payments posted by the Treasury division. In addition, policies and procedures have been improved to ensure a stricter reconciliation process.

Finding 2012-03

PLACING CAPITAL ASSETS INTO SERVICE

Criteria:

Construction in progress account activity, including additions and transfers to appropriate fixed asset accounts, should be analyzed and reviewed on a regular basis to ensure that the accounting records are maintained on a basis consistent with generally accepted accounting principles.

Condition:

Significant Deficiency - The Juvenile Detention Facility was placed into service during November 2010. However, the County did not begin depreciating the asset until June 30, 2012.

Context:

The Juvenile Detention Facility project was substantially completed and placed into service in FY 2011. For financial reporting, the County did not recognize its completed status until June 30, 2012. Audit adjustments were proposed and recorded to reclassify the asset from "Construction in Process" to "Buildings and Improvements" and to recognize depreciation expense for the 2011/2012 fiscal year.

Effect:

Not capitalizing projects when placed into service results in capital asset balances not being properly classified and depreciated in the appropriate period.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

II. FINANCIAL STATEMENT FINDINGS (CONTINUED)

Cause:

The construction in progress account was not reviewed on a regular basis to identify completed assets which should have been reclassified to their appropriate fixed asset category. The County's current policy is to obtain an "Assets under Construction" form from the departments sponsoring the project prior to moving the project out of the Construction in Progress account. For the Juvenile Detention Facility, due to the size of the project, the form had not been submitted by the department due to minor change orders and amendments to the project though the project was substantially complete and placed into service.

Recommendation:

The County should implement policies and procedures to review the status of significant construction projects on an annual or semi-annual basis to determine whether they are still ongoing, scrapped, or placed into use to properly account for the construction expenditures.

Views of Responsible Officials and Planned Corrective Actions:

The County concurs with the finding and recommendation. The Department of Finance staff is working with General Services-Capital Construction and Accounting staff to develop procedures to address the timing of the capitalization of construction projects.

Finding 2012-04

RECORDING ACCRETED INTEREST

Criteria:

Long-term debt, including deeply discounted debt, should be reported in the County's financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

Condition:

Significant Deficiency - As a result of our audit procedures over the County's long-term debt, we noted that the accreted interest balance included accreted interest related to bonds that were previously defeased. As a result, the accreted interest balance on the Governmental Activities – Statement of Net Assets related to the County's Pension Obligation Bonds was overstated.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

II. FINANCIAL STATEMENT FINDINGS (CONTINUED)

Context:

The accreted interest balance was overstated and resulted in an audit adjustment to reduce the accreted interest balance, resulting in a restatement of to the Governmental Activities beginning net assets.

Effect:

The accreted interest balance was overstated in the County's Comprehensive Annual Financial Report and did not reflect the actual amounts necessary to satisfy the liability.

Cause:

The County records the accreted interest balance in the Governmental Activities statements for financial statement presentation based off on an offline excel schedule which still included the accreted interest balance for pension obligation bonds paid or defeased in prior periods.

Recommendation:

The County should implement procedures to ensure that supporting schedules that directly impact financial statement amounts are properly reviewed for accuracy.

Views of Responsible Officials and Planned Corrective Actions:

The County concurs with the finding and recommendation. Procedures to ensure supporting schedules are properly reviewed for accuracy have been implemented.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2012-05

Program: Supplemental Nutrition Assistance Program (SNAP) Cluster

CFDA No.: 10.561

Federal Agency: U.S. Department of Agriculture

Passed-through: California Department of Social Services

Award Year: FY 2011-2012

Compliance Requirement: Special Tests and Provision – ADP System for SNAP

Criteria:

The *June 2012 Office of Management and Budget (OMB) OMB Circular A-133 Compliance Supplement* requires that the County (1) accurately and completely process and store all case file information for eligibility determination and benefit calculation; (2) provide an automatic cut off of households at the end of their certification period unless recertified; and (3) generate data necessary to meet federal issuance and reconciliation reporting requirements.

Condition Found:

Significant Deficiency, Instance of Non-Compliance - In establishing a new case, the client is certified to receive benefits for a one-year period (certification period). No benefits are to be issued after the certification period end date. The client must go through the recertification process in order to continue receiving benefits. The intake and certification process requires that information contained on the SAWS 1, SAWS 2 and SAWS 2A or alternate DFA 285-A1, DFA 285-A2, and DFA 285-A3 forms be obtained to determine eligibility. During the annual recertification period, the client must resubmit the application forms to the County's Department of Human Assistance (DHA). When completed the forms are then processed for input into the CalWIN welfare database system. The recipient is also required to submit quarterly status reports (QR7) to remain eligible to receive benefits.

Of the 60 cases selected for testing, we noted the following:

- 2 cases where the initial eligibility or recertification forms were not present in the file
- 1 case where the SAWS1 or DFA285-A1 Form was not signed by the applicant
- 1 case where the QR7 status reports were not present in the file

Questioned Costs:

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

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Context:

As a result of our testwork of specific requirements related to special test and provisions, it was noted that four of the sixty SNAP program's case files tested were not properly maintained in accordance with OMB A-133 compliance requirements during fiscal year 2011-2012.

Effect:

Case data may not be current or accurate in the case file or the system, which could lead to initial and continuation eligibility errors, inaccurate benefit calculations, and benefit overpayments. If required forms are not properly obtained from clients, case data may not be current in the system, which could lead to eligibility continuation errors, inaccurate benefit calculations, benefit overpayments, or increased error rates for the County.

Cause:

The condition is primarily caused by the County not enforcing policies and procedures in place to ensure the eligibility case files contain all required documentation to support eligibility determinations.

Recommendation:

We note that this is a repeat condition from the fiscal years 2009, 2010, and 2011 Single Audits.

We recommend that the County strengthen its established policies and procedures with regard to initial and ongoing eligibility determination, required documentation, maintenance of participant files, and ensure that policies and procedures are formally documented and strictly adhered to by County personnel.

Views of Responsible Officials and Planned Corrective Actions:

The Sacramento County Department of Human Assistance (DHA) administers CalFresh (SNAP) benefits according to Federal and State policy and rules. DHA's operational policies and procedures with regard to processing CalFresh applications and annual recertifications strictly adhere to Federal and State rules.

As noted in audit findings, since 2009 Sacramento County's deficiency rate continues to improve. The County has implemented several measures including training, oversight meetings, and regular, clear communication to staff, designed to improve the accuracy of receiving and maintaining the correct documentation in case files. Other activities the department has implemented to support improvement include;

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

1. Discussion of error trend reports like this audit finding with Program Managers and Supervisors. Supervisors are instructed to disseminate this information to their staff at the unit level.
2. Sacramento County has expanded the use of Kofax transformation module to decrease the number of misfiled electronic documents. Kofax now recognizes more than 30 documents and assigns the documents to the correct case file. The software is expected to improve the accuracy of posting documents in the Filenet system.
3. Program Specialist staff send instructional reminders to staff on the correct processes to employ when completing the Quarterly Reporting-Prospective Budgeting (QR7) form.
4. Sacramento County recently reinstated Case Review and Training Supervisors (CRTs) at many of its bureaus. The CRT Supervisors review cases, identify error trends and provide trainings at the bureau and unit level. The CRT Supervisor is assisted in identifying error trends by Staff Development, Quality Assurance/Quality Control and Program Specialists. It is anticipated that our CRT Supervisors will have a positive impact on reducing errors.
5. Supervisors are required to review CalFresh cases prior to submitting them to document imaging. We have found this improves accuracy with regard to missing or inadequate verification and ensures that all required forms are in the case files.

The errors identified by OMB are being addressed. The actions taken to correct the errors are noted below:

- 2 cases where the initial eligibility or recertification forms were not present in the file
Case records are being reviewed and the missing documentation has been requested from the CalFresh household.
- 1 case where the SAWS1 or DFA285-A1 Form was not signed by the applicant
Case records are being reviewed. The required CalFresh forms were requested from and have been provided by the household.
- 1 case where the QR7 status reports were not present in the file
- Case records are being reviewed. The required QR7 has been provided by the CalFresh household.

Contact: Vickie O'Brien (916) 875-3745 or Gloria Bedford (916) 875-3783

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-06

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 Social Services

Award Year: FY 2011-2012

Compliance Requirement: Eligibility

Criteria:

Per the *June 2012 OMB A-133 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:

- 1 case in which the annual Medi-Cal Status Report (MC-176S) was not completed by the recipient.
- 1 case in which the annual Medi-Cal Status Report (MC-176S) was reported as complete in CalWIN but was not documented in the recipient's file.
- 2 cases in which proof of residency in the state of California was not documented in the recipient's file.
- 1 case in which the Property Supplement Form (MC-322) was not documented in the recipient's file.

Questioned Costs:

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

Context:

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

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Effect:

Lack of supporting documentation for initial and ongoing eligibility determinations could lead to ineligible individuals receiving benefits. In addition, failing to reassess the status of recipients on an annual basis could lead to ineligible individuals receiving benefits.

Cause:

The condition is primarily 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:

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:

Sacramento County has formal policies and procedures in place for the completion of Medi-Cal intakes and renewals. These policies and procedures provide instruction to staff to insure that we comply with state, federal and county regulations; and that eligibility determinations are completed in a timely and accurate manner.

We agree with the finding that we need to improve compliance with insuring that the correct documentation is received and maintained in the case files. In order to improve compliance, the audit findings were discussed at our Multi-Program meeting with program managers and supervisors on 2/19/2013. The supervisors have been instructed to share this information and reminders with staff at the unit level. Program Specialist staff will also send out reminders to staff regarding the process for completing Mid-year Status Reports, proof of residency requirements and the process for completing the Medi-Cal Property Supplement (MC 210 PS).

Sacramento County recently reinstated the position of Case Review and Training Supervisor (CRT) at many of our bureaus including our service center. The CRT supervisors review cases, identify error trends and provide training at the bureau and unit level. The CRT Supervisor is assisted in identifying error trends by Staff Development, Quality Assurance/Quality Control staff and Program Specialists. It is anticipated that our CRT supervisors will have a positive impact on reducing errors.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Sacramento County has some staff that are new to the Medi-Cal program and they are being assisted with on-going training. Staff Development (SDO) has begun providing On-the-Job training for our trainees. This training is provided to staff once they complete training at SDO and before they are released to the bureaus.

The cases found to be in error are being corrected as possible. The actions being taken are noted below:

- 1 case where the annual Medi-Cal Status Report (MC-176S) was not completed by the recipient. *This error was a CalWIN error (MSR not sent) and it has been reported to our CalWIN support staff for review and resolution.*
- 1 case where the annual Medi-Cal Status Report (MC-176S) was reported as complete in CalWIN but was not documented in the recipient's file. *Case under review by service center staff. All necessary corrections will be made.*
- 2 cases where proof of residency in the state of California was not documented in the recipient's file. *Proof of residency will be obtained and imaged.*
- 1 case where the Property Supplement Form (MC-322) was not documented in the recipient's file. *Case under review by service center staff. All necessary corrections will be made.*

Contact: Deborah Minter (916) 875-3509

Finding 2012-07

Program: Medicaid Cluster - In-Home Supportive Services

CFDA No.: 93.778

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

Passed-through: California Department of Social Services

Award Year: FY 2011-2012

Compliance Requirement: Eligibility

Criteria:

Per the *June 2012 OMB A-133 Compliance Supplement*, agencies are required to maintain documentation to support the agency's eligibility determination, and to perform redeterminations of eligibility at least every 12 months. In addition, the State of California of Department of Social Services (CDSS) regulations also state that county social service 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).

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Condition Found:

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

- 41 cases where the recipient redetermination of eligibility was performed untimely (outside of the 12 month requirement).
- 2 cases where the Intake/Screening form (SC 333/IHSS 333) was not present.

Questioned Costs:

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

Context:

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

Effect:

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

Cause:

The condition is primarily 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:

We note that this is a repeat condition from the fiscal years 2008, 2009, 2010, and 2011 Single Audits.

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.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Views of Responsible Officials and Planned Corrective Actions:

Sacramento County has formal policies and procedures in place for the completion of IHSS intakes and renewals. These policies and procedures provide instruction to staff to insure that we comply with state, federal and county regulations, and that eligibility redeterminations are completed in a timely and accurate manner.

The two SC333/IHSS333 forms missing from the case files may have been misplaced during the creation of new case volumes; due to staff reductions and high caseloads, we mostly rely on volunteers for filing documents in the case files and creating new volumes. Oversight of the volunteers' work has been strengthened in the past year.

In FY 2011-2012, Sacramento County staff continued their efforts to improve the timeliness of IHSS redeterminations. Those efforts resulted in a reduction in the number of overdue cases as illustrated in the following statistics: In January, 2011 there were 9,489 (48% of total caseload) overdue redeterminations; In January 2012, there were 6,653 (36% of total caseload) overdue redeterminations. Currently the number of overdue redeterminations is at 4,174 (22% of total caseload.) Additionally, Sacramento County IHSS program has been authorized and is in the process of hiring 12 additional Social Workers that will support our continuing caseload and further reduce our overdue redeterminations.

Of the 41 cases noted in the findings; 11 were more than twelve months overdue, 16 were seven to twelve months overdue, and 14 were one to six months overdue.

In 2012, the Board of Supervisors approved hiring of two IHSS Social Work units. We are currently in the process of adding these thirteen case carrying social worker positions. The addition of new staff will allow us to bring caseloads to a manageable level; we are also developing a plan that would utilize all available resources to help eliminate most overdue redeterminations by the end of the next fiscal year.

Contacts: Debbi Thomson (916) 876-8679 or Floridalma Valencia (916) 876-8705

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-08

Program: Medicaid Cluster - In-Home Supportive Service
CFDA No.: 93.778
Federal Agency: U.S. Department of Health and Human Services
Passed-through: California Department of Social Services
Award Year: FY 2011-2012
Compliance Requirement: Allowable Costs and Activities

Criteria:

The County's grant agreement requires the County to comply with 2 CFR Part 225 (OMB Circular A-87), "*Cost Principles for State, Local, and Indian Tribal Governments*".

In accordance with OMB Circular A-87, Attachment B, Section 8h, the following requirements apply to the County's federal grants:

Per subsection (1): Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.

Condition Found:

Significant Deficiency, Instance of Non-Compliance – Of the 60 employee time study transactions for the Medical In-Home Supportive Services County Expenditure Claim (CEC) selected from the quarterly time study reports, we noted for one employee the reported time study hours did not agree to the time sheets.

Questioned Costs:

\$234

Context:

The condition noted above was noted during our allowable cost/activities testing procedures for one of sixty employee timecards.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Effect:

As a result of these discrepancies, the ratios used to allocate payroll expenditures to the various federal programs in the CEC, which are derived from the data in the time study summary reports, could result in inaccuracies of allocated costs.

Cause:

The appropriate level of monitoring was not administered by the department, sufficient to prevent, detect and correct the discrepancies between the time reported for the CEC and the exception based time card prepared by the County employees.

Recommendation:

We recommend that the County review the current preparation process for the quarterly time summary reports and implement formal reconciliation and review procedures of the payroll records and the time study reports in order to ensure the accuracy of the time study summary reports. This preventive control will help ensure that the amounts claimed for reimbursement for each of the federal programs included in the CEC are accurate.

Views of Responsible Officials and Planned Corrective Actions:

The Department concurs with the noted findings.

The Department has reviewed the cause and effect from this finding and has formulated additional monitoring processes to be used by both program and Human Resource staff related to timesheet corrections submitted during and after each payroll period.

Contact: Deanne Sundquist-Alafranji (916) 874-9613

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-09

Program: Temporary Assistance for Needy Families (TANF)

CFDA No.: 93.558

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

Passed-through: California Department of Social Services

Awarded Year: FY 2011-2012

Compliance Requirement: Eligibility

Criteria:

Per the Eligibility Assistance Standards Manual section 40-181.1(k), “Documents and/or evidence required of the applicant/recipient to support the initial and/or continuing determination of eligibility must be received by the county on or before the appropriate deadline established by the county and/or in conjunction with each Eligibility Chapter or this regulation.” Consistent with the internal control procedures established by OMB Circular A-133, “Procedures should be in place to provide reasonable assurance of the accuracy of the information used in eligibility determinations (and redeterminations)” and “signatures on eligibility documents periodically reviewed by an appropriate official”.

Condition Found:

Significant Deficiency, Instance of Noncompliance – During our eligibility testing of the TANF case files, we noted the following:

- 1 case where the SAWS1, Statement of Facts or SAWS2 was not present to support the eligibility determination.

Questioned Costs:

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

Context:

As a result of our testwork of specific requirements related to eligibility for 60 case files, it was noted that the TANF program’s eligibility files selected for testing were not maintained in accordance with the Eligibility Assistance Standards Manual.

Effect:

Case data may not be current in the case file or on the Filenet system to support the eligibility determination reached by the County.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Cause:

The condition is primarily caused by the County not following its established policies and procedures to ensure that all case file documents are appropriately maintained.

Recommendation:

We note that this is a repeat condition from the fiscal years 2010 and 2011 Single Audits.

We recommend that the County strengthen its policies and procedures to ensure that all required forms are present in the case files and support the applicant's eligibility status.

Views of Responsible Officials and Planned Corrective Actions:

We accept the 2011-2012 CalWORKs audit finding with the exception of the SAWS 1 that was found and acknowledged by the review team to be present.

We also take note of the significant reduction in errors in this year's audit over the prior year.

The prior CalWORKs audit for 2010-2011 found 5 cases where certain documents were not present. These 5 cases included 2 cases where the SAWS1, Statement of Facts, and the SAWS2 were not present and 3 cases where the QR 7 was not present.

The current audit for 2011-2012 found 1 case where the Statement of Facts and Saws 2 were not present.

We believe that this improvement in case documentation is the result of the addition of a CalWORKs Performance Measure Supervisor in June, 2011, who does independent 3rd party reviews of cases for redetermination and QR 7 documentation. In addition, there has also been ongoing reinforcement of documentation standards with CalWORKs staff.

Sacramento County will continue to reinforce and underscore the significance of the goal of improving case documentation at monthly meetings with CalWORKs supervisors. In addition, Sacramento County will also provide staff with a written reminder for the need to collect documents supporting the eligibility determination and where the documents are to be maintained.

Contact: Colleene Miller (916) 875-4481

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-10

Program: Foster Care – Title-IV-E (includes ARRA)

CFDA No.: 93.658

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

Passed-through: California Department of Social Services

Awarded Year: FY 2011-2012

Compliance Requirement: Eligibility

Criteria:

The June 2012 Office of Budget and Management (OMB) Circular A-133 Compliance Supplement states that eligibility determinations and determinations should be performed and the individual should be determined to be eligible in accordance with the compliance requirements of the program.

A child must also meet the eligibility requirements of the former Aid to Families with Dependent Children (AFDC) program (meet the State-established standard of meet as of July 16, 1996, prior to enactment of the Personal Responsibility and Work Opportunity Reconciliation Act)(42 USC 672(a)).

Condition Found:

Significant Deficiency, Instance of Noncompliance – During our eligibility testing of the Foster Care case files, we noted the following missing forms which are required to document the eligibility of the child with the former AFCD program and are required to be retained to have complete and accurate documentation regarding the eligibility determination:

- 2 cases where the *Determination of Federal AFDC-FC Eligibility (FC3)* and *AFDC-FG/U Worksheet (FC3A)* forms was not present.
- 1 case where the *Application for Cash Aid (SAWS 1)* form was not present

Questioned Costs:

\$38,680

Context:

As a result of our testing of specific requirements related to eligibility for 60 files, it was noted that the Foster Care program's eligibility files selected for testing were not maintained in accordance with the County policy for 2 cases.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Effect:

Case data may not be current in the case file which may result in improper and unsupported eligibility determinations.

Cause:

The condition is primarily caused by the County not following its established policies and procedures to ensure that case files are maintained.

Recommendation:

We recommend that the County strengthen its policies and procedures to ensure that all required forms are present in the case files and support the applicant's eligibility status.

Views of Responsible Officials and Planned Corrective Actions:

This audit revealed two cases in which documents required for eligibility determination are not on file. We agree with the finding that we need to ensure all required forms are maintained in the case file, and note that the missing documents are from 2004 and 2008, thus not a reflection of our current work. To reinforce this requirement with staff, the audit findings will be discussed at the next Foster Care Bureau Meeting. Additionally, the bureau Program Manager will reinforce with Foster Care Supervisors the importance of ensuring required documentation is on file, and will ensure protocols regarding case reviews at intake and renewal are adhered to.

Contact: Debra Mack (916) 875-3590

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-11

Program: Adoption Assistance

CFDA No.: 93.659

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

Passed-Through: California Department of Social Services

Award Year: FY 2011-2012

Compliance Requirement: Eligibility

Criteria:

The *June 2012 Office of Budget and Management (OMB) Circular A-133 Compliance Supplement* states that a child is categorically eligible for adoption assistance if (i) the child was eligible or would have been eligible for the former AFDC program (met the state established standard of need as of July 16, 1996 prior to the enactment of the PRWORA, (ii) the child is eligible for SSI, or the child is a child whose costs in a foster family home or child care institution are covered by the foster maintenance payments being made with respect to a minor parent (42 USC 673(a)(2)(A)(i)(I)).

Condition:

Significant Deficiency, Instance of Non-Compliance – For one adoption case, in performing the determination of eligibility for Adoption Funding, the FC8 and AAP4 forms were incorrectly completed determining that the child was eligible for Federal Adoption Assistance though the child was determined based on the FC3 form not eligible or would have been eligible for the former AFDC program which established the standard of need as of July 16, 1996, was not eligible for SSI, and was not a child in a foster family home where foster care maintenance payments are being made to a minor parent and therefore should not have been eligible for federal assistance.

Questioned Costs:

\$9,396

Context:

One case of sixty cases tested was determined to not appear to be eligible for Federal adoption assistance.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Effect:

Improper eligibility determinations may result in improper payments or overpayment of benefits and may result in improper payments being required to be returned to awarding agencies.

Cause:

The condition is a result of an improper eligibility determination for federal funding that was not detected and corrected by the internal controls or policies and procedures over eligibility determinations.

Recommendation:

We recommend that the County strengthen its established policies and procedures over initial and ongoing eligibility determinations and ensure policies and procedures are strictly adhered to.

Views of Responsible Officials and Planned Corrective Actions:

This audit revealed an error related to eligibility determination, which resulted in a non-federally eligible case receiving federal funds. We agree with the recommendation; Adoptions Assistance staff and supervisors will receive refresher training regarding identification of appropriate aid types. Additionally, the Foster Care Program Manager will ensure protocols regarding case reviews upon completion of intakes are adhered to.

Contact Person: Debra Mack (916) 875-3590

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-12

Program: Foster Care (includes ARRA) and Adoption Assistance

CFDA No.: 93.658; 93.659

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

Passed-through: California Department of Social Services

Award Year: FY 2011-2012

Compliance Requirement: Allowable Costs and Activities

Criteria:

The County's grant agreement requires the County to comply with 2 CFR Part 225 (OMB Circular A-87), "*Cost Principles for State, Local, and Indian Tribal Governments*".

In accordance with OMB Circular A-87, Attachment B, Section 8h, the following requirements apply to the County's federal grants:

Per subsection (1): Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.

Condition Found:

Significant Deficiency, Instance of Non-Compliance – Of the 60 employee time study transactions for the Child Protective Services County Expenditure Claim (CEC) selected from the quarterly time study reports, we noted for one employee the reported time study hours did not agree to the time sheets.

Questioned Costs:

\$196

Context:

The condition noted above was noted during our allowable cost/activities testing procedures for one of sixty employee timecards.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Effect:

As a result of these discrepancies, the ratios used to allocate payroll expenditures to the various federal programs in the CEC, which are derived from the data in the time study summary reports, could result in inaccuracies of allocated costs.

Cause:

The appropriate level of monitoring was not administered by the department, sufficient to prevent, detect and correct the discrepancies between the time reported for the CEC and the exception based time card prepared by the County employees.

Recommendation:

We recommend that the County review the current preparation process for the quarterly time summary reports and implement formal reconciliation and review procedures of the payroll records and the time study reports in order to ensure the accuracy of the time study summary reports. This preventive control will help ensure that the amounts claimed for reimbursement for each of the federal programs included in the CEC are accurate.

Views of Responsible Officials and Planned Corrective Actions:

The discrepancies between time study hours recorded and payroll time sheets were a result of the timing differences between when the time sheets were submitted and processed on the County Payroll System, and when the time study reports were processed. The department implemented MySacCounty, a web based software application, to automate timesheet and time study reporting. Adoption and Foster Care programs implemented the program in October 2011.

MySacCounty provides real time data, input prompts for work hours to process payroll, and applicable time study codes used for time study reporting. The timesheet and time study codes are pre-populated for each employee based on specific work roles and tasks. Each pay period, employees enter the hours worked with appropriate time study codes and make changes, as necessary, to the codes to conform to the employee's actual activities. The employee then releases the electronic input to their supervisor for review and acceptance, and the supervisor will then forward it to Human Resources for payroll processing. This submission constitutes electronic signatures for both the employee and the supervisor, and also serves as an attestation to the allowable hours claimed to the time study codes.

Since October 2011, all County Expense Claim (CEC) time study reports have been derived from this system. The utilization of MySacCounty reconciles payroll records and time studies to ensure that the reimbursement amounts claimed for the state and federal programs included in the CEC are accurate.

Contact: Hermia Chow (916) 875-0173

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2012-13

Program: Supportive Housing Program

CFDA No.: 14.235

Federal Agency: U.S. Department of Housing & Urban Development

Passed-through: N/A

Award Year: FY 2011-2012

Compliance Requirement: Subrecipient Monitoring

Criteria:

The *June 2012 OMB Circular A-133 Compliance Supplement* requires a pass-through entity to be responsible for:

During-the-Award Monitoring - Monitoring the subrecipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

Condition Found:

Material Weakness, Material Instance of Non-Compliance – As a result of our audit during FY 2011-2012, we noted the following based on our testwork performed over subrecipient monitoring:

- For 8 of the 15 subrecipient monitoring files selected for testing, the County did not perform site visitations or other forms of monitoring to determine that subrecipients are performing program requirements in accordance with laws regulations and provisions of the program.
- For 3 of the 3 subrecipients selected for testing that had findings in the monitoring report, the County did not perform follow up procedures to ensure that the findings noted in the monitoring report had been corrected by the sub recipient.

Questioned Costs:

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

Context:

Through client inquiry and testwork of specific requirements related to subrecipient monitoring, it was noted that the Supportive Housing Program's subrecipients were not appropriately monitored in accordance with OMB A-133 compliance requirements during the fiscal year 2011-2012.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Effect:

Without performing regular monitoring activities and following up with compliance monitoring visits, the risk of unallowable cost/activities or inflated expense reporting exists.

Cause:

The conditions were primarily caused by the insufficient staffing at the County and insufficient time allocated for monitoring the program requirements. The County also lacks a comprehensive monitoring schedule designed to follow up with monitoring conducted for the Supportive Housing Program in FY 2011-2012.

Recommendation:

We note that this is a repeat condition from the fiscal year 2008, 2009, 2010, and 2011 Single Audit.

We recommend that the County implement stronger internal controls, to ensure subrecipients are monitored and followed up with in a timely basis and all reports and checklists are completed and properly approved and reviewed.

Views of Responsible Officials and Planned Corrective Actions:

Monitoring of sub-recipient's use of awards can be accomplished by many methods including, but not limited to, site visits. DHA has procedures in place to monitor a provider's performance via monthly financial and quarterly program reports submitted by the providers and extracted from the DHA Homeless Management Information System (HMIS). These reports include the detail of:

- the amount and categories of funding expended;
- the number of individuals/families served;
- that providers are performing functions that align with the Supportive Housing Program HUD national goals;
- that providers are maintaining population, income, employment, stabilized housing goals; and,
- that services provided are consistent with and comply with the DHA contract.

These reports are reviewed and analyzed by fiscal, contract and program staff. Further, DHA contract and program staff maintain communication with the providers of service on a routine basis regarding service delivery via face-to-face, e-mail and telephone discussions. While DHA staffing decreases impedes the ability to conduct extensive on-site monitoring, DHA nevertheless conducts other types on monitoring activities to ensure the appropriate use of funds.

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

DHA program staff conducts quarterly reviews of providers which reviews:

- the amount of award expended to date;
- match requirement compliance;
- capacity served compared to contract requirements;
- HMIS data entry (timely and accurate);
- changes to program;
- changes to budgets;
- achievement in HUD defined goals; and,
- analysis of a quarterly Annual Performance Review report to review outcomes.

Information is shared with providers in areas of deficiency and a corrective action plan is created. Of the 12 subrecipients tested, seven received at least one quarterly monitoring report.

DHA program staff did complete site visits and program monitoring of all 12 programs reviewed. A review was completed on the following: homeless and disability certifications to document client eligibility; rent calculations were completed and on file; supportive services were documented in case files and congruent with contract provisions; programs were entering timely and accurate HMIS information; Drug Free Workplace policies were posted and public; Lead Based Paint policies were posted when appropriate; Grievance Policies were written and provided to participants; and that programs had a process to include resident participation. In order to address the follow up issue DHA is developing a checklist of programs reviewed, findings or concerns noted, date of follow up and follow up completed date. DHA's failure to obtain the single audit report from one of the 12 sub recipients tested was an oversight. The Department has processes in place to track receipt of sub recipient audit reports but the one in question was missed.

DHA will implement a tracking process to ensure that corrective action plans are received from all sub recipients who have findings.

Contact: Suzanne Hammer (916) 874-3174

**COUNTY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012**

Summarized below is the current status of all audit findings reported in the prior year audit's schedule of audit findings and questioned costs.

Finding No.	Program	CFDA No.	Compliance Requirement	Status of Corrective Action
2011-01	Long Term Financial Plan	N/A	N/A	Partially Implemented – See finding 2012-01
2011-02	Supplemental Nutrition Assistance Program	10.561	Special Tests and Provision – ADP System for SNAP	Not Implemented – See finding 2012-05
2011-03	Supportive Housing Program	14.235	Subrecipient Monitoring	Not Implemented – See finding 2012-13
2011-04	Justice Assistance Grant Program Cluster (includes ARRA)	16.738/ 16.803/ 16.804	Subrecipient Monitoring	Implemented
2011-05	Justice Assistance Grant Program Cluster (includes ARRA)	16.738/ 16.803/ 16.804	Special Tests and Provisions – ARRA Subrecipients	Implemented
2011-06	Energy Efficiency Conservation Block Grant (includes ARRA)	81.128	Reporting	Implemented
2011-07	Energy Efficiency Conservation Block Grant (includes ARRA)	81.128	Cash Management	Implemented
2011-08	Temporary Assistance for Needy Families Cluster (includes ARRA)	93.558/ 93.714	Eligibility	Not Implemented – See finding 2012-09
2011-09	Foster Care and Adoption Assistance (includes ARRA)	93.658/ 93.659	Allowable Costs and Activities	Not Implemented – See finding 2012-12
2011-10	Foster Care (includes ARRA)	93.658	Eligibility	Implemented
2011-11	Medicaid Cluster (includes ARRA)	93.778	Allowable Costs and Activities	Not Implemented – See finding 2012-08
2011-12	Medicaid Cluster (includes ARRA)	93.778	Eligibility	Not Implemented – See finding 2012-07
2011-13	Medicaid Cluster (includes ARRA)	93.778	Special Tests and Provisions	Implemented