

COUNTY OF PLACER, CALIFORNIA

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

COUNTY OF PLACER, CALIFORNIA

**SINGLE AUDIT REPORT
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FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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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

Board of Supervisors
County of Placer
Auburn, California

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Placer, California (the County) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 21, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Varrinck, Trine, Day & Co. LLP

Sacramento, California
November 21, 2014



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

Board of Supervisors
County of Placer
Auburn, California

Report on Compliance for Each Major Federal Program

We have audited County of Placer, 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, 2014. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-001, 2014-002, and 2014-003. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-001 and 2014-003, that we consider to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the County as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 21, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Vavrinik, Trine, Day & Co. LLP

Sacramento, California
March 13, 2015

COUNTY OF PLACER, CALIFORNIA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Direct:			
Lake Tahoe Erosion Control Grant Program	10.690	09-DG11051900-025	\$ 1,260,677
Lake Tahoe Erosion Control Grant Program	10.690	10-DG11051900-032	197,743
Lake Tahoe Erosion Control Grant Program	10.690	11-DG11051900-032	176,447
Lake Tahoe Erosion Control Grant Program	10.690	13-DG11051900-025	34,622
Subtotal - Lake Tahoe Erosion Control Grant			1,669,489
Water and Waste Disposal Systems for Rural Communities	10.760	--	699,800
Tahoe National Forest Cooperative Law Enforcement Agreement	10.12-LE-11051360-006	12-LE-11051360-006	25,351
Direct subtotal			2,394,640
Passed through California Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	31 CEC	4,395,823
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	11-10481	1,065,716
Passed through California Department of Education:			
National School Lunch Program	10.555	02118-SN-31-R	40,989
Passed through California Department of Food and Agriculture:			
Plant and Animal Disease, Pest Control, and Animal Care			
Sudden Oak Death	10.025	13-0294-SF	5,123
Glassy-winged Sharpshooter	10.025	12-0110-SF	57,522
Exotic Pest Detection	10.025	13-0086	51,827
Light Brown Apple Moth	10.025	12-0425-SF	3,528
Light Brown Apple Moth	10.025	13-0430-SF	3,710
Asian Citrus Psyllid	10.025	13-0463-SF	10,090
Asian Citrus Psyllid	10.025	12-0456-SF	9,313
Subtotal - Plant and Animal Disease, Pest Control & Animal Care			141,113
Passed through California Department of Forestry and Fire Protection			
Cooperative Forestry Assistance	10.664	7FG12061	18,848
Passed through subtotal			5,662,489
Total U.S. Department of Agriculture			8,057,129
<u>U.S. Department of Housing and Urban Development</u>			
Direct:			
Section 8 Housing Choice Vouchers	14.871	CA 149	2,257,651
Direct subtotal			2,257,651
Passed through California Department of Housing and Community Development:			
Community Development Block Grants/Entitlement Grants	14.218	Loans	1,728,855
Community Development Block Grants/Entitlement Grants	14.218	10-STBG-6733	7,107
Community Development Block Grants/States Program	14.228	13-CDBG-8938	16,836
Subtotal - Community Development Block Grants			1,752,798
Supportive Housing Program	14.235	CA0285B9T151104 / CA0285L9T151205 / CA0774L9T151203	615,612
Shelter Plus Care	14.238	CA0774CT151103 / CA1094C9T151100	16,639
Home Investment Partnerships Program	14.239	10-HOME-8569	14,999
Home Investment Partnerships Program	14.239	Loans	4,562,370
Subtotal - Home Investment Partnerships Program			4,577,369
Passed through subtotal			6,962,418
Total U.S. Department of Housing and Urban Development			9,220,069

See accompanying notes to the schedule of expenditures of federal awards.

COUNTY OF PLACER, CALIFORNIA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of the Interior</u>			
Direct:			
Secure Rural Schools and Community Self-Determination	15.234	HR2389	\$ 91,481
Direct Subtotal			91,481
Passed through California Department of Fish and Game:			
Cooperative Endangered Species Conservation Fund	15.615	P1182013	96,681
Cooperative Endangered Species Conservation Fund	15.615	P1382019	8,183
Subtotal - Cooperative Endangered Species Conservation Fund			104,864
Passed through California Department of Transportation:			
Southern Nevada Public Land Management	15.235	STPLER-5919 (054)	2,867,030
Passed through subtotal			2,971,894
Total U.S. Department of the Interior			3,063,375
<u>U.S. Department of Justice</u>			
Direct:			
Public Safety Partnership and Community Policing Grants	16.710	2011UMWX0026	555,630
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-1148	18,193
Drug Enforcement Administration, Domestic Cannabis Eradication Suppression	16.2013-38	2013-38	89,830
Drug Enforcement Administration, Domestic Cannabis Eradication Suppression	16.2014-36	2014-36	21,104
Subtotal - Drug Enforcement Administration, Domestic Cannabis Eradication Suppression			110,934
State Criminal Alien Assistance Program (SCAAP)	16.606	2013-AP-BX-0274	113,379
Equitable Sharing Program	16.922	NCIC - CA0310000	653
Direct subtotal			798,789
Passed through Board of State and Community Corrections:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 627-12	25,641
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 627-13	64,142
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 670-12	79,885
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 670-13	123,392
Subtotal - Edward Byrne Memorial Justice Assistance Grant			293,060
Crime Victim Assistance	16.575	VW13310310	81,974
Passed through Mountain & Valley Marijuana Investigation Team (MAVMIT)			
Equitable Sharing Program	16.922	NCIC - CA0310001	24,904
Passed through subtotal			399,938
Total U.S. Department of Justice			1,198,727
<u>U.S. Department of Labor</u>			
Passed through Golden Sierra Job Training Agency:			
WIA Dislocated Worker Formula Grants	17.278	K386295-05	14,432
Total U.S. Department of Labor			14,432
<u>U.S. Department of Transportation</u>			
Direct:			
Federal Transit - Formula Grants (Section 5307)	20.507	CA-90-Z211	781,829
Federal Transit - Formula Grants (Section 5307)	20.507	CA-90-Z018	154,687
Direct subtotal			936,516

See accompanying notes to the schedule of expenditures of federal awards.

COUNTY OF PLACER, CALIFORNIA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Passed through California State Department of Transportation:			
Highway Planning and Construction	20.205	BRLO-5919(051)	\$ 2,569,315
Highway Planning and Construction	20.205	BRLO-5919(065)	14,878
Highway Planning and Construction	20.205	BRLO-5919(066)	(3,324)
Highway Planning and Construction	20.205	BRLO-5919(067)	15,784
Highway Planning and Construction	20.205	BRLO-5919(071)	16,138
Highway Planning and Construction	20.205	BRLO-5919(072)	993,703
Highway Planning and Construction	20.205	BRLO-5919(073)	73,824
Highway Planning and Construction	20.205	BRLO-5919(074)	22,767
Highway Planning and Construction	20.205	BRLO-5919(076)	53,560
Highway Planning and Construction	20.205	BRLO-5919(086)	1,000
Highway Planning and Construction	20.205	BRLO-5919(087)	9,674
Highway Planning and Construction	20.205	BRLO-5919(099)	(3,163)
Highway Planning and Construction	20.205	BRLO-5919(105)	1,000
Highway Planning and Construction	20.205	BRLO-5919(114)	110,000
Highway Planning and Construction	20.205	BRLO-5919(116)	110,000
Highway Planning and Construction	20.205	BRLO-5919(097)	1,000
Highway Planning and Construction	20.205	BRLO-5919(115)	26,463
Highway Planning and Construction	20.205	BRLSZD-5919(047)	4,070,477
Highway Planning and Construction	20.205	CML-5919(082)	71,495
Highway Planning and Construction	20.205	CML-5919(104)	45,697
Highway Planning and Construction	20.205	HRRRL-5919(081)	40,000
Highway Planning and Construction	20.205	HSIPL-5919(092)	603,137
Highway Planning and Construction	20.205	HSIPL-5919(093)	47,596
Highway Planning and Construction	20.205	HSIPL-5919(096)	(3,730)
Highway Planning and Construction	20.205	HSIPL-5919(110)	7,517
Highway Planning and Construction	20.205	HSIPL-5919(111)	82,481
Highway Planning and Construction	20.205	HSIPL-5919(112)	6,855
Highway Planning and Construction	20.205	HSIPL-5919(118)	32,174
Highway Planning and Construction	20.205	SLPPCL-5919(113)	612,661
Highway Planning and Construction	20.205	STPLP-5919(021)	1,943,189
Highway Planning and Construction	20.205	TCSP-E2CA(018)	150
Subtotal - Highway Planning and Construction			<u>11,572,318</u>
Formula Grants for Rural Areas (Section 5311)	20.509	--	286,000
Formula Grants for Rural Areas (Section 5311)	20.509	--	65,320
Subtotal			<u>351,320</u>
Passed through State of Nevada Department of Transportation:			
Formula Grants for Rural Areas (Section 5311)	20.509	PR424-12-802	254,765
Formula Grants for Rural Areas (Section 5311)	20.509	PR434-12-802	66,610
Subtotal			<u>321,375</u>
Subtotal - Formula Grants for Other than Urbanized Areas			<u>672,695</u>
Passed through California State Office of Traffic Safety:			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL1342 / AL1421	60,205
Passed through subtotal			<u>12,305,218</u>
Total U.S. Department of Transportation			<u>13,241,734</u>

See accompanying notes to the schedule of expenditures of federal awards.

COUNTY OF PLACER, CALIFORNIA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Environmental Protection Agency</u>			
Direct:			
Congressionally Mandated Projects	66.606	XP-98968901	\$ 258,892
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-00T42601-0	113,381
Direct Subtotal			372,273
Passed through California State Water Resources Control Board:			
Capitalization Grants for Clean Water State Revolving Funds	66.458	13-809-550-0	4,114,811
Nonpoint Source Implementation Grants	66.460	C997957511 & 97957509	56,127
Passed through U.S. Army Corps of Engineers:			
Construction Grants for Wastewater Treatment Works	66.418	134092	2,148,158
Passed through subtotal			6,319,096
Total U.S. Environmental Protection Agency			6,691,369
<u>U.S. Department of Energy</u>			
Direct:			
Regional Biomass Energy Programs	81.079	DE-FG36-08GO88026	43,040
Total U.S. Department of Energy			43,040
<u>U.S. Elections Assistance Commission</u>			
Passed through California Secretary of State:			
Help America Vote Act Requirements Payments	90.401	11G30114	5,383
Help America Vote Act Requirements Payments	90.401	13G30333	1,994
Total U.S. Elections Assistance Commission			7,377
<u>U.S. Department of Health and Human Services</u>			
Passed through California Secretary of State:			
Voting Access for Individuals with Disabilities - Grants to State	93.617	13G26120	30,000
Passed through California Family Health Council:			
Family Planning Services	93.217	3003-5320-71209-13 & 3003-5320-71209-14	82,066
Drug Free Communities Support Program Grants	93.276	5H79SP015810-04 / 5H79SP015810-05	131,205
Passed through California Department of Social Services:			
Guardianship Assistance - Admin	93.090	63 CEC	6,090
Guardianship Assistance - Direct	93.090	CA800-31	85,555
Subtotal - Guardianship Assistance			91,645
Temporary Assistance for Needy Families (TANF) - Admin	93.558	31 CEC	12,236,213
Temporary Assistance for Needy Families (TANF) - Direct	93.558	CA800-31	2,417,390
Subtotal - TANF Cluster			14,653,603
Child Support Enforcement (Title IV-D)	93.563	1404CA4004	3,751,030
Refugee and Entrant Assistance - State Administered Programs	93.566	CA800-31	14,744
Promoting Safe and Stable Families (PSSF)	93.556	63 CEC	183,756
Community-Based Child Abuse Prevention Grants	93.590	63 CEC	21,895
Stephanie Tubbs Jones Child Welfare Services Program	93.645	63 CEC	280,319
Foster Care (Title IV-E) - Administration	93.658	63 CEC	3,384,942
Foster Care (Title IV-E) - Direct	93.658	CA800-31	1,684,668
Subtotal - Foster Care (Title IV-E)			5,069,610
Adoption Assistance - Administration	93.659	63 CEC	192,651
Adoption Assistance - Direct	93.659	CA800-31	2,179,890
Subtotal - Adoption Assistance			2,372,541
Social Services Block Grant	93.667	63 CEC	727,726
Chafee Foster Care Independence Program	93.674	63 CEC	103,293

See accompanying notes to the schedule of expenditures of federal awards.

COUNTY OF PLACER, CALIFORNIA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Passed through California Department of Community Services and Development:			
Community Services Block Grant	93.569	12F-4431	\$ 15,965
Passed through California Department of Alcohol and Drug Programs:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	10-NNA31	1,276,149
Passed through California Department of Mental Health:			
Projects for Assistance in Transition from Homelessness	93.150	MH 1784-63	40,134
Block Grants for Community Mental Health Services	93.958	MH 1784-63	682,479
Passed through California Department of Health Care Services:			
Medical Assistance Program - Administration	93.778	--	6,753,481
Medical Assistance Program - Targeted Case Management	93.778	--	51,805
Healthcare Program for Children in Foster Care	93.778	12-89019	214,768
Children's Medical Services (CCS and CHDP)	93.778	12-89019	974,755
Low Income Health Plan	93.778	11-15909-PL-12	377,188
Subtotal - Medical Assistance Program			8,371,997
Passed through California Department of Public Health:			
Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	EPO 13-34	891,311
Immunization Cooperative Agreements	93.268	13-20288	72,580
Maternal and Child Health Service Block Grant to the States	93.994	10-95231	326,184
Adolescent Family Life Demonstration Projects	93.995	201331	74,779
Passed through the County of Sacramento:			
HIV Emergency Relief Project Grants	93.914	7207500-13/15-706 A1	152,749
Passed through subtotal			39,417,760
Total U.S. Department of Health and Human Services			39,417,760
<u>Executive Office of the President</u>			
Passed through County of Sacramento:			
High Intensity Drug Trafficking Areas Program	95.001	MAVMIT	19,359
<u>U.S. Department of Homeland Security</u>			
Direct:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2012-FH-00263	541,973
Direct subtotal			541,973
Passed through California Emergency Management Agency:			
Emergency Management Performance Grants	97.042	EMW-2013-EP-00047	197,759
State Homeland Security Program	97.067	2011-SS-0077	422,394
State Homeland Security Program	97.067	2012-SS-00123	220,263
State Homeland Security Program	97.067	2013-00110	119,296
Subtotal - State Homeland Security Program (SHSP)			761,953
Passed through subtotal			959,712
Total U.S. Department of Homeland Security			1,501,685
Total Expenditures of Federal Awards			\$ 82,476,056

See accompanying notes to the schedule of expenditures of federal awards.

COUNTY OF PLACER, CALIFORNIA

Notes to the Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2014

Note 1: Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of the County of Placer (the County). The County's reporting entity is defined in Note 1 to the County's basic financial statements. Expenditures of federal awards received directly from federal agencies, as well as expenditures of federal awards passed through other governmental agencies, are included in the SEFA.

Note 2: Basis of Accounting

The accompanying SEFA is presented using the modified accrual basis of accounting for program expenditures accounted for in governmental funds and the accrual basis of accounting for expenditures accounted for in proprietary funds, as described in Note 1 of the County's basic financial statements.

Note 3: Relationship to Financial Statements

Federal award expenditures reported in the accompanying SEFA agree, or can be reconciled, in all material respects, to amounts reported in the County's basic financial statements.

Note 4: Catalog of Federal Domestic Assistance (CFDA)

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

Note 5: Pass-Through Entities' Identifying Number

When federal awards are received from a pass-through entity, the SEFA indicates, if assigned, the identifying grant or contract number that has been assigned by the pass-through entity.

COUNTY OF PLACER, CALIFORNIA

Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

Note 6: Program/Cluster Totals

The SEFA does not summarize programs that cross agency funding or clusters. The following summarizes those programs that cross agency funding and clusters:

CFDA No.	Program Name	Pass-Through Agency	Amount
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	California State Department of Social Services	\$ 4,395,823
	SNAP Cluster Total		\$ 4,395,823
14.218	Community Development Block Grants/Entitlement Grants	California State Department of Housing and Community Development	\$ 1,752,798
	CDBG - Entitlement Grants Cluster Total		\$ 1,752,798
14.871	Section 8 Housing Choice Vouchers	N/A Direct	\$ 2,257,651
	Housing Voucher Cluster Total		\$ 2,257,651
16.738	Edward Byrne Memorial Justice Assistance Grant Program	N/A Direct	\$ 18,193
16.738	Edward Byrne Memorial Justice Assistance Grant Program	California State Board of State and Community Corrections	293,060
	JAG Program Cluster Total		\$ 311,253
17.278	WIA Dislocated Worker Formula Grants	Golden Sierra Job Training Agency	\$ 14,432
	WIA Cluster Total		\$ 14,432
20.205	Highway Planning and Construction	California State Department of Transportation	\$ 11,572,318
	Highway Planning and Construction Cluster Total		\$ 11,572,318
20.507	Federal Transit - Formula Grants (Section 5307)	N/A Direct	\$ 936,516
	Federal Transit Cluster Total		\$ 936,516
20.509	Formula Grants for Rural Areas	California State Department of Transportation	\$ 351,320
20.509	Formula Grants for Rural Areas	State of Nevada Department of Transportation	321,375
	Formula Grants for Rural Areas Program Total		\$ 672,695
93.268	Immunization Cooperative Agreements	California State Department of Public Health	\$ 72,580
	Immunization Cluster Total		\$ 72,580

COUNTY OF PLACER, CALIFORNIA

Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

Note 6: Program/Cluster Totals (Continued)

93.558	Temporary Assistance for Needy Families (TANF) - Admin	California State Department of Social Services	\$	12,236,213
93.558	Temporary Assistance for Needy Families (TANF) - Direct	California State Department of Social Services		2,417,390
	TANF Cluster Total		\$	14,653,603
93.569	Community Services Block Grant	California State Department of Community Services and Development	\$	15,965
	CSBG Cluster Total		\$	15,965
93.778	Medical Assistance Program - Administration	California State Department of Health Care Services	\$	6,753,481
93.778	Medical Assistance Program - Targeted Case Management	California State Department of Health Care Services		51,805
93.778	Healthcare Program for Children in Foster Care	California State Department of Health Care Services		214,768
93.778	Children's Medical Services (CSS and CHDP)	California State Department of Health Care Services		974,755
93.778	Low Income Health Care	California State Department of Health Care Services		377,188
	Medicaid Cluster Total		\$	8,371,997

Note 7: California Emergency Management Agency (CalEMA) Grants

The following represents expenditures for the CalEMA programs for the fiscal year ended June 30, 2014. The amounts reported in the SEFA are determined by calculating the federal portion of the current year expenditures.

Program	Total	Expenditures Incurred For the Fiscal Year Ended June 30, 2014		
		Federal Share	State Share	County Share
Crime Victim Assistance				
<u>VW13300310 - Victim Witness Assistance</u>				
Personal services	\$ 186,998	\$ 81,974	\$ 105,024	\$ -

COUNTY OF PLACER, CALIFORNIA

Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

Note 8: Community Services Block Grants

The Department of Community Services and Development (CSD) of the State of California Health and Human Services Agency requires agencies that receive CSD funding to include with the single audit report certain revenue, expenditure, and budgetary information for each CSD award.

During the fiscal years ended June 30, 2012 and June 30, 2013 revenues and expenditures for the CSD contract 12F-4431 were inadvertently understated by a total of \$15,965. This amount is being reported with the current fiscal year's Schedule of Expenditures of Federal Awards on pages 6-10.

The following represents total actual revenues and expenditures (restated) for the CSD contract number 12F-4431 for the fiscal years ended June 30, 2012 and June 30, 2013.

	<u>Actual (Restated)</u>	<u>Actual (Restated)</u>		
	January 1, 2012 through June 30, 2012	July 1, 2012 through December 31, 2012	Totals	Budget
<u>Revenue</u>				
Grant Revenue	\$ 97,492	\$ 152,448	\$ 249,940	\$ 249,940
<u>Expenditures</u>				
Personnel Costs:				
Salaries and wages	\$ 14,078	\$ 12,514	\$ 26,592	\$ 26,592
Fringe benefits	5,842	5,435	11,277	11,277
Total Personnel Costs	<u>19,920</u>	<u>17,949</u>	<u>37,869</u>	<u>37,869</u>
Non-Personnel Costs:				
Operating expenses and supplies	2,867	2,082	4,949	4,949
Subcontractors	74,705	132,417	207,122	207,122
Total Non-Personnel Costs	<u>77,572</u>	<u>134,499</u>	<u>212,071</u>	<u>212,071</u>
Total Costs	<u>\$ 97,492</u>	<u>\$ 152,448</u>	<u>\$ 249,940</u>	<u>\$ 249,940</u>

COUNTY OF PLACER, CALIFORNIA

Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

Note 9: Subrecipients

Of the federal expenditures presented in the SEFA, the County provided federal awards to subrecipients under the following CFDA Numbers:

CFDA Number	Program/Cluster Name	Amount
93.569	Community Services Block Grant	\$ 15,965
93.914	HIV Emergency Relief Project Grants	152,749
97.067	State Homeland Security Program	444,738

Note 10: Loan Programs

The County participates in certain federal award programs that sponsor revolving loan programs, which are administered by the County. These programs maintain servicing and trust arrangements with the County to collect loan repayments. The funds are returned to the programs upon repayment of the principal and interest and programs funded by these repayments are reported as expenditures in the Schedule. The federal government has imposed certain continuing compliance requirements with respect to the loans rendered under the programs. In accordance with Subpart B, Section 205 of the Office of Management and Budget Circular A-133, the County has reported the value of total outstanding and new loans made during the current year.

The following is a summary of the loan program balances and activities that have continuing compliance requirements at June 30, 2014.

Program Title	CFDA Number	June 30, 2014 Loans Outstanding	Prior Year Loans With Continuing Compliance Requirements	Fiscal Year 2014 Loan Disbursements
Community Development Block Grants	14.218	\$ 1,728,855	\$ 1,728,855	\$ -
Home Investment Partnership Program	14.239	4,562,370	4,562,370	-

COUNTY OF PLACER, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>None Reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major federal programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>Yes</u>
Type of auditors' report issued on compliance for major federal programs:	
	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)?	<u>Yes</u>

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Programs or Clusters</u>
<u>14.871</u>	<u>Section 8 Housing Choice Vouchers</u>
<u>15.235</u>	<u>Southern Nevada Public Land Management</u>
<u>66.458</u>	<u>Capitalization Grants for Clean Water State Revolving Funds</u>
<u>93.563</u>	<u>Child Support Enforcement</u>
<u>93.778</u>	<u>Medical Assistance Program (Medicaid Cluster)</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 2,474,282</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

COUNTY OF PLACER, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

II. FINANCIAL STATEMENT FINDINGS

None Reported.

COUNTY OF PLACER, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

FINDING 2014-001

Program: Section 8 Housing Choice Vouchers

CFDA No.: 14.871

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

Award Year: 2013-2014

Compliance Requirement: Reporting

Criteria:

The *March 2014 Office of Management and Budget (OMB) A-133 Compliance Supplement*, requires that the Public Housing Authority (PHA) follow the Uniform Financial Reporting Standards (24 CFR section 5.801) requiring the submission of the Financial Assessment Sub-system (FASS-PH) Financial Report (OMB Form No. 2535-0107) of timely GAAP-based unaudited and audited financial information electronically to the US Department of Housing and Urban Development (HUD). The FASS-PH System is one of HUD's main monitoring and oversight systems for the Housing Choice Vouchers Program (HCVP).

Condition Found:

Significant Deficiency, Instance of Non-Compliance – Based on inquiries and discussion with Housing Authority management and employees, it was noted that the Housing Authority and specifically, the Administrative division of the Department of Health and Human Services, were behind in their preparation of the reports and the FASS-PH had not been submitted timely to HUD Real Estate Assessment Center (REAC).

The FY 2012 final audited FASS-PH Submission to REAC was most recently approved on 2/4/2015. As the finalization of each report is required in order to obtain the final prior year numbers needed to finalize the next years report, the issue has been compounded. Currently the FY 2013 final audited FASS-PH Submission to REAC report has not been approved or accepted by HUD. The FY 2014 submission is still in an unaudited draft status and is not anticipated to be submitted by the March 31, 2015 deadline.

Questioned Costs:

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

Context:

The two FASS-PH submissions to the REAC for FY2013 and FY2014 are considered to not have been submitted timely to the REAC.

Effect:

The County was unable to have their FY 2012 FASS-PH Submission to REAC completed timely with acceptance not completed until 2/4/2015. This has delayed the preparation and final submission of the FASS-PH Submission to REAC for FY2013 and FY2014.

COUNTY OF PLACER, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2014

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Cause:

As a result of our inquires with the Administrative Division of the department of Health and Human Services, it was noted that the department had significant turnover in the Housing Authority which made it difficult to complete the report timely and have the report accepted by HUD.

Recommendation:

We recommend that the County implement policies and procedures to ensure that the FASS-PH Submission is submitted timely to the REAC. We recommend the County work closely with HUD to address the current outstanding reports to ensure they have been submitted and accepted by the REAC.

Views of Responsible Officials and Planned Corrective Actions:

The department agrees with this finding, and is currently establishing a desk manual to document all policies and procedures relating to the completion of HUD Financial Statements. The Housing Authority and HHS Administration staff has historically worked closely with HUD staff to submit both FASS-PH unaudited and audited reports, but has had ongoing and significant challenges with HUD staff providing technical guidance outside their automated FASS-PH response system. The department also has had lengthy time delays in responses from HUD for audited statements, and clarification on their information requests, further inhibiting the department's capabilities for meeting the financial reporting deadlines. The department is optimistic that through frequent and continued correspondence efforts with HUD, the remaining two years of past due financial reports will be completed and all future years will be submitted on time.

FINDING 2014-002

Program: Section 8 Housing Choice Vouchers

CFDA No.: 14.871

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

Award Year: 2013-2014

Compliance Requirement: Special Tests and Provisions

Criteria:

The *March 2014 Office of Management and Budget (OMB) A-133 Compliance Supplement*, requires that the Public Housing Authority (PHA) enter into depository agreements with their financial institutions in the form required by the US Department of Housing and Urban Development (HUD). The agreements serve as safeguards for federal funds and provide third-party rights to HUD. Among the terms in many agreements are requirements for funds to be placed in an interest-bearing account (24 CFR Section 982.156).

COUNTY OF PLACER, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Condition Found:

Instance of Non-Compliance – Based on inquiries and discussion with Housing Authority management and employees, it was noted that the Housing Authority could not produce a copy of the required depository agreement.

Questioned Costs:

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

Context:

A depository agreement should exist for each depository institution where HUD funds are deposited by the Housing Authority.

Effect:

The Housing Authority was unable to produce the depository agreement which is a key document as required by the OMB A-133 Compliance Supplement.

Cause:

The depository agreement of the housing authority was unable to be located by department personnel.

Recommendation:

We recommend that the County execute a new copy of the required depository agreement with appropriate depository institutions and the agreement be retained as required by the US Department of Housing and Urban Development.

Views of Responsible Officials and Planned Corrective Actions:

The department agrees with this finding, and is actively working with the Treasurer's office and the financial banking institution to get this agreement signed. The signed agreement will be kept on file for the life of the Housing Authority program per HUD regulations.

COUNTY OF PLACER, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

FINDING 2014-003

Program: Medical Assistance Program (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: 2013-2014

Compliance Requirement: Eligibility

Criteria:

Per the *March 2014 Office of Management and Budget (OMB) A-133 Compliance Supplement*, agencies are required to maintain documentation to support the agency's eligibility determination, and to re-determine eligibility at least every 12 months.

Condition Found:

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

- 23 cases where the recipient redetermination of eligibility was performed untimely (outside of the 12 month requirement).

Questioned Costs:

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

Context:

The condition noted above was noted in 23 of 25 cases selected during our testing procedures over eligibility. The County charges administrative expenditures associated with the determination of eligibility to the State while the State pays the amounts out to providers. The federal portion of administrative expenses associated with the In-Home Supportive Services Program represents \$705,059 of the total \$6,753,481 of Medical Administrative Activities presented on the Schedule of Federal Awards.

Placer County's Adult System of Care (ASOC) is currently on a Quality Improvement Action Plan (QIAP) with California State Department of Social Services (CDSS) as a result of compliance with timeliness of annual reassessments of recipients' of In Home Support Services (IHSS). Placer County entered into this QIAP in September 2014 and continues to submit quarterly progress reports.

Effect:

Lack of performance of timely eligibility re-determinations could lead to ineligible individuals receiving benefits or inappropriate amounts of benefits being provided.

Cause:

Based on inquiry with departmental personnel, the condition is caused by the County process to prioritize new case intake over redeterminations due to high case loads and limited staffing in the department to perform re-determinations.

COUNTY OF PLACER, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2014

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Recommendation:

We recommend that the County strengthen its current policies and procedures with regards to timing of re-determinations of eligibility and ensure that such policies and procedures are formally documented and adhered to by County personnel.

Views of Responsible Officials and Planned Corrective Actions:

Placer County's Adult System of Care (ASOC) is currently on a Quality Improvement Action Plan (QIAP) with California State Department of Social Services (CDSS) as a result of compliance with timeliness of annual reassessments of recipients' of In Home Support Services (IHSS). Placer County entered into this QIAP in September 2014 and continues to submit quarterly progress reports.

Placer County implemented a hard five year hiring freeze during our Nation's recent economic downturn. During this critical time, as resources became more limited, the County made a decision to prioritize the timely completion of new assessments over reassessments to ensure that individuals in need could obtain the services necessary to remain in the least restrictive environment. However, the hiring freeze and prioritizing of initial IHSS assessments negatively impacted the timeliness of annual reassessments.

As the hiring freeze began to lift, the county began to address the late reassessments. The ASOC began to address this issue through four strategic steps: (1) completing reassessments starting with farthest out of compliance, (2) filling long term vacant but funded positions, (3) identifying staff to specialize in completing reassessments, and (4) establishing a Call Center. The establishment of the Call Center allowed IHSS caseworkers to better utilize their time by minimizing interruptions by diverting certain calls. Since implementing these strategic steps, the county has demonstrated a steady progress in improving the County's compliance for timely IHSS reassessments.

In March, the County's ASOC received the authority to hire four additional IHSS Caseworkers. The addition of these new positions and the authority to rehire for a vacant position will further reduce the number of late reassessments. The ASOC is currently in the process of revising the CDSS QIAP to further outline steps and processes to increase compliance with timely reassessments. The revised QIAP will be submitted to CDSS by March 25, 2015. The County will continue to monitor this on a monthly basis and provide quarterly reports to CDSS. In addition, the County continues to evaluate the impact of the Affordable Care Act on these services to further ensure compliance standards are met.

The IHSS Program and Quality Assurance Committee is in the process of re-examining work flows and performance standards for all programs in order to strengthen Placer County's Policies and Procedures with regards to timing of redetermination of program eligibility. We believe the County's IHSS program will meet compliance standards of timely reassessments with the addition of these new positions, the filing of vacant positions, redesigning of work flow and clearer identification of employee performance expectations.

COUNTY OF PLACER, CALIFORNIA

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2014**

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
2013-A	Unearned Revenue Analysis	N/A	N/A	Implemented.
2013-B	Intergovernmental Revenue	N/A	N/A	Implemented.
2013-001	Surveys, Studies, Investigations and Special Purpose Grant	66.606	Reporting	Implemented.
2013-002	Surveys, Studies, Investigations and Special Purpose Grant	66.606	Davis-Bacon	Implemented.
2013-003	Completeness of Schedule of Expenditures of Federal Awards	N/A	N/A	Implemented.