

COUNTY OF PLACER, CALIFORNIA

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

COUNTY OF PLACER, CALIFORNIA

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

	PAGE
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 <i>Government Auditing Standards</i>	1
Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	3
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	11
Schedule of Findings and Questioned Costs	
I. Summary of Auditors' Results	14
II. Financial Statement Findings	15
III. Federal Award Findings and Questioned Costs	16
Summary Schedule of Prior Year Findings	20



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, 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 fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 7, 2015. Our report included an emphasis of matter paragraph regarding the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB 68*, effective July 1, 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.

Vavrinik, Trine, Day & Co. LLP

Sacramento, California
December 7, 2015



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, 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, 2015. The County's major federal programs are identified in the summary of auditors' 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, 2015.

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 2015-001 and 2015-002. 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 referenced as item 2015-002 that we consider to be a significant deficiency.

The County's responses 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 responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 7, 2015, which contained unmodified opinions on those financial statements. Our report included an emphasis of matter paragraph regarding the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB 68*, effective July 1, 2014. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements as a whole. 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 23, 2016

COUNTY OF PLACER, CALIFORNIA

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Direct/ Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>			
Direct:			
Lake Tahoe Erosion Control Grant Program	10.690	09-DG-11051900-025	\$ 195,503
Lake Tahoe Erosion Control Grant Program	10.690	10-DG-11051900-032	187,378
Lake Tahoe Erosion Control Grant Program	10.690	11-DG-11051900-032	311,320
Lake Tahoe Erosion Control Grant Program	10.690	13-DG-11051900-025	1,729,120
Subtotal - Lake Tahoe Erosion Control Grant			2,423,321
Tahoe National Forest Cooperative Law Enforcement Agreement	10.12-LE-11051360-006	12-LE-11051360-006	22,927
Direct subtotal			2,446,248
Passed through California Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	31 CEC	4,252,731
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	11-10481	1,048,882
Passed through California Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program	10.555	02118-SN-31-R	21,210
Passed through California Department of Food and Agriculture:			
Plant and Animal Disease, Pest Control, and Animal Care			
Phytophthora Ramorum - Regulatory	10.025	14-0415-SF	199
Glassy-winged Sharpshooter	10.025	14-0160-SF	55,719
Light Brown Apple Moth Detection Trapping	10.025	14-0466-SF	3,975
Asian Citrus Psyllid	10.025	13-0463-SF	7,427
Asian Citrus Psyllid	10.025	14-0584-SF	20,310
Asian Defoliating Moth / Pest Detection	10.025	14-0148	84,482
Subtotal - Plant and Animal Disease, Pest Control & Animal Care			172,112
Technical Assistance for Specialty Crops			
Light Brown Apple Moth Detection Trapping	10.604	13-0430-SF	7,220
Forest Health Protection			
USFS State & Private Forestry - Weeds	10.680	13-0348-SF	22,489
Cooperative Forestry Assistance	10.664	7FG14068	5,735
Cooperative Forestry Assistance	10.664	7FG14069	5,735
Cooperative Forestry Assistance	10.664	7FG14070	5,735
Subtotal - Cooperative Forestry Assistance			17,205
Passed through subtotal			5,541,849
Total U.S. Department of Agriculture			7,988,097
<u>U.S. Department of Housing and Urban Development</u>			
Direct:			
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	CA 149	2,244,018
Direct subtotal			2,244,018

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, 2015

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Direct/ Pass-Through Entity Identifying Number	Federal Expenditures
Passed through California Department of Housing and Community Development:			
Community Development Block Grants/Entitlement Grants	14.218	Loans	1,540,269
Community Development Block Grants/States Program	14.228	13-CDBG-8938	1,502,426
Subtotal - Community Development Block Grants			3,042,695
Supportive Housing Program	14.235	CA0285L9T151205 / CA0285L9T151306	378,946
Shelter Plus Care	14.238	CA0774CT151103	328,133
Home Investment Partnerships Program	14.239	10-HOME-8569	104,599
Home Investment Partnerships Program	14.239	Loans	4,562,370
Subtotal - Home Investment Partnerships Program			4,666,969
Passed through subtotal			8,416,743
Total U.S. Department of Housing and Urban Development			10,660,761
U.S. Department of the Interior			
Passed through California Department of Fish and Game:			
Cooperative Endangered Species Conservation Fund	15.615	P1382019	388,695
Passed through California Department of Transportation:			
Southern Nevada Public Land Management	15.235	STPLER-5919 (054)	4,434,606
Total U.S. Department of the Interior			4,823,301
U.S. Department of Justice			
Direct:			
Public Safety Partnership and Community Policing Grants	16.710	2011UMWX0026	843,305
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-1148	5,000
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-0609	23,962
Subtotal - Edward Byrne Memorial Justice Assistance Grant Program			28,962
Drug Enforcement Administration, Domestic Cannabis Eradication Suppression	16.2014-36	2014-36	29,889
Drug Enforcement Administration, Domestic Cannabis Eradication Suppression	16.2015-43	2015-43	2,324
Subtotal - Drug Enforcement Administration, Domestic Cannabis Eradication Suppression			32,213
State Criminal Alien Assistance Program (SCAAP)	16.606	2014-H1424-CA-AP	74,945
Equitable Sharing Program	16.922	NCIC - CA0310000	10,259
Direct subtotal			989,684
Passed through Board of State and Community Corrections:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 627-13	72,767
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 670-13	56,481
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 627-14	166,063
Subtotal - Edward Byrne Memorial Justice Assistance Grant			295,311
Crime Victim Assistance	16.575	VW14320310	96,157
Passed through subtotal			391,468
Total U.S. Department of Justice			1,381,152

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, 2015

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Direct/ Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Transportation</u>			
Direct:			
Federal Transit Cluster:			
Federal Transit - Formula Grants (Section 5307)	20.507	CA-90-Z296 (PCT)	692,695
Federal Transit - Formula Grants (Section 5307)	20.507	CA-90-Z296 (LT)	170,894
Direct subtotal and Federal Transit Cluster total			863,589
Passed through California State Department of Transportation:			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	BRLO-5919(051)	487,884
Highway Planning and Construction	20.205	BRLO-5919(065)	1,000
Highway Planning and Construction	20.205	BRLO-5919(066)	2,259,094
Highway Planning and Construction	20.205	BRLO-5919(067)	155,831
Highway Planning and Construction	20.205	BRLO-5919(071)	126,543
Highway Planning and Construction	20.205	BRLO-5919(072)	110,040
Highway Planning and Construction	20.205	BRLO-5919(073)	75,658
Highway Planning and Construction	20.205	BRLO-5919(074)	1,401,911
Highway Planning and Construction	20.205	BRLO-5919(076)	1,000
Highway Planning and Construction	20.205	BRLO-5919(086)	1,000
Highway Planning and Construction	20.205	BRLO-5919(087)	1,000
Highway Planning and Construction	20.205	BRLO-5919(099)	308,367
Highway Planning and Construction	20.205	BRLO-5919(105)	1,000
Highway Planning and Construction	20.205	BRLO-5919(114)	1,000
Highway Planning and Construction	20.205	BRLO-5919(116)	398,138
Highway Planning and Construction	20.205	BRLS-5919(097)	415,728
Highway Planning and Construction	20.205	BRLS-5919(115)	55,440
Highway Planning and Construction	20.205	BRLSZD-5919(047)	52,924
Highway Planning and Construction	20.205	CML-5919(082)	374,587
Highway Planning and Construction	20.205	CML-5919(104)	1,000
Highway Planning and Construction	20.205	CML-5919(123)	49,276
Highway Planning and Construction	20.205	CML-5919(124)	95,244
Highway Planning and Construction	20.205	HSIPL-5919(096)	59,452
Highway Planning and Construction	20.205	HSIPL-5919(110)	723
Highway Planning and Construction	20.205	HSIPL-5919(111)	1,000
Highway Planning and Construction	20.205	HSIPL-5919(112)	15,279
Highway Planning and Construction	20.205	HSIPL-5919(118)	1,204,835
Highway Planning and Construction	20.205	HSIPL-5919(119)	50,757
Highway Planning and Construction	20.205	SLPPCL-5919(113)	383,322
Highway Planning and Construction	20.205	STPL-5919(120)	770,201
Highway Planning and Construction	20.205	TCSP-E2CA(018)	323,170
Subtotal - Highway Planning and Construction Cluster			9,182,404
Formula Grants for Rural Areas (Section 5311)	20.509	N/A	303,000
Formula Grants for Rural Areas (Section 5311)	20.509	N/A	54,710
Subtotal			357,710
Passed through State of Nevada Department of Transportation:			
Formula Grants for Rural Areas (Section 5311)	20.509	PR428-13-802	54,041
Formula Grants for Rural Areas (Section 5311)	20.509	PR382-14-802	282,770
Subtotal			336,811
Subtotal - Formula Grants for Other than Urbanized Areas			694,521
Passed through California State Office of Traffic Safety:			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL1421 / AL1507	73,457
Passed through California Governor's Office of Emergency Services:			
Hazardous Materials Emergency Preparedness (HMEP)	20.703	HM-HMP-0422-14-01-00	57,049
Passed through subtotal			10,007,431
Total U.S. Department of Transportation			10,871,020

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, 2015

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Direct/ Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Environmental Protection Agency</u>			
Direct:			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-00T42601-0	24,991
Direct Subtotal			24,991
Passed through California State Water Resources Control Board:			
Clean Water State Revolving Fund Cluster:			
Capitalization Grants for Clean Water State Revolving Funds	66.458	13-809-550-0	16,108,571
Nonpoint Source Implementation Grants	66.460	13-503-256-0	745,966
Passed through U.S. Army Corps of Engineers:			
Construction Grants for Wastewater Treatment Works	66.418	134092	563,464
Passed through subtotal			17,418,001
Total U.S. Environmental Protection Agency			17,442,992
<u>U.S. Elections Assistance Commission</u>			
Passed through California Secretary of State:			
Help America Vote Act Requirements Payments	90.401	11G30114	103,979
Help America Vote Act Requirements Payments	90.401	13G30333	1,615
Total U.S. Elections Assistance Commission			105,594
<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	16,401
Passed through California Family Health Council:			
Family Planning Services	93.217	3003-5320-71209-14 & 3003-5320-71209-15	86,720
Drug Free Communities Support Program Grants	93.276	5H79SP015810-04 / 2H79SP015810-06	97,370
Passed through California Department of Social Services:			
Guardianship Assistance - Admin	93.090	63 CEC	5,052
Guardianship Assistance - Direct	93.090	CA800-31	60,875
Subtotal - Guardianship Assistance			65,927
TANF Cluster:			
Temporary Assistance for Needy Families (TANF) - Admin	93.558	31 CEC	12,769,051
Temporary Assistance for Needy Families (TANF) - Direct	93.558	CA800-31	2,444,350
Subtotal - TANF Cluster			15,213,401
Child Support Enforcement (Title IV-D)	93.563	1504CA4004	4,058,721
Refugee and Entrant Assistance - State Administered Programs	93.566	CA800-31	13,304
Promoting Safe and Stable Families (PSSF)	93.556	63 CEC	141,395
Community-Based Child Abuse Prevention Grants	93.590	63 CEC	20,614
Stephanie Tubbs Jones Child Welfare Services Program	93.645	63 CEC	297,678
Foster Care (Title IV-E) - Administration	93.658	63 CEC	3,335,460
Foster Care (Title IV-E) - Direct	93.658	CA800-31	1,659,868
Subtotal - Foster Care (Title IV-E)			4,995,328
Adoption Assistance - Administration	93.659	63 CEC	285,232
Adoption Assistance - Direct	93.659	CA800-31	2,322,352
Subtotal - Adoption Assistance			2,607,584
Social Services Block Grant	93.667	63 CEC	707,452
Chafee Foster Care Independence Program	93.674	63 CEC	100,241
Medicaid Cluster:			
Medical In-Home Supportive Services	93.778	N/A	1,547,429
Medical Adult Protective Services	93.778	N/A	233,144
Medical Child Welfare Services	93.778	N/A	966,420
Medical CSBG	93.778	N/A	246,736
Subtotal - Medicaid Cluster			2,993,729

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, 2015

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Direct/ Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Passed through California Department of Health Care Services:			
Projects for Assistance in Transition from Homelessness	93.150	MH 1784-63	43,646
Block Grants for Community Mental Health Services	93.958	MH 1784-63	686,928
Block Grants for Prevention and Treatment of Substance Abuse	93.959	10-NNA31	1,476,050
Medicaid Cluster:			
Medical Assistance Program - Administration	93.778	N/A	5,820,367
Medical Admin - Alcohol & Drug Program	93.778	N/A	302,515
Medical SAVE	93.778	N/A	23,983
Medical Assistance Program - Targeted Case Management	93.778	N/A	109,328
Healthcare Program for Children in Foster Care	93.778	12-89019	213,890
Children's Medical Services (CCS and CHDP)	93.778	12-89019	734,739
Subtotal - Medicaid Cluster			7,204,822
Passed through California Department of Public Health:			
Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	EPO 13-34	963,861
Immunization Cooperative Agreements	93.268	13-20288	92,178
Maternal and Child Health Service Block Grant to the States	93.994	10-95231	534,027
Adolescent Family Life Demonstration Projects	93.995	201331	105,628
Passed through the County of Sacramento:			
HIV Emergency Relief Project Grants	93.914	7207500-13/15-706 A1	156,259
Passed through subtotal			42,679,264
Total U.S. Department of Health and Human Services			42,679,264
<u>Executive Office of the President</u>			
Passed through County of Sacramento:			
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	G14CV0002A	19,767
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	G15CV0002A	24,573
Total Executive Office of the President			44,340
<u>U.S. Department of Homeland Security</u>			
Direct:			
Assistance to Firefighter Grant 2013	97.044	EMW-2013-FR-00145	52,290
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2012-FH-00263	322,968
Direct subtotal			375,258
Passed through California Governor's Office of Emergency Services:			
Emergency Management Performance Grants	97.042	EMW-2013-EP-00047	79,276
Emergency Management Performance Grants	97.042	EMW-2014-EP-0070	200,603
Subtotal - Emergency Management Performance Grants			279,879
State Homeland Security Program	97.067	2013-00110	262,608
State Homeland Security Program	97.067	2014-0001	46,761
State Homeland Security Program	97.067	2014-00093	97,488
Subtotal - State Homeland Security Program (SHSP)			406,857
Passed through subtotal			686,736
Total U.S. Department of Homeland Security			1,061,994
Total Expenditures of Federal Awards			\$ 97,058,515

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, 2015

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.

Note 6: California Emergency Management Agency (CalEMA) Grants

The following represents expenditures for the CalEMA programs for the fiscal year ended June 30, 2015. 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, 2015		
		Federal Share	State Share	County Share
Crime Victim Assistance				
<u>VW14320310 - Victim Witness Assistance</u>				
Personal services	\$ 201,181	\$ 96,157	\$ 105,024	\$ -

COUNTY OF PLACER, CALIFORNIA

Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2015

Note 7: 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
93.556	Promoting Safe and Stable Families	\$ 45,000
93.558	Temporary Assistance for Needy Families	2,371,657
93.674	Chafee Foster Care Independence Program	98,951
93.914	HIV Emergency Relief Project Grants	123,620
97.067	State Homeland Security Program	240,715

Note 8: 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, 2015.

Program Title	CFDA Number	June 30, 2015 Loans Outstanding	Prior Year Loans With Continuing Compliance Requirements	Fiscal Year 2015 Loan Disbursements
Community Development Block Grants	14.218	\$ 1,890,269	\$ 1,540,269	\$ 350,000
Home Investment Partnerships Program	14.239	4,660,370	4,562,370	98,000
		<u>\$ 6,550,639</u>	<u>\$ 6,102,639</u>	<u>\$ 448,000</u>

COUNTY OF PLACER, CALIFORNIA

Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2015

Note 9: Total Federal Awards Expended by Program Cluster

Where there is more than one program under a single cluster title, the Schedule of Expenditures of Federal Awards presents the totals of all programs under the one cluster title. Occasionally, however, the cluster total could not be conveniently displayed because all pass-through grantors were not contiguous. When this occurs the cluster total is not shown on the schedule, but is provided here.

CFDA No.	Program/Cluster Name	Pass-Through Agency	Amount
93.778	Medical In-Home Supportive Services	California Department of Social Services	\$ 1,547,429
93.778	Medical Adult Protective Services	California Department of Social Services	233,144
93.778	Medical Child Welfare Services	California Department of Social Services	966,420
93.778	Medical CSBG	California Department of Social Services	<u>246,736</u>
	Subtotal - Medicaid Cluster - California Department of Social Services		<u>2,993,729</u>
93.778	Medical Assistance Program - Administration	California Department of Health Care Services	5,820,367
93.778	Medical Admin - Alcohol & Drug Program	California Department of Health Care Services	302,515
93.778	Medical SAVE	California Department of Health Care Services	23,983
93.778	Medical Assistance Program - Targeted Case Management	California Department of Health Care Services	109,328
93.778	Healthcare Program for Children in Foster Care	California Department of Health Care Services	213,890
93.778	Children's Medical Services (CCS and CHDP)	California Department of Health Care Services	<u>734,739</u>
	Subtotal - Medicaid Cluster - California Department of Health Care Services		<u>7,204,822</u>
	Medicaid Cluster Total		<u>\$ 10,198,551</u>

COUNTY OF PLACER, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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>10.561</u>	<u>Supplemental Nutrition Assistance Program (SNAP Cluster)</u>
<u>14.239</u>	<u>Home Investment Partnerships Program</u>
<u>93.558</u>	<u>Temporary Assistance for Needy Families (TANF Cluster)</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>\$ 2,911,755</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, 2015**

II. FINANCIAL STATEMENT FINDINGS

None Reported.

COUNTY OF PLACER, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

FINDING 2015-001

Program: Medicaid Cluster – Medi-Cal Assistance Program
CFDA No.: 93.778
Federal Agency: U.S. Department of Health and Human Services
Passed-through: California Department of Health Care Services
Award Year: 2014 - 2015
Compliance Requirement: Eligibility

Criteria:

Per the *June 2015 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:

Instance of Non-Compliance – As a result of our eligibility testing, we noted one case in which the recipient redetermination of eligibility was not performed.

Questioned Costs:

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

Context:

The condition above was noted in 1 of 40 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.

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 not adhering to its procedures to address consistency and continuation of applicant status and redetermination schedules when transferring individuals to the California Healthcare Enrollment, Eligibility and Retention System (CalHEERS).

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.

COUNTY OF PLACER, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Views of Responsible Officials and Planned Corrective Actions:

Placer County has formal policies and procedures in place for the completion of Medi-Cal redeterminations. This guidance provides instruction to staff to ensure that we comply with state, federal and county regulations; and that eligibility redeterminations are completed in a timely and accurate manner.

We agree with the finding and recognize that we need to improve in compliance with ensuring that timely redeterminations are completed. In order to improve compliance, the county will take the following corrective actions:

- The audit findings will be discussed at our Medi-Cal Program meeting on March 16, 2016. Supervisors will be instructed to share this information, as well as the policy and procedure regarding the timely completion of Medi-Cal redeterminations with staff in their respective units.
- Placer's Medi-Cal Training unit will send out reminders to staff in their monthly newsletter, regarding the process for the timely completion of Medi-Cal redeterminations.
- Unit Supervisors will be conducting case reviews for each of their subordinate staff on a monthly basis. Case errors will be reviewed with the appropriate staff member, and corrective action will be taken within prescribed timeframes. Error trends will be noted from case review results, and training will be conducted in those focused areas.

The case in error has been addressed. Staff made contact with the recipient, who in turn requested discontinuance effective 3-31-16. The recipient stated that they are now covered by health insurance through their employer, and no longer need coverage through Medi-Cal

COUNTY OF PLACER, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

FINDING 2015-002

Program: Medicaid Cluster - 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: 2014-2015

Compliance Requirement: Eligibility

Criteria:

Per the *June 2015 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 there were 21 cases in which 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:

This is a repeat condition from the June 30, 2014 Single Audit. The condition noted above was noted in 21 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 \$1,547,429 of the total \$9,249,922 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.

COUNTY OF PLACER, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

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.

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:

We agree with the findings and will continue our Quality Improvement Action Plan that has resulted in significant movement towards compliance in the last year. Correspondence was received from the California Department of Social Services (CDSS) in October 2015 which identified the progress Placer County made during fiscal year 2014-15 toward achieving compliance. Placer County's In-Home Supportive Services (IHSS) reassessment Quality Improvement Action Plan was established, and the implementation improved the county's IHSS reassessment rate to 72.65 percent during FY2014-15, a substantial improvement from FY13-14.

Additionally, in February 2016 Placer County received a follow up letter from CDSS regarding the Quality Assurance monitoring review of Placer County's administration of the IHSS program which was conducted in January 2016. It noted that 31 of 37 cases received a timely reassessment in the review sample (a rate of 83.8%). Placer County will continue to follow its Quality Improvement Action Plan and strive towards compliance with the 80 percent minimum threshold related to reassessment compliance.

COUNTY OF PLACER, CALIFORNIA

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2015**

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
2014-001	Section 8 Housing Choice Vouchers	14.871	Reporting	Implemented.
2014-002	Section 8 Housing Choice Vouchers	14.871	Special Tests and Provisions	Implemented.
2014-003	Medical Assistance Program (In-Home Supportive Services)	93.778	Eligibility	Not implemented, See finding at 2015-002.