

COUNTY OF PLACER, CALIFORNIA

**SINGLE AUDIT REPORT
(UNIFORM GUIDANCE)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

COUNTY OF PLACER, CALIFORNIA

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FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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, (County) as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 30, 2016. Our report includes an emphasis of matter paragraph regarding the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, effective July 1, 2015.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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
November 30, 2016



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 THE UNIFORM GRANT GUIDANCE

Board of Supervisors
County of Placer, California

Report on Compliance for Each Major Federal Program

We have audited County of Placer, California's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2016. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-002. 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs referenced as item 2016-001 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 30, 2016, 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. 72, *Fair Value Measurement and Application*, effective July 1, 2015. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Vavrinik, Trine, Day & Co. LLP

Sacramento, California
March 27, 2017

COUNTY OF PLACER, CALIFORNIA

**Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2016**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Identification / Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Agriculture</u>				
SNAP Cluster:				
Passed through California Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP) - Administration	10.561	31 CEC	\$ 4,940,661	\$ 101,966
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP) - Nutrition Education	10.561	31 CEC	107,598	-
Total - SNAP Cluster (10.561)			<u>5,048,259</u>	<u>101,966</u>
Child Nutrition Cluster:				
Passed through California Department of Education:				
National School Lunch Program	10.555	02118-SN-31-R	31,386	-
Total - Child Nutrition Cluster (10.555)			<u>31,386</u>	<u>-</u>
Direct Programs:				
Lake Tahoe Erosion Control Grant Program	10.690	13-DG-11051900-025	849,062	-
Tahoe National Forest Cooperative Law Enforcement Agreement	10.12-LE-11051360-006	12-LE-11051360-006	19,630	-
Passed through California Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care - Glassy-winged Sharpshooter	10.025	14-0160-SF	44,299	-
Plant and Animal Disease, Pest Control, and Animal Care - Light Brown Apple Moth Detection Trapping	10.025	14-0466-SF	5,076	-
Plant and Animal Disease, Pest Control, and Animal Care - Light Brown Apple Moth Detection Trapping	10.025	15-0508-SF	4,480	-
Plant and Animal Disease, Pest Control, and Animal Care - Asian Citrus Psyllid	10.025	14-0584-SF	11,065	-
Plant and Animal Disease, Pest Control, and Animal Care - Asian Citrus Psyllid	10.025	15-0555-SF	36,458	-
Plant and Animal Disease, Pest Control, and Animal Care - Pest Detection Trapping	10.025	15-0223	73,770	-
subtotal (10.025)			<u>175,148</u>	<u>-</u>
Cooperative Forestry Assistance - Invasive Weed Control - Northern Sierra	10.664	14-0540-SF	21,013	-
Forest Health Protection - USFS State & Private Forestry - Noxious Weeds	10.680	15-0442-SF	11,657	-
Passed through California Department of Public Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	14-10268, 15-10101	1,124,624	-
Total U.S. Department of Agriculture			<u>7,280,779</u>	<u>101,966</u>
<u>U.S. Department of Housing and Urban Development</u>				
Housing Voucher Cluster:				
Direct Program:				
Section 8 Housing Choice Vouchers	14.871	CA 149	2,220,408	-
Total - Housing Voucher Cluster (14.871)			<u>2,220,408</u>	<u>-</u>
Direct Program:				
Continuum of Care Program	14.267	CA0285L9T151306 / CA0285L9T151407 / CA1094C9T151100	714,290	-
Passed through California Department of Housing and Community Development:				
Community Development Block Grants/State's Program	14.228	Loans	1,771,284	-
Community Development Block Grants/State's Program	14.228	13-CDBG-8938	170,754	43,512
subtotal (14.228)			<u>1,942,038</u>	<u>43,512</u>
Home Investment Partnerships Program	14.239	12-HOME-8569	3,508	-
Home Investment Partnerships Program	14.239	Loans	4,482,170	-
subtotal (14.239)			<u>4,485,678</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>9,362,414</u>	<u>43,512</u>
<u>U.S. Department of the Interior</u>				
Direct Program:				
Secure Rural Schools & Community Self Determination	15.234	HR2389	93,541	-
Passed through California Department of Fish and Wildlife:				
Cooperative Endangered Species Conservation Fund	15.615	P1382019	296,806	-
Total U.S. Department of the Interior			<u>390,347</u>	<u>-</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, 2016**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grant Identification / Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
U.S. Department of Justice				
Direct Programs:				
State Criminal Alien Assistance Program (SCAAP)	16.606	2015-AP-BX-0097	76,728	-
Public Safety Partnership and Community Policing Grants	16.710	2011UMWX0026	487,834	-
Drug Enforcement Administration, Domestic Cannabis Eradication Suppression	16.2015-43	2015-43	42,676	-
Drug Enforcement Administration, Domestic Cannabis Eradication Suppression	16.2016-37	2016-37	14,126	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0034	20,720	-
Passed through Board of State and Community Corrections:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 627-14	275,793	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 627-15	401,432	-
subtotal (16.738)			697,945	-
Passed through California Governor's Office of Emergency Services:				
Crime Victim Assistance	16.575	VW15330310	181,655	-
Total U.S. Department of Justice			1,500,964	-
U.S. Department of Transportation				
Highway Planning and Construction Cluster				
Passed through California State Department of Transportation:				
Highway Planning and Construction	20.205	BRLO-5919(065)	350	-
Highway Planning and Construction	20.205	BRLO-5919(066)	4,138,468	-
Highway Planning and Construction	20.205	BRLO-5919(073)	25,566	-
Highway Planning and Construction	20.205	BRLO-5919(074)	2,188,925	-
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)	59,065	-
Highway Planning and Construction	20.205	BRLO-5919(105)	748,102	-
Highway Planning and Construction	20.205	BRLO-5919(114)	1,000	-
Highway Planning and Construction	20.205	BRLO-5919(116)	327,429	-
Highway Planning and Construction	20.205	BRLS-5919(097)	272,915	-
Highway Planning and Construction	20.205	BRLS-5919(115)	11,843	-
Highway Planning and Construction	20.205	BRLSZD-5919(047)	642	-
Highway Planning and Construction	20.205	CML-5919(082)	140,962	-
Highway Planning and Construction	20.205	CML-5919(104)	866,890	-
Highway Planning and Construction	20.205	CML-5919(123)	242	-
Highway Planning and Construction	20.205	CML-5919(124)	225,887	-
Highway Planning and Construction	20.205	HSIPL-5919(096)	641,796	-
Highway Planning and Construction	20.205	HSIPL-5919(110)	355,991	-
Highway Planning and Construction	20.205	HSIPL-5919(111)	930,541	-
Highway Planning and Construction	20.205	HSIPL-5919(112)	58,816	-
Highway Planning and Construction	20.205	HSIPL-5919(119)	304,942	-
Highway Planning and Construction	20.205	STPL-5919(125)	965,323	-
Highway Planning and Construction	20.205	STPLP-5919(021)	226,867	-
Highway Planning and Construction	20.205	TCSP-E2CA(018)	97,297	-
Total - Highway Planning and Construction Cluster (20.205)			12,592,859	-
Federal Transit Cluster:				
Direct Program:				
Federal Transit - Formula Grants (Section 5307)	20.507	5618-2016-2 (PCT)	796,170	-
Federal Transit - Formula Grants (Section 5307)	20.507	5618-2016-2 (TART)	90,416	-
Federal Transit - Formula Grants (Section 5307)	20.507	CA-95-X030	500,000	-
Federal Transit - Formula Grants (Section 5307)	20.507	CA-95-X193	2,337,008	-
Passed through California State Department of Transportation:				
Federal Transit - Formula Grants (Section 5307)	20.507	CA-90-Y046	100,476	-
subtotal (20.507)			3,824,070	-
Passed through State of Nevada Department of Transportation:				
Bus and Bus Facilities Formula Program (Section 5339)	20.526	PR610-13-802	261,000	-
Total - Federal Transit Cluster (20.507 & 20.526)			4,085,070	-

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, 2016**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Identification / Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Transportation (continued)</u>				
Passed through State of Nevada Department of Transportation:				
Formula Grants for Rural Areas (Section 5311)	20.509	PR382-14-802	46,912	-
Formula Grants for Rural Areas (Section 5311)	20.509	PR514-15-802	271,206	-
Passed through California State Department of Transportation:				
Formula Grants for Rural Areas (Section 5311)	20.509	64B017-00419	283,000	-
Formula Grants for Rural Areas (Section 5311)	20.509	641010	335,988	-
subtotal (20.509)			<u>937,106</u>	<u>-</u>
Passed through California State Office of Traffic Safety:				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL1507 / AL1646	73,947	-
Passed through California Governor's Office of Emergency Services				
Interagency Hazardous Materials Emergency Preparedness (HMEP)	20.703	HM-HMP-0422-14-01-00	6,951	-
Total U.S. Department of Transportation			<u>17,695,933</u>	<u>-</u>
<u>U.S. Environmental Protection Agency</u>				
Clean Water State Revolving Fund Cluster:				
Passed through California State Water Resources Control Board:				
Capitalization Grants for Clean Water State Revolving Funds	66.458	13-809-550-0	2,027,823	-
Total - Clean Water State Revolving Fund Cluster (66.458)			<u>2,027,823</u>	<u>-</u>
Total U.S. Environmental Protection Agency			<u>2,027,823</u>	<u>-</u>
<u>U.S. Election Assistance Commission</u>				
Passed through California Secretary of State:				
Help America Vote Act Requirements Payments	90.401	13G30333	14,322	-
Total U.S. Election Assistance Commission			<u>14,322</u>	<u>-</u>
<u>U.S. Department of Health and Human Services</u>				
TANF Cluster:				
Passed through California Department of Social Services:				
Temporary Assistance for Needy Families (TANF) - Admin	93.558	31 CEC	11,763,836	2,367,789
Temporary Assistance for Needy Families (TANF) - Direct	93.558	CA800-31	2,102,351	-
Total - TANF Cluster (93.558)			<u>13,866,187</u>	<u>2,367,789</u>
Medicaid Cluster:				
Passed through California Department of Social Services:				
Medical Assistance Program - Medical Adult Protective Services/CSBG	93.778	63 CEC	318,973	-
Medical Assistance Program - Medical Child Welfare Services	93.778	63 CEC	280,859	-
Medical Assistance Program - Medical In-Home Supportive Services	93.778	63 CEC	1,858,843	-
Medical Assistance Program - Medical Family Preservation Program	93.778	63 CEC	63,673	-
Passed through California Department of Health Care Services				
Medical Assistance Program - Administration	93.778	31 CEC	5,606,608	-
Medical Assistance Program - Medical Admin - Alcohol & Drug Program	93.778	Cost Report 31	164,928	-
Medical Assistance Program - Targeted Case Management	93.778	LGA 31	44,252	-
Medical Assistance Program - Healthcare Program for Children in Foster Care	93.778	N/A	183,861	-
Medical Assistance Program - Children's Medical Services (CCS and CHDP)	93.778	N/A	897,658	-
Passed through California Department of Public Health				
Medical Assistance Program - Title XIX Maternal and Child Health Block Grant	93.778	201531	414,410	-
Total - Medicaid Cluster (93.778)			<u>9,834,065</u>	<u>-</u>
Direct Programs:				
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	1H79SM062250-01	172,774	148,619
Drug-Free Communities Support Program Grants	93.276	2H79SP015810-06	122,657	-
Passed through California Family Health Council:				
Family Planning Services	93.217	3003-5320-71209-16	115,445	-
Passed through California Department of Child Support Services:				
Child Support Enforcement (Title IV-D)	93.563	1604CA4004	4,133,013	-
Passed through California Secretary of State:				
Voting Access for Individuals with Disabilities	93.617	14G26128	3,599	-

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, 2016**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grant Identification / Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
<u>U.S. Department of Health and Human Services (continued)</u>				
Passed through California Department of Social Services				
Guardianship Assistance - Admin	93.090	63 CEC	1,066	-
Guardianship Assistance - Direct	93.090	CA800-31	69,195	-
subtotal (93.090)			70,261	-
Promoting Safe and Stable Families (PSSF)	93.556	63 CEC	272,519	-
Refugee and Entrant Assistance - State Administered Programs - Admin	93.566	31 CEC	3,942	-
Refugee and Entrant Assistance - State Administered Programs - Direct	93.566	CA800-31	12,252	-
subtotal (93.566)			16,194	-
Community-Based Child Abuse Prevention Grants	93.590	ACIN I-14-16	20,194	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	63 CEC	293,182	-
Foster Care (Title IV-E) - Administration - Child Welfare Services IV-E	93.658	63 CEC	2,653,470	-
Foster Care (Title IV-E) - Administration - Foster Care & Commercially Sexually Exploited Children	93.658	63 CEC	302,044	-
Foster Care (Title IV-E) - Administration - Licensing	93.658	63 CEC	52,491	-
Foster Care (Title IV-E) - Administration - Non Child Welfare Services Allocation	93.658	63 CEC	246,204	-
Foster Care (Title IV-E) - Administration - Probation IV-E & Group Home Monthly Visits	93.658	63 CEC	129,930	-
Foster Care (Title IV-E) - Direct	93.658	CA800-31	1,654,210	-
subtotal (93.658)			5,038,349	-
Adoption Assistance - Administration	93.659	63 CEC	208,326	-
Adoption Assistance - Direct	93.659	CA800-31	2,383,510	-
subtotal (93.659)			2,591,836	-
Social Services Block Grant	93.667	63 CEC	772,730	-
Chafee Foster Care Independence Program	93.674	63 CEC	132,306	-
Passed through California Department of Health Care Services:				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	MH 1784-63	43,936	-
Block Grants for Community Mental Health Service:	93.958	MH 1784-63	732,216	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	14-90083-A04	1,424,827	-
Passed through California Department of Public Health				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	14-10529	814,853	17,458
Immunization Cooperative Agreements	93.238	15-10440	95,258	-
Pregnancy Assistance Fund Program	93.500	201531	10,220	-
Maternal and Child Health Services Block Grant to the States	93.994	201531	165,984	-
Passed through County of Sacramento:				
HIV Emergency Relief Project Grants	93.914	7207500-13/18-706 A3	136,758	136,758
Total U.S. Department of Health and Human Services			40,879,363	2,670,624
<u>Executive Office of the President</u>				
Passed through County of Sacramento:				
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	G14CV0002A	2,681	-
Total Executive Office of the President			2,681	-
<u>U.S. Department of Homeland Security</u>				
Passed through California Department of Parks and Recreation:				
Boating Safety Financial Assistance	97.012	C15L0601	82,056	-
Passed through California Governor's Office of Emergency Services				
Emergency Management Performance Grants	97.042	2015-0049	201,686	-
Pre-Disaster Mitigation	97.047	2014-0001	100,737	-
Homeland Security Grant Program	97.067	2014-0093	344,056	246,237
Homeland Security Grant Program	97.067	2015-0078	218,501	114,440
subtotal (97.067)			562,557	360,677
Total U.S. Department of Homeland Security			947,056	360,677
Total Expenditures of Federal Awards			\$ 80,101,662	\$ 3,176,779

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, 2016

Note 1: Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards (“Schedule”) includes the federal award activity of the County of Placer (County) under programs of the federal government for the year ended June 30, 2016. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Note 2: Basis of Accounting

Expenditures on the Schedule are presented using the modified accrual basis of accounting for the governmental funds and the accrual basis of accounting for the proprietary funds. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Catalog of Federal Domestic Assistance (CFDA)

The CFDA numbers included in this report 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 4: Pass-Through Entities’ Identifying Number

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

Note 5: Medicaid Cluster

Direct Medi-Cal and Medicare expenditures are excluded from the Schedule. These expenditures represent fees for services and are not included in the Schedule or in determining major programs. The County assists the State of California in determining eligibility and provides Medi-Cal and Medicare services through County-owned facilities. However, administrative costs related to Medi-Cal and Medicare are included in the Schedule under the Medical Assistance Program (Federal CFDA number 93.778).

Note 6: Indirect Cost Rate

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

COUNTY OF PLACER, CALIFORNIA

**Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2016**

Note 7: California Emergency Management Agency (CalEMA) Grants

The following represents expenditures for the CalEMA programs for the fiscal year ended June 30, 2016. The amounts reported in the Schedule are determined by calculating the federal portion of the current year expenditures.

Program	Total	Expenditures Incurred For the Fiscal Year Ended June 30, 2016		
		Federal Share	State Share	County Share
Crime Victim Assistance				
<u>VW15330310 - Victim Witness Assistance</u>				
Personal services	\$ 286,679	\$ 181,655	\$ 105,024	\$ -

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. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule.

The following is a summary of the loan program balances at June 30, 2016.

Program Title	CFDA Number	June 30, 2016
		Loans Outstanding
Community Development Block Grants	14.228	\$ 1,771,284
Home Investment Partnership Program	14.239	4,482,170
		<u>\$ 6,253,454</u>

COUNTY OF PLACER, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued on whether the financial statements were prepared in accordance with GAAP:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major federal programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) 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 2 CFR Section .516(a)? Yes

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Programs or Clusters</u>
<u>20.205</u>	<u>Highway Planning and Construction Cluster</u>
<u>20.507 & 20.526</u>	<u>Federal Transit Cluster</u>
<u>93.658</u>	<u>Foster Care</u>
<u>96.659</u>	<u>Adoption Assistance</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$ 2,403,050

Auditee qualified as low-risk auditee? Yes

COUNTY OF PLACER, CALIFORNIA

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

II. FINANCIAL STATEMENT FINDINGS

None Reported.

COUNTY OF PLACER, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2016-001

Program: Adoption Assistance – Title IV-E

CFDA No.: 93.659

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

Pass-Through Agency: California Department of Social Services

Award Year: FY 2015-2016

Compliance Requirement: Eligibility

Criteria:

The *June 2016 Compliance Supplement* states that eligibility determination should be performed and the County should maintain records to support the determination in accordance with the compliance requirements of the program.

Condition Found:

Significant Deficiency, Instance of Non-Compliance – During our eligibility testing of the Adoption Assistance case files, we noted that one out of forty files was missing the *Determination of Federal AFDC-FC Eligibility (FC3)* form. This form is required to document the eligibility of the child with the former AFCD program and is required to be retained to have complete and accurate documentation regarding the eligibility determination.

Questioned Costs:

No questioned costs were identified as a result of our procedures.

Context:

The condition noted above was identified during our testing over eligibility requirements of the program.

Effect:

By the County not maintaining records of the eligibility determination for the AFDC program, case data may not be current in the case file which may result in unsupported eligibility determinations.

Cause:

The County did not maintain adequate records of the determination of eligibility for the adoption assistance case.

Recommendation:

It is recommend that the County establish policies and procedures to ensure that adequate records of eligibility determinations are maintained when required for the adoption assistance program cases.

Views of Responsible Officials and Planned Corrective Actions:

See separate corrective action plan.

COUNTY OF PLACER, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2016-002

Program: Federal Transit Cluster
CFDA No.: 20.507 and 20.526
Federal Agency: U.S. Department of Transportation
Passed-through: N/A
Award Year: 2015-2016
Compliance Requirement: Cash Management

Criteria:

Per the *June 2016 Compliance Supplement* and 2 CFR Section 200.302(b)(6) of the *Uniform Guidance*, non-Federal entities are required to establish written procedures to implement the requirements of 2 CFR section 200.305 (Payments).

Condition Found:

Instance of Noncompliance – As a result of our audit procedures over cash management, we noted the County has not established written procedures to implement the cash management requirements of 2 CFR Section 200.305 (Payments).

Questioned Costs:

No questioned costs were identified as a result of our procedures.

Context:

The condition noted above was identified during our testing over cash management requirements of the program.

Effect:

The County has not complied with the specific requirements for written procedures over cash management as described in 2 CFR 200.305 (Payments).

Cause:

The County's procedures did not ensure the required written procedures were developed and implemented in accordance with 2 CFR 200.302(b)(6).

Recommendation:

It is recommended that the County implement written policies and procedures to comply with the requirements of 2 CFR Section 200.305 (Payments).

Views of Responsible Officials and Planned Corrective Actions:

See separate corrective action plan.

COUNTY OF PLACER, CALIFORNIA

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2016**

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
2015-001	Medicaid Cluster – Medi-Cal Assistance Program	93.778	Eligibility	Implemented
2015-002	Medicaid Cluster - Medical Assistance Program (In-Home Supportive Services)	93.778	Eligibility	Implemented

COUNTY OF PLACER, CALIFORNIA

Corrective Action Plan

Year ended June 30, 2016

Compiled by: Caryl Hearn, Supervising Accountant-Auditor, County of Placer, California

COUNTY OF PLACER, CALIFORNIA

Corrective Action Plan

Year ended June 30, 2016

I. FINANCIAL STATEMENT FINDINGS

None Reported.

COUNTY OF PLACER, CALIFORNIA

Corrective Action Plan

Year ended June 30, 2016

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2016-001

Program: Adoption Assistance – Title IV-E

CFDA No.: 93.659

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

Pass-Through Agency: California Department of Social Services

Award Year: FY 2015-2016

Compliance Requirement: Eligibility

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

We maintain that the eligibility determination was correct, unfortunately we are unable to locate the Determination of Federal AFDC-FC eligibility (FC3) specific to the case selected. We were able to provide the FC3 for the sibling's case in which the federal determination on the FC3 would match the focus child's determination. The case notes on the Federal Eligibility for Adoption Assistance Program (FC8) indicate that the FC3 was originally attached to the FC8, but in the 17 years since this case was originally approved this has been misplaced.

Past and current AAP eligibility determination practice dictates that the Determination of Federal AFDC-FC eligibility (FC3) from the preadoptive foster care case is to be attached to the Federal Eligibility for Adoption Assistance Program (FC8). The original of these forms is to be retained in the Adoption Assistance case file, and a copy is to be filed in the AAP payment case file. No changes to current practice is necessary. Training will be provided at Eligibility Unit meeting on the importance of verifying the presence of all necessary AAP documents at time of original granting of benefits and at bi-annual renewals.

Name of Responsible Person:

Mari Szkotak, Supervisor Eligibility

Implementation Date:

March 23, 2017

COUNTY OF PLACER, CALIFORNIA

Corrective Action Plan

Year ended June 30, 2016

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2016-002

Program: Federal Transit Cluster

CFDA No.: 20.507 and 20.526

Federal Agency: U.S. Department of Transportation

Pass-Through Agency: N/A

Award Year: FY 2015-2016

Compliance Requirement: Cash Management

Management's or Department's Response:

We concur.

Views of Responsible Officials and Corrective Action:

Placer County Department of Public Works and Facilities has established a written policy to comply with 2 CFR Section 200.302(b)(6).

Name of Responsible Person:

Cynthia Taylor, Administrative and Fiscal Operations Manager

Implementation Date:

March 2017