



FINANCE COMMITTEE

October 5, 2015

10:30 A.M.

651 Pine Street, Room 101, Martinez

Supervisor Mary N. Piepho, Chair
Supervisor Federal D. Glover, Vice Chair

Agenda Items:

Items may be taken out of order based on the business of the day and preference of the Committee

1. Introductions
2. Public comment on any item under the jurisdiction of the Committee and not on this agenda (speakers may be limited to three minutes).
3. CONSIDER approving the Record of Action for the June 1, 2015, Finance Committee meeting (Lisa Driscoll, County Finance Director)
4. CONSIDER accepting the Quarterly Capital Projects Report (Brian Balbas, Deputy Public Works Director)
5. CONSIDER Countywide Single Audit for the Fiscal Year Ending June 30, 2014 (Lisa Driscoll, County Finance Director)
6. The next meeting is currently scheduled for November 2, 2015 at 10:30 AM.
7. Adjourn

The Finance Committee will provide reasonable accommodations for persons with disabilities planning to attend Finance Committee meetings. Contact the staff person listed below at least 72 hours before the meeting.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the County to a majority of members of the Finance Committee less than 96 hours prior to that meeting are available for public inspection at 651 Pine Street, 10th floor, during normal business hours.

Public comment may be submitted via electronic mail on agenda items at least one full work day prior to the published meeting time.

For Additional Information Contact:

Lisa Driscoll, Committee Staff
Phone (925) 335-1021, Fax (925) 646-1353
lisa.driscoll@cao.cccounty.us



Contra Costa County Board of Supervisors

Subcommittee Report

FINANCE COMMITTEE

3.

Meeting Date: 10/05/2015

Subject: Record of Action for June 1, 2015 Finance Committee Meeting

Submitted For: FINANCE COMMITTEE,

Department: County Administrator

Referral No.: N/A

Referral Name: Record of Action

Presenter: Lisa Driscoll, County
Finance Director

Contact: Lisa Driscoll, County Finance Director
(925) 335-1023

Referral History:

County Ordinance requires that each County body keep a record of its meetings. Though the record need not be verbatim, it must accurately reflect the agenda and the discussions made in the meetings.

Referral Update:

Attached for the Committee's consideration is the Record of Action for its June 1, 2015 meeting.

Recommendation(s)/Next Step(s):

Staff recommends approval of the Record of Action for the June 1, 2015 meeting.

Fiscal Impact (if any):

No fiscal impact.

Attachments

Draft Record of Action - June 2015



FINANCE COMMITTEE

June 1, 2015

10:30 A.M.

651 Pine Street, Room 101, Martinez

Supervisor Mary N. Piepho, Chair
Supervisor Federal D. Glover, Vice Chair

Agenda Items:

Items may be taken out of order based on the business of the day and preference of the Committee

Present: Chair Mary N. Piepho

Absent: Vice Chair Federal D. Glover

Staff Lisa Driscoll, Finance Director; Tim Ewell, Senior Deputy County Administrator; Ramesh

Present: Kanzaria, Capital Projects Manager; Brian Balbas, Deputy Public Works Director; Patrick Godley, Health Services, Chief Finance Officer

Attendees: Natalie Perkins

1. Introductions
2. Public comment on any item under the jurisdiction of the Committee and not on this agenda (speakers may be limited to three minutes).

There were no comments from the Public.

3. Staff recommends approval of the Record of Action for the March 2, 2015 meeting.

The Record of Action for March 2, 2015, Finance Committee meeting was approved as recommended.

Chair Mary N. Piepho,

AYE: Chair Mary N. Piepho

Passed

4. ACCEPT the April 2015 Projects Report from the Public Works Department.

Brian Balbas and Ramesh Kanzaria presented the Quarterly Capital Report. They noted that the report data was as of April 24, 2015 and that several projects would appear on the next report that were started since that date. The next report will include revisions directed by the Finance Committee in February. The report was approved as submitted.

Chair Mary N. Piepho,

AYE: Chair Mary N. Piepho

Passed

5. 1. APPROVE and AUTHORIZE the issuance of 2015 Lease Revenue Bonds, in the approximate amount of \$71 million fund new capital projects, including the acquisition and installation of solar panels in certain county facilities and an expansion of the West County Health Clinic, and refunding of existing debt at a savings to the County.

2. FORWARD recommendation to the Board of Supervisors.

Tim Ewell presented a report proposing the potential issuance of 2015 Lease Revenue Bonds, in the approximate amount of \$71 million. The Committee discussed the new projects included in the funding proposal including the negotiation with San Pablo regarding a land parcel. Patrick Godley indicated negotiations were on-going. Supervisor Piepho directed Mr. Godley to inform San Pablo of the importance of concluding the negotiation so that the project could be included in this bond sale. The cost of issuance associated with a standalone deal would make the project more expensive than necessary. The Committee recommended that the proposed financing be forwarded to the full Board of Supervisors for approval.

Chair Mary N. Piepho,

AYE: Chair Mary N. Piepho

Passed

6. The next meeting is currently scheduled for July 6, 2015 at 10:30 AM.
7. Adjourn

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Contra Costa County Board of Supervisors

Subcommittee Report

FINANCE COMMITTEE

4.

Meeting Date: 10/05/2015

Subject: QUARTERLY CAPITAL PROJECTS REPORT

Submitted For: Julia R. Bueren, Public Works Director/Chief Engineer

Department: Public Works

Referral No.: 1/6/2009 SD.2

Referral Name: Quarterly Capital Projects

Presenter: Brian Balbas, Deputy Public Works
Director

Contact: Brian Balbas (925)
313-2284

Referral History:

On January 6, 2009, the Board of Supervisors approved recommendations for Board Member appointments to local, regional and statewide boards, committees and commissions for the 2009 calendar year. One of the adopted recommendations was to combine the Capital Facilities Committee with the Finance Committee.

On February 2, 2009, the Finance Committee met and planned committee meetings and schedules for the coming year. One of the recommendations was for the Finance Committee to receive regular capital facility update reports. The first report was presented to Finance on March 4, 2009 by the Director of General Services, Mike Lango. The Committee reviewed the initial report and requested that additional financing and appropriation information be added to make the report more meaningful. The final report format was accepted at the April 6, 2009 meeting and staff was directed to include on future Finance Committee agendas. Reports were submitted at each Finance Committee meeting through December 2010.

Beginning in 2011, the Finance Committee requested that Capital Facility Reports be reviewed quarterly. Quarterly review of Capital Facility Reports is the current practice.

Referral Update:

Quarterly update.

Recommendation(s)/Next Step(s):

Accept attached Capital Projects Report.

Attachments

Quarterly Capital Projects Report - August 28, 2015

**CAPITAL PROJECTS REPORT - FINANCE COMMITTEE
SUMMARY PAGE**

9/28/2015

Funding Source	Projects	
AB109	2	
Airport Enterprise Fund	0	
Capital Facilities Fund - Sheriff's	0	
CCFPD Capital Outlay Fund	0	
CSA R-9	1	
Cal-ID RAN Fund	0	
DCD/Redevelopment	0	
EHS Administrative Budget	0	
Energy Fund	1	
Fire Protection Fund	1	
General Fund	12	
General Fund - EHS	6	
Grant or Bond Funds	1	
Health Services Capital Budget	0	
Hospital Enterprise Fund	22	
Land Development Fund	1	
Mental Health General Fund	0	
Park Dedication Fees	2	
PG&E On Bill Financing Loan	0	
Probation	0	
Measure WW	2	
School District	0	
Sheriff's Administrative Budget	0	
Stormwater Utility Assessment #17 (PWD)	1	
Treasurer-Tax Collector's Budget	0	
FUNDED PROJECTS :	52	\$ 180,970,500
NON-FUNDED PROJECTS:	1	\$ 6,000,000
TOTAL PROJECTS:	53	\$ 186,970,500

PROJECT SIZE	Projects
under \$100,000 - \$100,000	7
between \$100,001 - \$250,000	4
between \$250,001 - \$500,000	8
between \$500,001 - \$1,000,000	8
Projects over \$1,000,001	19
To be determined	7
TOTAL PROJECTS:	53

15 NEW PROJECTS since last report:	PROJECT VALUE
Installation of Flag Pole, 900 Ward Street, Martinez	\$ 10,000
Estimate to Provide Additional Office Space, 900 Ward Street, Martinez	TBD
Upgrade HVAC, 40 Douglas Drive, Martinez	\$ 450,000
Redesign Lobby Area, 400 Ellinwood Way, Pleasant Hill	TBD
Redesign Lobby Area, 4545 Delta Fair Blvd., Antioch	TBD
Estimate to Increase Parking Capacity, 2500 Alhambra Avenue, Martinez	\$ 8,100,000
Estimate for Family Practice Clinic Expansion, 2311 Loveridge Road, Pitts.	\$ 2,145,000
Remodeling 2nd Flr for HSD Information Technology, 40 Muir Road, Martinez	\$ 1,400,000
Remodeling at the Brentwood Health Center, 171 Sand Creek Road, Brentwood	\$ 1,250,000
T-Bar Ceiling for Kitchen/Cafeteria, 2500 Alhambra Avenue, Martinez	\$ 100,000
Replace Drop Ceiling in Pharmacy, 2500 Alhambra Avenue, Martinez	\$ 50,000
Estimate for Survey of all Structures, 2500 Alhambra Avenue, Martinez	TBD
Est. to Convert G Ward Basement to Office Space, 2500 Alhambra Ave., Mtz.	TBD
Job Order Contracting, Countywide	\$ 6,000,000
Refurbish IPID Perimeter Detection System, 5555 Giant Highway, Richmond	\$ 1,100,000
TOTAL VALUE OF NEW PROJECTS:	\$ 20,605,000

8 COMPLETED PROJECTS since last report:	PROJECT VALUE
Site Improvements at Fire Station #69, 4640 Appian Way, El Sobrante	\$ 400,000
Training Facility, 2600 Stanwell Drive, Concord	\$ 1,020,000
Remodeling of the 1st Floor for EHSD, 40 Douglas Drive, Martinez	\$ 350,000
Central Mail Unit for EHSD, 2600 Stanwell Drive, Concord	\$ 320,000
New Generator for HSD and Sheriff, 2530 Arnold Drive, Martinez	\$ 700,000
Installation of Scrub Dispensers, 2500 Alhambra Avenue, Martinez	\$ 60,000
Estimate for Remodeling for HSD, 2047 Arnold Industrial Way, Ste. D, Concord	\$ 55,000
Install Wheelchair Lifts/Ramps, 6401 Stockton Avenue, El Cerrito	\$ 250,000
TOTAL VALUE OF COMPLETED PROJECTS:	\$ 3,155,000

CAPITAL PROJECTS REPORT - FINANCE COMMITTEE

		Project Name	Address	Phase	% Proj. Comp	Est. Proj. Compl. Date	Estimated Proj. Budget	Funding Source	Comments
		Conservation & Development							
1		Remodeling 40 Muir - Phase 2	40 Muir Road, Martinez	Design Development	30%	8/1/2016	\$1,000,000	Land Development Fund	
		Contra Costa Fire District							
2		Estimate for Modular Quarters for Firefighters	13928 San Pablo Avenue, San Pablo	Construction Documents	25%	TBD	\$900,000	Fire Protection Fund	
		County Administrator							
3		Renovations and Remodeling at the County Finance Building (FLIP)	625 Court Street, Martinez	Construction	50%	5/15/2016	\$9,800,000	General Fund	
4		Demolition of the Old Detention Facility	650 Pine Street, Martinez	Feasibility/CEQA	10%	8/31/2016	\$1,100,000	General Fund	
		District Attorney							
5		Installation of Flag Pole	900 Ward Street, Martinez	Construction	40%	10/30/2015	\$10,000	General Fund	
6		Estimate to Convert Law Library and 4th Floor Patio into Additional Office Space	900 Ward Street, Martinez	Feasibility	0%	TBD	TBD	General Fund	
		Employment & Human Services							
7		Space Planning	40 Douglas Drive, Martinez	Design Development	20%	3/15/2016	\$185,000	General Fund	
8		Remodeling for Expanding Call Center	1650 Cavallo Road, Antioch	Feasibility	50%	12/30/2015	\$100,000	General Fund	
9		Chiller Replacement	4545 Delta Fair Blvd., Antioch	Construction Documents	50%	3/1/2016	\$450,000	General Fund	
10		Upgrade HVAC	40 Douglas Drive, Martinez	Design Development	10%	6/1/2016	\$450,000	General Fund	
11		Redesign Lobby Area	400 Ellinwood Way Pleasant Hill	Feasibility	10%	TBD	TBD	General Fund	
12		Redesign Lobby Area	4545 Delta Fair Blvd., Antioch	Feasibility	10%	TBD	TBD	General Fund	

CAPITAL PROJECTS REPORT - FINANCE COMMITTEE

		Project Name	Address	Phase	% Proj. Comp	Est. Proj. Compl. Date	Estimated Proj. Budget	Funding Source	Comments
		Health Services							
13		Kitchen Boiler Replacement	2500 Alhambra Avenue, Martinez	Construction	60%	12/30/2016	\$1,950,000	Hospital Enterprise Fund	
14		Emergency and Imaging Department Expansion	2500 Alhambra Avenue, Martinez	Bidding	60%	8/1/2016	\$4,000,000	Hospital Enterprise Fund	
15		Remodel Ste 350	2530 Arnold Drive, Martinez	Construction	55%	1/31/2016	\$500,000	Hospital Enterprise Fund	
16		Emergency Electrical Outlets	2500 Alhambra Avenue, Martinez	Construction	50%	12/15/2016	\$150,000	Hospital Enterprise Fund	
17		Security Upgrades at 5A, 5B, and 5C	2500 Alhambra Avenue, Martinez	Construction Documents	45%	6/15/2016	\$300,000	Hospital Enterprise Fund	
18		Install Card Access to 3rd, 4th, & 5th Floor Stairwells	2500 Alhambra Avenue, Martinez	Construction	50%	1/1/2016	\$100,000	Hospital Enterprise Fund	
19		Antioch Children's Mental Health & Outpatient Health Center	2335 Country Hills Drive, Antioch	Construction	50%	12/1/2015	\$15,000,000	Hospital Enterprise Fund	Leased/Developer Built
20		Renovate Monument Signs	2500 Alhambra Avenue, Martinez	Feasibility	65%	11/1/2015	\$75,000	Hospital Enterprise Fund	
21		Install Rigid Ventilation Ducts	2500 Alhambra Avenue, Martinez	Feasibility	0%	9/30/2016	TBD	Hospital Enterprise Fund	
22		Sound Proof Exam Room	25 Allen Street, Martinez	Construction	30%	12/30/2015	\$60,000	Hospital Enterprise Fund	
23		Remodeling of Suite 320	595 Center Avenue, Martinez	Feasibility	0%	TBD	TBD	Hospital Enterprise Fund	
24		West County Health Center Expansion	13601 San Pablo Avenue, San Pablo	Feasibility	10%	12/31/2018	\$14,000,000	Hospital Enterprise Fund	
25		Estimate for the Renovation of 4D	2500 Alhambra Avenue, Martinez	Feasibility	10%	10/30/2015	\$4,000,000	Hospital Enterprise Fund	
26		Estimate to Redesign the Existing Eligibility Building	2500 Alhambra Avenue, Martinez	Feasibility	75%	6/30/2016	\$550,000	Hospital Enterprise Fund	
27		Estimate for Family Practice Clinic Expansion	2311 Loveridge Road, Pittsburg	Schematic Design	10%	12/30/2016	\$2,145,000	Hospital Enterprise Fund	
28		Remodeling of the 2nd Floor for HSD Information Technology	40 Muir Road, Martinez	Design Development	25%	8/1/2016	\$1,400,000	Hospital Enterprise Fund	
29		Remodeling at the Brentwood Health Center	171 Sand Creek Road, Brentwood	Design Development	20%	6/1/2016	\$1,250,000	Hospital Enterprise Fund	
30		T-Bar Ceiling for Kitchen/Cafeteria	2500 Alhambra Avenue, Martinez	Construction Documents	50%	6/1/2016	\$100,000	Hospital Enterprise Fund	

CAPITAL PROJECTS REPORT - FINANCE COMMITTEE

		Project Name	Address	Phase	% Proj. Comp	Est. Proj. Compl. Date	Estimated Proj. Budget	Funding Source	Comments
31		Replace Drop Ceiling in Pharmacy Medication Mixing Room	2500 Alhambra Avenue, Martinez	Feasibility	0%	TBD	\$50,000	Hospital Enterprise Fund	
32		Estimate for Survey of all Structures at the CCRMC Campus	2500 Alhambra Avenue, Martinez	Feasibility	0%	TBD	TBD	Hospital Enterprise Fund	
33		Estimate to Convert G Ward Basement to Office Space	2500 Alhambra Avenue, Martinez	Feasibility	0%	TBD	TBD	Hospital Enterprise Fund	
34		Estimate to Increase Parking Capacity	2500 Alhambra Avenue, Martinez	Feasibility	10%	TBD	\$8,100,000	Hospital Enterprise Fund	
35		Relocation of Richmond Health Center, Metal Health, WIC, and other Programs	TBD	Advisory Capacity	0%	6/1/2017	\$2,000,000	General Fund	
		Public Works							
36		Tree Restoration at WCDF	5555 Giant Highway, Richmond	Maintenance	99%	10/15/2016	\$425,000	Park Dedication Fees	
37		Solar Systems at Various Sites (Regional Renewable Energy Procurement)	Martinez: 1960/1980 Muir, 50/202/255 Glacier, San Pablo: 13601 San Pablo Ave	Construction	90%	11/1/2015	\$6,500,000	Energy Fund	
38		North Richmond Pump Station Diversion	North Richmond	Construction	70%	12/31/2015	\$1,000,000	Stormwater Utility Assessment #17 (PWD)	
39		Improvements at Lefty Gomez Ballfield	470 Parker Avenue, Rodeo	Award	45%	3/31/2016	\$570,000	Measure WW	
40		Improvements at Livorna Park	Livorna Road & Miranda Way, Alamo	Construction Documents	45%	12/31/2016	\$818,000	Measure WW	
41		Landscaping Project Adjacent to El Sobrante Library	West County	Construction Documents	35%	8/30/2016	\$642,000	CSA R-9	
42		Landscaping at Hookston Road	230 Hookston Road, Pleasant Hill	Design Development	60%	12/31/2016	\$686,000	Park Dedication Fees	
43		Job Order Contracting	Countywide	Bidding	10%	1/15/2018	\$6,000,000	TBD (Based on projects awarded)	
		Sheriff Coroner							
44		Application Development for Detention Facility Expansion	5555 Giant Highway, Richmond	Feasibility	5%	6/30/2020	\$90,000,000	Grant	
45		Upgrade Detention Electronics System at West County Detention Facility	5555 Giant Hwy, Richmond	Bidding	50%	10/1/2016	\$2,900,000	AB 109	
46		Inmate Rooms Wall/Ceiling Finish Upgrades (FLIP)	5555 Giant Highway, Richmond	Bidding	50%	10/1/2016	\$899,000	General Fund	
47		Built-up Roofing Replacement (FLIP)	2099 Arnold Industrial Way, Concord	Construction	55%	12/31/2015	\$450,000	General Fund	

CAPITAL PROJECTS REPORT - FINANCE COMMITTEE

		Project Name	Address	Phase	% Proj. Comp	Est. Proj. Compl. Date	Estimated Proj. Budget	Funding Source	Comments
48		Replace Fire Alarm System (FLIP)	12000 Marsh Creek Road	Construction Documents	45%	5/15/2016	\$240,000	General Fund	
49		Remodeling of the Visitation Center	5555 Giant Highway, Richmond	Bidding	50%	10/1/2016	\$300,000	AB109	
50		Replace Two Boilers at the Martinez Detention Facility	1000 Ward Street, Martinez	Construction Documents	50%	10/1/2016	\$2,900,000	General Fund	
51		Refurbish IPID Perimeter Detection System	5555 Giant Highway, Richmond	Bidding	50%	10/1/2016	\$1,100,000	General Fund	
		Veterans Service Office							
52		Accessibility for Building Entry (FLIP)	930 Ward Street, Martinez	Construction	95%	12/30/2015	\$238,000	General Fund	
53		Fire Sprinkler System (FLIP)	2290 Willow Pass Rd. Concord, 406 6th St. Antioch, 757 1st St. Brentwood, 3811 Bissell Ave. Richmond	Construction Documents	50%	6/1/2016	\$1,577,500	General Fund	
						TOTAL	\$186,970,500		



Contra Costa County Board of Supervisors

Subcommittee Report

FINANCE COMMITTEE

5.

Meeting Date: 10/05/2015

Subject: Countywide Single Audit for the Fiscal Year Ending June 30, 2013

Submitted For: David Twa, County Administrator

Department: County Administrator

Referral No.: 11/8/1999

Referral Name: Countywide Single Audit

Presenter: Lisa Driscoll, County
Finance Director

Contact: Lisa Driscoll, County Finance Director
(925) 335-1023

Referral History:

On November 8, 1999, the Board established a policy and procedure for addressing the annual findings and recommendations of the County's external auditors. The procedure directs that the Board refer the annual Single Audit findings to the Finance Committee, and that the County Administrator make a report to the Finance Committee on the current- and prior-year audit findings and recommendations that identifies what corrective action has been taken or is planned to be taken on each recommendation.

Referral Update:

Inasmuch as the current year Single Audit report encompasses all unresolved or pending audit issues from prior-year audits, this report responds directly to the current-year Single Audit report (FY ending June 30, 2014).

Recommendation(s)/Next Step(s):

Accept attached report regarding the Countywide Single Audit for the Fiscal Year Ending June 30, 2014 (also attached).

Fiscal Impact (if any):

Not applicable.

Attachments

Report of Countywide Single Audit for the Fiscal Year Ending June 30, 2014

County of Contra Costa Single Audit Report for the Year Ending June 30, 2014

County of Contra Costa Single Audit Reports for the Year Ended June 30, 2013

**County of Contra Costa
Office of the County Administrator
MEMORANDUM**

DATE: June 2, 2015

TO: FINANCE COMMITTEE:
Supervisor Mary N. Piepho, Chair
Supervisor Federal D. Glover, Vice Chair

FROM: DAVID TWA, County Administrator
By LISA DRISCOLL, Finance Director

SUBJECT: **COUNTYWIDE SINGLE AUDIT FOR THE
FISCAL YEAR ENDING JUNE 30, 2014**

On November 8, 1999, the Board established a policy and procedure for addressing the annual findings and recommendations of the County's external auditors. The procedure directs that the Board refer the annual Single Audit findings to the Finance Committee, and that the County Administrator make a report to the Finance Committee on the current- and prior-year audit findings and recommendations that identifies what corrective action has been taken or is planned to be taken on each recommendation. Inasmuch as the current year Single Audit report encompasses all unresolved or pending audit issues from prior-year audits, this report responds directly to the current-year Single Audit report (FY ending June 30, 2014).

Internal Control Over Financial Reporting. Government Auditing standards require the external auditor to obtain reasonable assurance that the general-purpose financial statements are free of material misstatement. The external auditor found one instance of significant deficiency in internal control with 2014-001 "Schedule of Expenditures of Federal Awards Completeness". No instances of material weakness in internal control were identified.

Internal Control Over Compliance. Government Auditing Standards and OMB Circular A-133 (which is applicable to federal programs) require the external auditor to report on both compliance with and internal controls over the major federal programs carried out by the County. The external auditor found no instances of material weakness nor significant deficiency in internal control over compliance.

The reportable conditions are described in the following report:

◆ Finding 2014-001: Schedule of Expenditures of Federal Awards Completeness

Recommendation: The County should improve its review process by requiring department management to review and sign off program expenditures prior to being submitted to the Auditor-Controller. Additionally, the Auditor-Controller should reconcile the detailed listing of expenditures to the SEFA for each significant federal program prior to the submission to the external auditors.

Background: The County's Sheriff's Office overstated expenditures in its draft schedule of expenditures of federal awards (SEFA) by \$4,538,768 due to prior year expenditures being reported twice and understated the amount of subrecipients by \$136,514. The County was able to correct the expenditure amounts reported in its SEFA prior to its issuance.

Corrective Action: The Auditor-Controller incorporated the recommended management signature line on all grant inventory listing sheets sent to the departments and all departments responded with the sheets signed by management. The Auditor-Controller does not have the sufficient staffing necessary to reconcile the SEFA, however, implemented several additional review measures to promote the quality of the reported SEFA information. The Auditor-Controller has also organized multiple education sessions for departments in Single Audit reporting and compliance.

Prior Year Findings

◆ Finding 2013-001: Accounting for OPEB Obligation

Background: The County's actuary used an incorrect basis for amortizing the UAAL. The County was advised that they did not need to amortize the OPEB obligation and understood that the amortization was factored into the biennial OPEB valuation. The errors resulted in a net adjustment to the OPEB obligation at July 1, 2012 of \$177 million.

Corrective Action: Corrected.

◆ Finding 2013-02: IT Governance and General Computer Controls

Recommendation: The auditor recommended that the County Chief Information Officer plan and budget for an independent IT risk assessment to be performed to identify all the possible risks to the County IT department, delivery of IT services and the accuracy and integrity of the County financial and personnel data. The risk assessment should identify potential threats to an IT infrastructure, prioritize the likelihood and impact of those threats and determine appropriate safeguards or actions.

Background: During the audit, the auditor noted that the County Department of Information Technology had not completed a formal IT risk assessment to help identify risks pertaining to the delivery of IT services and the accuracy and integrity of the County's financial and personnel data.

Corrective Action: In progress. The County is considering conducting a countywide security audit in phases over multiple years, beginning with high-risk systems.

◆ Finding 2013-03: Schedule of Expenditures of Federal Awards Completeness

Recommendation: The auditor recommended that the County improve its process for reviewing expenditures reported in the Schedule of Expenditures of Federal Awards (SEFA) prior to being submitted to the Auditor-Controller. Additionally, the auditor recommends that the Auditor-Controller's Office reconcile the detailed listing of expenditures to the SEFA for each significant federal program prior to the submission to external auditors.

Background: During the Audit, the auditor found that the County included misstatements in its draft SEFA. The misstatements include overstated expenditures and overstated amounts of subrecipients. The breakdown of expenditure amounts was corrected by the County prior to the issuance of the 2013 SEFA.

Corrective Action: In progress – see Finding 2014-001. The Auditor-Controller revised the grant inventory listing sheets sent to departments to include a recommended management signature line in order to validate that the inventory sheets were reviewed and approved by management. The Auditor-Controller, however, does not have the resources available to reconcile the SEFA. The following measures have been put in place to promote the accuracy of the SEFA using available resources: Board of Supervisor's agendas are reviewed to identify federal grants applied for during the fiscal year; current year SEFA is compared to the prior year SEFA to determine if any programs are missing; the information on the grant inventory sheets is compared to the department generated grant questionnaires and discrepancies are investigated; and departments are required to provide a schedule of any costs disallowed by grantors. Lastly, the County has set up work sessions between the auditors and department program personnel to improve the accuracy of the SEFA.

◆ Finding 2013-04: Subrecipient Monitoring

Recommendation: The auditor recommended that the County implement a system of monitoring the timely submission of status and audit reports by subrecipients.

Background: During the audit, the auditor found that subrecipients were not properly monitored, audit reports were not requested by the County as required, and no tracking mechanism existed to ensure that subrecipients took appropriate corrective action regarding audit findings.

Corrective Action: Corrected.

◆ Finding 2013-005: Subrecipient Monitoring

Recommendation: The auditor recommended that the County implement policies to ensure that audit reports are received from subrecipients and develop appropriate follow-up procedures to ensure that appropriate corrective actions are taken in instances of non-compliance.

Background: During the audit, the auditor found that the Contra Costa County Fire Protection District neither received nor requested audit reports from subrecipients and did

not establish a mechanism to track instances of non-compliance and ensure corrective action, thus not complying with OMB Circular A-133.

Corrective Action: Corrected.

Attachments

cc: Elizabeth Verigin, Assistant Auditor-Controller, Auditor-Controller's Office
Joanne Bohren, Chief of Audit Services, Auditor-Controller's Office
David Livingston, Sheriff
Ed Woo, Chief Information Officer

COUNTY OF CONTRA COSTA

Required Communications and Recommendations

Year Ended June 30, 2014

Certified Public Accountants.

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Certified Public Accountants.

Walnut Creek
2121 N. California Blvd., Suite 750
Walnut Creek, CA 94596
925 274.0090

Sacramento

Oakland

LA/Century City

Newport Beach

San Diego

To the Board of Supervisors and the Grand Jury
of the County of Contra Costa
Martinez, California

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Contra Costa (County), for the year ended June 30, 2014, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 12, 2014. Our report includes a reference to other auditors who audited the financial statements of the Contra Costa County Employees' Retirement Association (CCCERA), the First 5 Contra Costa Children and Families Commission (First 5), and the Housing Authority of the County of Contra Costa (Housing Authority), as described in our report on the County's financial statements. This letter does not include the communications related to CCCERA, First 5 and Housing Authority audits, which are reported on separately by those auditors. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 22, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. As described in Note 1B to the financial statements, the County adopted the following Governmental Accounting Standards Board (GASB) Statements:

- GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*;
- GASB Statement No. 66, *Technical Corrections 2012, An Amendment of GASB Statements No. 10 and No. 62*; and
- GASB Statement No. 70, *Accounting and Financial Reporting for Non-Exchange Financial Guarantees*.

We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the County's financial statements were:

- Fair value of investments
- Estimated allowance for losses on accounts receivable
- Accrual and disclosure of self-insurance claims liabilities (worker's compensation and general liability and other claims liabilities)
- Accrual and disclosure of compensated absences
- Depreciation estimates for capital assets, including depreciation methods and useful lives assigned to depreciable property.
- Pension and other postemployment benefit plans' employer contribution requirements and funded status of the plans.
- Contractual adjustments and estimated uncollectible patient accounts receivable.
- Certain receivables and payables related to reimbursement claims for patient services.

Management's judgment and estimates were based on the following:

- The County's investments are generally carried at fair value, which is defined as the amount that the County could reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller and is generally measured by quoted market prices.
- Estimated allowances for losses on accounts receivable were based on historical experience.
- Liabilities for workers' compensation claims were based on the independent actuary's and management's estimate calculated from information derived from the County's claims database system, adjusted for a projection of unreported claims and a discount factor.
- Liabilities for general liability and other claims were based on the independent actuary's and the County's attorney's judgment about the ultimate outcome of the claims, adjusted for a projection of unreported claims and a discount factor.
- Accrual and disclosures of compensated absences were based on accrued eligible hours of vacation and sick leave at current pay rates for eligible employees.
- The County uses the straight-line method of depreciation and useful lives for depreciable property were determined by management based on the nature of the capital asset.
- Pension and other postemployment benefit plan's employer contribution requirements and funded status of the plans were based on actuarial valuations performed by the County's independent actuaries.
- Estimates of contractual adjustments and uncollectible patient accounts receivables are based on historical collections and reimbursement formulas prescribed by federal and state legislation.
- The County Hospital provides services to patients covered by various reimbursement programs. The amount of revenue to recognize under these programs is subject to management's best estimates of the revenue that will ultimately be collected based on governmental regulations and contractual terms, including the assessment of risk related to potential retroactive audit adjustments and other uncertainties.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are reasonable in relation to the financial reporting units that collectively comprise the County's basic financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are the disclosures related to long-term obligations, pension, other postemployment benefits, County Hospital patient service revenue and receivables, and risk management. These disclosures are described in Notes 10, 14, 15, 16 and 17 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the opinion unit's financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 12, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, the schedules of funding progress, and the budgetary comparison schedules of the General Fund and major special revenue funds, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and budgetary schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board of Supervisors and management of the County and is not intended to be, and should not be, used by anyone other than these specified parties.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 12, 2014

**COUNTY OF CONTRA COSTA
SCHEDULE OF COMMENTS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014**

Recommendation No. 2014-1

Automating of Manual Processes within the Office of the Treasurer- Tax Collector

Condition

During our evaluation of the County's internal control processes within the Office of the Treasurer- Tax Collector, we noted that the County's monthly cash flow worksheet is prepared manually on columnar paper.

Cause

The current process used for the monthly cash flow worksheet by Office of the Treasurer- Tax Collector is done on a manual basis.

Effect

The preparation of the cash flow worksheet by the Office of the Treasurer- Tax Collector on a manual basis can be both time-consuming for assigned staff and increases the risk for mathematical errors.

Recommendation

In order to improve staff work efficiency and reduce the risk of mathematical errors, we are recommending the County Treasury Department automate the process of preparing the monthly cash flow worksheets.

Management's Response

The Treasurer's Office automated 1) daily Blotter report beginning on January 2nd, 2015, and 2) daily Reconciliation Account report beginning on December 1st, 2014. Using the MS Excel spreadsheet, the Treasurer staff creates these two reports for daily cash flow forecast purposes as part of the cash management process.

Recommendation No. 2014-2

Processing of General Liability Claims

Condition

During our testing of general liability claims submitted against the County, we noted one claim was excluded from the County's processing of such claims. Once a "Claim Form" is completed by the party submitting the claim, the "Claim Form" is then provided to the County Administrator's Office for receipt and acceptance of the claim and is assigned a case number. For one of the claims examined, the County had no documentation supporting the receipt of this claim by the County Administrator's Office.

Cause

The County's process for receipt and acceptance of claims was not followed.

Effect

The effect of this condition was the omission of a claim submitted against the County. This effect may lead to the claim going uninvestigated for an unspecified period of time, management may not be aware of omitted claims on a timely basis, and estimated losses arising from omitted claims may understate the County's liabilities on its financial statements.

**COUNTY OF CONTRA COSTA
SCHEDULE OF COMMENTS AND RESPONSES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014**

Recommendation

We recommend that the County communicate the importance of following the County's policies and procedures to ensure that internal controls over general liability claims are operating as designed.

Management's Response

The County agrees with the finding and will instruct the Clerk of the Board's office to insure that proper documentation supporting receipt of general liability claims submitted against the County are properly receipted and that acceptance of claims are followed to insure that there is documentation supporting receipt of the claims.

Recommendation No. 2014-3

Financial Reporting

Condition

During the course of the County's audit, there were several audit adjustments (corrected and uncorrected) impacting the County's Hospital Funds. The nature of these adjustments were the correction of classification errors for financial reporting purposes.

Cause

The cause of the errors is related to communication between the County Hospital and the Office of the Auditor-Controller's. The accounting division within the County Hospital is responsible for assessing, preparing, and posting the daily accounting transactions. However, the Office of the Auditor-Controller is responsible for compiling accounting information from all of the County departments, including the County Hospital, for financial reporting purposes. In certain cases, the Office of the Auditor-Controller may not be fully aware of the nature of or complexities surrounding departmental transactions, thus leading to various improper classifications in financial statements prepared in accordance with generally accepted accounting principles.

Effect

As a result of this condition, various audit adjustments were necessary in order to present the County's financial statements in accordance with generally accepted accounting principles.

Recommendation

The Office of the Auditor-Controller should improve its communication with the County Hospital, and possibly other County departments, by requiring periodic meetings to discuss and coordinate accounting information provided outside the Office of the Auditor-Controller's that may have specialized accounting or reporting requirements.

Management's Response

The Office of the Auditor-Controller will continue to meet with Health Services (County Hospital) fiscal staff and other county fiscal staff to provide technical assistance as necessary.

**COUNTY OF CONTRA COSTA
SCHEDULE OF COMMENTS AND RESPONSES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014**

Recommendation No. 2014-4

Cash Management and Reporting

Criteria:

U.S. Office of Management and Budget Circular A-102, *Grants and Cooperative Agreements with State and Local Governments (Common Rule)* requires that non-federal entities receiving federal awards (e.g., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The County established policies and procedures to submit cash reimbursement requests on an as needed basis to the pass-through entity for reimbursement. The reimbursement must be adequately supported and conform to the outlined limits within the agreement between the County and California Office of Emergency Services (CalOES).

Condition:

For the year ended June 30, 2014, we tested 10 of 12 cash reimbursement requests. One of ten cash reimbursement requests tested was not properly supported. The County requested \$172,209, however, \$582 did not have evidence that program costs were paid before reimbursement was requested from CalOES.

Questioned Costs:

Not applicable – The County subsequently applied the over claimed amount to other reimbursement requests.

Asserted Cause and Effect:

The County was not adequately staffed during the audit period, therefore, reimbursement requests were not properly reviewed and approved. There is a risk that expenditures and claims will be incorrect.

Recommendation:

We recommend that the County evaluate the effectiveness of its current internal controls over cash reimbursement requests. We also recommend the County provide training for all supervisory employees to reinforce the County's cash reimbursement policies and procedures.

Management Response and Corrective Action:

The County agrees with the finding and has retroactively implemented and improved a new cash request documentation system. This amount was not returned to CalOES, as the Sheriff's Office provided copies of additional invoices related to SHSGP 2009, Project A, totaling \$2,276,775.90; grant fund reimbursements for Project A totaled \$1,204,890. The Sheriff's Office believes these additional identified expenditures adequately account for the error in duplicate invoice submissions for two separate reimbursement requests, \$404 and \$178 totaling \$582.

The person responsible for this corrective action is Mary Jane Robb, Sheriff's Chief of Management Services, who can be contacted at (925) 335-1557 or mrobb@co.cccounty.us.

**COUNTY OF CONTRA COSTA
SCHEDULE OF COMMENTS AND RESPONSES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014**

Recommendation No. 2014-5

Reporting

Criteria:

Per FNS 209 instructions provided by the State:

“This report shall cover the State's activities relating to recipient claims during the report quarter and the status of claims from previous reports. Submission to the Food and Nutrition Service (FNS) of a consolidated State level report is required. Each State agency (SA) shall prepare an original and two copies. The original and one copy shall be submitted to the FNS Regional office so that it will be received in that office by the 30th day following the end of the report quarter. State agencies shall retain the second copy for audit purposes. The report must be submitted even if no payments are collected during the quarter.”

Condition:

During our audit we noted that the report for the quarter ended March 31, 2014, was due by April 30, 2014 but not submitted and certified until May 9, 2014.

Questioned Costs:

None.

Asserted Cause and Effect:

The County did not have adequate internal controls in place to ensure the submission of the required reports and communications on a timely basis.

Recommendation:

We recommend that the County meet all mandated reporting deadlines.

Management Response and Corrective Action:

The County concurs with the finding that one quarterly report, FNS209 were submitted after the due date. The County finds that the late submission was due to the FNS209 for Q2 having been submitted and saved to the State website on May 9, 2014 (with a due date of April 30). The county has already implemented a process to correct this issue by training more personnel on how to submit the FNS209 report.

A Corrective Action Plan for timely submittal of the FNS 209 has been implemented. The plan involves streamlining the FNS209 preparation and cross-training staff to ensure that the needed staff resources are always available.

Organizational changes: Previously, the FNS 209 was assigned to a single staff member. Organizational changes include re-distributing workload and cross training staff in order to have a larger staff pool available to prepare the report. Beginning with the quarter ending June 30, 2014, an additional preparer was trained and assumed interim responsibility for the report. In early March 2015, a new staff accountant was recruited who will have primary responsibility for the FNS209. Additional staff accountants assigned to the benefit recovery function also contribute to the FNS 209 by providing monthly collection and refund reports that address the specific information needs of the FNS 209. This process enhancement eliminates the need to re-analyze certain financial transactions during FNS 209 preparation. Although responsibility for the report

**COUNTY OF CONTRA COSTA
SCHEDULE OF COMMENTS AND RESPONSES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014**

is assigned to an individual staff member, development of the underlying data for the report preparation is now a collaborative effort.

Streamlining Report Preparation: The Fiscal Unit reviewed FNS209 instructions contained in the Fraud Bureau PowerPoint training materials, the Self-Assessment Guide, County Fiscal Letters, and the Food & Nutrition Service instruction set. The goal of the review was to better understand how transactions are to be reported and to resolve any lingering questions that required additional research. As a result of this review, the local instructions were re-written. The new instructions include a process for reporting transactions outside CalWIN, including how to identify open and closed counts, and how to identify transactions related to death, corrections, bankruptcy, write-off, and payments in full for claims not in CalWIN. A process was also implemented for tracking claims that originated outside the collection system that are new to CalWIN in the reporting quarter. The use of Excel tools such as pivot tables and filtering were also incorporated into the reporting process. These advanced techniques are time saving and enable a quicker and more efficient analysis of the data extracts used to compile the reports.

Using the new streamlined report preparation, EHSD was able to complete the FNS209 reports for the quarters ending 6/30/14 and 9/30/14 well before the 30-day required deadline.

The person responsible for this corrective action is Kathy Gallagher, Employment and Human Services Department Director, who can be contacted at kgallagher@co.cccounty.us.

COUNTY OF CONTRA COSTA
SUMMARY OF UNCORRECTED FINANCIAL STATEMENT MISSTATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

ID #	Opinion Unit	Financial Statements Line Item/ Account Description	Debit	Credit	Notes/ Impact on F/S
PY 3	GW - Governmental Activities	Beginning Net Position- Governmental Activities	\$ 6,073,981		Reduce beginning net position
	GW - Business Type Activities	Beginning Net Position- Business Type Activities	2,691,679		Reduce beginning net position
		General Government - Salary Expense		\$ 5,932,739	Reduce current year expenses
		Public Protection - Salary Expenses		96,349	Reduce current year expenses
		Public Assistance - Salary Expenses		23,682	Reduce current year expenses
		Education - Salary Expenses		3,933	Reduce current year expenses
		Public Ways and Facilities - Salary Expenses		56	Reduce current year expenses
		Health and Sanitation - Salary Expenses		89	Reduce current year expenses
	GW-Business Type Activities/ County Hospital	County Hospital - Salary Expense		2,655,988	Reduce current year expenses
	GW-Business Type Activities/ HMO Medi-Cal Plan	HMO Medi-Cal Plan - Salary Expense		30,038	Reduce current year expenses
	GW-Business Type Activities/ Other aggregate remaining funds	Airport - Salary Expenses		5,653	Reduce current year expenses
	GW-Business Type Activities/ Other aggregate remaining funds	Salary Expenses		330	Reduce current year expenses
	Other aggregate remaining funds	Fiduciary Administrative and other expenses		16,803	Reduce current year expenses
		<i>To properly restate beginning net position relating to the exclusion of Compensatory Time-off not being part of the County's Compensated Absences liability calculation.</i>			
PY 7	GW-Business Type Activities/ County Hospital	Charges for services	587,782		Reduce current year revenues
		Beginning Net Position		587,782	Increase beginning net position
		<i>To adjust the Medi-Cal reserve established for FY 2006 to reflect the final settlement due to Medi-Cal identified in FY 2013 but adjusted in FY 2014.</i>			
1	GW-Business Type Activities/ County Hospital	Accounts receivable and accrued revenue	356,609		Increase assets
		Operating Revenue - Charges for Services		356,609	Increase current year revenue
		<i>To record an accrual of DY9 (FY2014) DSRIP revenue that was not recognized in FY 2014.</i>			
2	GW-Business Type Activities/ County Hospital	Unearned Revenue	713,217		Reduce liabilities
		Operating Revenue - Charges for Services		713,217	Increase current year revenue
		<i>To recognize DY8 (FY2013) DSRIP revenue that was improperly recorded as Unearned Revenue.</i>			
3	GW-Business Type Activities/ County Hospital	Accounts receivable and accrued revenue	1,189,375		Increase assets
		Operating Revenue - Charges for Services		1,189,375	Increase current year revenue
		<i>To adjust the Medicare reserve established for FY 2006/2007 and FY 2009/2010 to reflect the final settlement due to Medicare.</i>			
4	GW-Business Type Activities/ County Hospital	Accounts receivable and accrued revenue	7,741,087		Increase assets
		Other noncurrent liabilities		7,741,087	Increase liabilities
		<i>To reclassify the amount due to third party payers from assets to liabilities</i>			
5	GW-Business Type Activities/ County Hospital	Unearned Revenue	50,908,875		Decrease liabilities
		Other noncurrent liabilities		50,908,875	Increase liabilities
		<i>To reclassify the amount due to third party payers from unearned revenue to other liabilities with the GASB 65 implementation</i>			
6	GW-Business Type Activities/ County Hospital	Operating Revenue - Charges for Services	8,005,860		Decrease current year revenue
		Operating Rev. - Use of money and property		7,145,284	Increase current year revenue
		Operating Rev. - Other revenues		860,577	Increase current year revenue
		<i>To reclassify the revenue for use of money and property and other revenue from charges for services</i>			
7	GW-Business Type Activities/ County Hospital	Allowance for bad debts	14,561,524		Increase assets
		Accounts receivable and accrued revenue		14,561,524	Decrease assets
		<i>To reverse accounts receivable from 2nd insurer for individuals under the HMO Medi-Cal and HMO Commercial Plan (Health Plans) and the related allowance for bad debts since the Hospital doesn't expect to collect this accounts receivable.</i>			

COUNTY OF CONTRA COSTA

Single Audit Reports

For the Year Ended June 30, 2013

COUNTY OF CONTRA COSTA
Single Audit Reports
For the Year Ended June 30, 2013

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**Independent Auditor's 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***

To the Board of Supervisors
of the County of Contra Costa
Martinez, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Contra Costa, California (County), as of and for the year ended June 30, 2013, 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 18, 2013. Our report includes an emphasis of a matter paragraph discussing the County's adoption of the provisions of Governmental Accounting Standards Board Statement Nos. 60, 62, and 63. Our report also includes a reference to other auditors who audited the financial statements of the Contra Costa County Employees' Retirement Association, First 5 Contra Costa Children and Families Commission, and the Housing Authority of the County of Contra Costa, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2013-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2013-002 and 2013-003 to be significant deficiencies.

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*.

County's Response to Findings

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

Purpose of this Report

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

Macias Gini & C Counsel LLP

Walnut Creek, California
December 18, 2013



Certified Public Accountants.

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**Independent Auditor's 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**

To the Board of Supervisors
of the County of Contra Costa
Martinez, California

Report on Compliance For Each Major Federal Program

We have audited the County of Contra Costa's, California (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, 2013. 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.

The County's basic financial statements include the operations of the Housing Authority of the County of Contra Costa (Housing Authority), which expended \$91,911,923 in federal awards, which is not included in the schedule of expenditures of federal awards (SEFA) during the year ended June 30, 2013. Our audit, described below, did not include the operations of the Housing Authority because this entity engaged other auditors to perform an audit in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Management's Responsibility

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

Auditor's 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 with those requirements.

Basis for Qualified Opinions on the Justice Assistance Grant (JAG) Program Cluster (CFDA Nos. 16.738 and 16.804) and the Assistance to Firefighters Grant (CFDA No. 97.044)

As described in the accompanying schedule of findings and questioned costs, the County did not comply with the requirements regarding CFDA Nos. 16.738 and 16.804 JAG Program Cluster, as described in finding number 2013-004 for Subrecipient Monitoring, and CFDA No. 97.044 Assistance to Firefighters Grant, as described in finding number 2013-005 for Subrecipient Monitoring. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to those programs.

Qualified Opinions on the JAG Program Cluster (CFDA Nos. 16.738 and 16.804) and the Assistance to Firefighters Grant (CFDA No. 97.044)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions paragraph, 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 the JAG Program Cluster (CFDA Nos. 16.738 and 16.804) and the Assistance to Firefighters Grant (CFDA No. 97.044) for the year ended June 30, 2013.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2013.

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies

in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2013-004 and 2013-005 to be material weaknesses.

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 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 18, 2013, 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 SEFA and Supplemental Schedules, as listed in the table of contents, are presented for the purposes of additional analysis as required by OMB Circular A-133 and the State of California, respectively, and are 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 SEFA and Supplemental Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Macias Gini & C Connell LLP

Walnut Creek, California
March 26, 2014

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COUNTY OF CONTRA COSTA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

Federal Grantor/ Pass-Through Entity/ Grant Name	Federal CFDA No.	Pass Through Entity Number	Federal Portion Expenditures	Amount Passed to Subrecipients
U.S. Department of Agriculture				
<u>Pass through the State of California Department of Food and Agriculture</u>				
Plant and Animal Disease, Pest Control, and Animal Care				
12143 Expanded Pest Detection County Contract	10.025	11-8520-1399-CA	\$ 227,469	\$ -
Pierce's Disease Control Program-GWSS	10.025	12-8506-0484-CA	261,210	-
Detector dog teams	10.025	11-8520-1165-CA	202,734	-
Light Brown Apple Moth Detection and Regulatory	10.025	11-8520-1164-CA & 12-8506-1164-CA	41,221	-
Sudden Oak Death	10.025	11-8523-0572-CA	70,669	-
Asian Citrus Psyllid	10.025	11-8520-1211-CA and 12-8506- 1211-CA	12,375	-
		Subtotal	815,678	-
<u>Pass through State of California Department of Public Health</u>				
Supplemental Nutrition Assistance Program	10.551	N/A	723,804	163,829
<u>Pass through State of California Department of Social Services</u>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CFLs 12/13-40	14,812,426	-
		Cluster Subtotal	15,536,230	163,829
<u>Pass through State of California Department of Education</u>				
National School Lunch Program	10.555	710074600529201	385,638	-
<u>Pass through State of California Department of Public Health</u>				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	CA 02-25-688	4,803,359	-
<u>Pass through State of California Department of Education</u>				
Child and Adult Care Food Program	10.558	220700	1,090,222	-
<u>Pass through State of California Department of Food and Agriculture</u>				
Senior Farmers Market Nutrition Program	10.576	AP-1213-07	15,000	15,000
1890 Institution Capacity Building Grants (B)	10.816	N/A	138,991	124,242
Total U.S. Department of Agriculture			22,785,118	303,071
U.S. Department of Commerce				
<u>Pass through the Economic Development Administration</u>				
Economic Adjustment Assistance	11.307	07-79-06920	75,816	48,000
Total U.S. Department of Commerce			75,816	48,000
U.S. Department of Housing and Urban Development				
<u>Direct Program</u>				
Community Development Block Grant / Entitlement Grants	14.218	Prior Year Ending Loan Balance	33,986,014	-
Community Development Block Grant / Entitlement Grants	14.218	N/A	4,123,770	961,796
ARRA- Community Development Block Grant ARRA Entitlement Grants (CDBG-R)	14.253	HUD B-09-UY-06-0002	92,375	92,193
		Cluster Subtotal	38,202,159	1,053,989
Supportive Housing Program	14.235	N/A	161,604	161,604
Supportive Housing Program	14.235	N/A	192,708	192,708
		Subtotal	354,312	354,312
Shelter Plus Care	14.238	N/A	501,273	501,273
Shelter Plus Care	14.238	N/A	283,096	283,096
		Subtotal	784,369	784,369
Home Investment Partnerships Program	14.239	N/A	6,426,608	-
Home Investment Partnerships Program	14.239	Prior Year Ending Loan Balance	39,839,436	-
		Subtotal	46,266,044	-
<u>Pass through City of Oakland</u>				
Housing Opportunities for Persons with AIDS	14.241	N/A	481,804	102,480
Housing Opportunities for Persons with AIDS	14.241	Prior Year Ending Loan Balance	4,126,995	-
		Subtotal	4,608,799	102,480

COUNTY OF CONTRA COSTA
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2013

Federal Grantor/ Pass-Through Entity/ Grant Name	Federal CFDA No.	Pass Through Entity Number	Federal Portion Expenditures	Amount Passed to Subrecipients
U.S. Department of Housing and Urban Development (Continued)				
<u>Direct Program</u>				
ARRA- Homelessness Prevention and Rapid Re-Housing Program	14.257	HUD S-09-UY-06-0002	\$ 1,419	\$ 1,419
<u>Pass through State of California Department of Housing and Community Development</u>				
Community Development Block Grants / State's program and Non-Entitlement Grants	14.228	09-NSP1-6254	235,204	-
Community Development Block Grants / State's program and Non-Entitlement Grants	14.228	Prior Year Ending Loan Balance	228,355	-
		Subtotal	463,559	-
<u>Pass through State of California Department of Housing and Community</u>				
Emergency Solutions Grant Program	14.231	N/A	126,493	-
<u>Direct Programs</u>				
Emergency Solutions Grant Program	14.231	HUD E-12-UC-06-0002	269,081	141,736
Emergency Solutions Grant Program	14.231	N/A	66,045	66,045
		Subtotal	461,619	207,781
Total U.S. Department of Housing and Urban Development			91,142,280	2,504,350
U.S. Department of Justice				
<u>Pass through State of California Department of Corrections and Rehabilitation</u>				
Juvenile Accountability Block Grants	16.523	BSCC 163-12	56,431	-
<u>Pass through Violence against Women Office</u>				
Supervised Visitation, Safe Havens for Children	16.527	N/A	138,791	134,762
<u>Direct Programs</u>				
Grant to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	N/A	372,455	400,866
Grant to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2010-WE-AX-0053	39,210	-
Grant to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	N/A	44,346	24,996
		Subtotal	456,011	425,862
<u>Pass through State of California Emergency Management Agency</u>				
Crime Victim Assistance	16.575	N/A	193,650	-
Crime Victim Assistance	16.575	CAL EMA 2-101	247,488	-
Crime Victim Assistance	16.575	UV11020070	32,441	-
Crime Victim Assistance	16.575	UV12030070	67,542	-
		Subtotal	541,121	-
<u>Pass through State of California Emergency Management Agency</u>				
Violence Against Women Formula Grants	16.588	N/A	184,238	-
Protecting Inmates and Safeguarding Communities Discretionary Grant Program	16.735	2010-RP-BX-K001	5,869	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009 DJ-BX-0348	184,035	184,035
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0341	1,860	1,860
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	245,947	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DC11 24 0070	83,993	-
ARRA- Edward Byrne Memorial Justice Assistance Grant Program / Grants to Units of Local Government	16.804	N/A	657,245	657,245
		Cluster Subtotal	1,173,080	843,140
<u>Pass through State of California Office of Emergency Services</u>				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	CQ12 080070	6,214	-

COUNTY OF CONTRA COSTA
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2013

Federal Grantor/ Pass-Through Entity/ Grant Name	Federal CFDA No.	Pass Through Entity Number	Federal Portion Expenditures	Amount Passed to Subrecipients
U.S. Department of Justice (Continued)				
<u>Direct Programs</u>				
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2012-MO-BX-0021	\$ 15,767	\$ -
<u>Pass through Bureau of Juvenile Justice</u>				
Second Chance Act Prisoner Reentry Initiative	16.812	2012-CZ-BX-0018	249,468	62,850
Total U.S. Department of Justice			2,826,990	1,466,614
U.S. Department of Labor				
<u>Pass through State of California Employment Development Department</u>				
Senior Community Service Employment Program	17.235	309	576,375	515,009
Workforce Investment Act Cluster:				
Workforce Investment Act - Adult Program	17.258	K386292	1,120,658	171,810
Workforce Investment Act - Adult Program	17.258	K386292	1,803,903	119,823
Workforce Investment Act - Adult Program	17.258	K282470	1,348,528	206,745
Workforce Investment Act - Adult Program	17.258	12942	153,548	-
Workforce Investment Act - Youth Activities	17.259	K386292	1,373,082	1,175,472
Workforce Investment Act - Youth Activities	17.259	K282470	567,900	486,169
Workforce Investment Act - Dislocated Worker Formula Grants	17.278	K386292	384,853	98,751
Workforce Investment Act - Dislocated Worker Formula Grants	17.278	K282470	1,353,123	89,880
Workforce Investment Act - Dislocated Worker Formula Grants	17.278	13-WO-59	117,760	916
Workforce Investment Act - Dislocated Worker Formula Grants	17.278	11-W119	9,354	-
Workforce Investment Act - Dislocated Worker Formula Grants	17.278	K282470	136,652	20,950
Workforce Investment Act - Dislocated Worker Formula Grants	17.278	K178655	7,463	-
Workforce Investment Act - Dislocated Worker Formula Grants	17.278	K282470	81,225	25,159
Cluster Subtotal			8,458,049	2,395,675
Total U.S. Department of Labor			9,034,424	2,910,684
U.S. Department of Transportation				
<u>Direct Programs</u>				
Airport Improvement Program	20.106	AIP #3-06-0050-18	2,557,551	-
Airport Improvement Program	20.106	AIP #3-06-0008-13	92,046	-
Subtotal			2,649,597	-
<u>Pass through State of California Department of Transportation</u>				
Highway Planning and Construction	20.205	SRTSLNI-5928(090)	22,744	-
Highway Planning and Construction	20.205	BRLO-5928 (068)	106,959	-
Highway Planning and Construction	20.205	HSIPHR3L-5928 (096)	96,356	-
Highway Planning and Construction	20.205	SRTSL-5928 (112)	109,233	-
Highway Planning and Construction	20.205	BRLS-5928 (067)	205,658	-
Highway Planning and Construction	20.205	HRRRL-5928 (095)	135,682	-
Highway Planning and Construction	20.205	SRTSL-5928 (086)	110,551	-
Highway Planning and Construction	20.205	HSIPL-5928 (089)	422,772	-
Highway Planning and Construction	20.205	HRRRL-5928 (084)	44,766	-
Highway Planning and Construction	20.205	BRLO-5928 (045)	80,000	-
Highway Planning and Construction	20.205	BRLO 5928 (108)	40,707	-
Highway Planning and Construction	20.205	HSIPL-5928 (105)	171,746	-
Highway Planning and Construction	20.205	STPL-5928 (106)	895,876	-
Highway Planning and Construction	20.205	BRLS-5928 (104)	7,374	-
Highway Planning and Construction	20.205	BRLS 5928 (107)	83,684	-
Highway Planning and Construction	20.205	HSIPL 5928 (110)	194,515	-
Highway Planning and Construction	20.205	STPL-5928 (111)	1,242,016	-
Subtotal Highway Planning and Construction Cluster:		Subtotal	3,970,639	-
<u>Pass through State of California Office of Traffic Safety</u>				
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	#20240	64,514	-
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	AL 1335	32,944	-
Subtotal			97,458	-
Total U.S. Department of Transportation			6,717,694	-

COUNTY OF CONTRA COSTA
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2013

Federal Grantor/ Pass-Through Entity/ Grant Name	Federal CFDA No.	Pass Through Entity Number	Federal Portion Expenditures	Amount Passed to Subrecipients
Institute of Museum and Library Services				
<u>Pass through California State Library</u>				
Grants to States	45.310	40-8003	\$ 4,477	\$ -
Grants to States	45.310	40-8004	4,412	-
Grants to States	45.310	40-7957	1,338	-
Grants to States	45.310	40-7958	11,841	-
Grants to States	45.310	40-8164	34,197	-
Grants to States	45.310	N/A	4,491	-
		Subtotal	60,756	-
Total Institute of Museum and Library Services			60,756	-
Small Business Administration				
<u>Pass through Humboldt State University</u>				
Small Business Development Centers	59.037	N/A	321,687	-
Total Small Business Administration			321,687	-
U.S. Department of Energy				
<u>Pass through State of California Department of Community Services and Development</u>				
ARRA- Weatherization Assistance For Low-Income Persons	81.042	09C-1806	11,196	-
Weatherization Assistance For Low-Income Persons	81.042	11C-1805	75,643	-
Total U.S. Department of Energy			86,839	-
U.S. Elections Assistance Commission				
<u>Pass through Secretary of State Office</u>				
Help America Vote Act Requirements Payments	90.401	11G-30107	510,026	-
Total U.S. Elections Assistance Commission			510,026	-
U.S. Department of Health & Human Services				
<u>Direct Programs</u>				
Hansen's Disease National Ambulatory Care Program	93.215	HHSH25801000014C	336,447	-
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	N/A	81,281	81,281
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	5H79TI023720-02	333,788	201,150
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	N/A	25,526	25,526
		Subtotal	440,595	307,957
<u>Pass through State of California Department of Aging</u>				
Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-1213-07	14,805	14,805
Special Programs for the Aging_Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1213-07	53,340	53,340
Special Program for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	93.043	AP-1213-07	55,319	35,000
National Family Caregivers Support, Title III, Part E	93.052	AP-1213-07	449,678	403,162
Aging Cluster:				
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	AP-1213-07	1,148,547	353,978
Special Programs for the Aging_Title III, Part C_Nutrition Services	93.045	AP-1213-07	1,556,134	-
Nutrition Services Incentive Program	93.053	AP-1213-07	344,635	-
		Cluster Subtotal	3,049,316	353,978
<u>Pass through State of California DHS-Emergency Preparedness Office</u>				
Public Health Emergency Preparedness	93.069	Resolution # 81270 CMS	1,288,447	-
<u>Pass through State of California State Department of Social Services</u>				
Guardianship Assistance	93.090	CFL 11/12-18; CFL12/13-06; CFL 12/13-16; CFL 13/14-02	120,804	-
Guardianship Assistance	93.090	N/A	730,929	-
		Subtotal	851,733	-

COUNTY OF CONTRA COSTA
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2013

Federal Grantor/ Pass-Through Entity/ Grant Name	Federal CFDA No.	Pass Through Entity Number	Federal Portion Expenditures	Amount Passed to Subrecipients
U.S. Department of Health & Human Services (Continued)				
<u>Pass through Food and Drug Administration</u>				
Food and Drug Administration_Research	93.103	N/A	\$ 46,013	\$ -
<u>Pass through State Department of Health & Human Services-TBCB</u>				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	N/A	257,687	-
<u>Pass through State Department of Mental Health</u>				
Projects for Assistance in Transition from Homeless (PATH)	93.150	2X06SM060005-09	145,072	145,072
<u>Pass through State of California Department of Health and Human Services-Child Medical Services</u>				
Disabilities Prevention	93.184	N/A	1,151,051	-
Disabilities Prevention	93.184	N/A	302,497	-
		Subtotal	1,453,548	-
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	N/A	1,099,347	-
<u>Pass through Secretary of State Office</u>				
Voting Access for Individuals with Disabilities_ Grants to States	93.617	11G-26106	20,000	-
<u>Direct Programs</u>				
Basic Center Grant	93.623	N/A	200,000	200,000
Basic Center Grant	93.623	N/A	131,026	131,026
		Subtotal	331,026	331,026
<u>Pass through State of California Department of Social Services</u>				
Stephanie Tubbs Jones Child Welfare Services Program	93.645	CDSS	1,270,280	-
Foster Care - Title IV-E	93.658	CFL 11/12-18 & CFL 12/13-16	166,508	-
Foster Care - Title IV-E	93.658	CFL 12/13-09	201,750	-
Foster Care - Title IV-E	93.658	N/A	956,247	-
Foster Care - Title IV-E	93.658	N/A	2,130,681	-
Foster Care - Title IV-E	93.658	N/A	6,531,166	-
Foster Care - Title IV-E	93.658	CFL 11/12-18; CFL 12/16-16; CFL 12/13-19	1,126,817	-
Foster Care - Title IV-E	93.658	CDSS	8,256,445	-
Foster Care - Title IV-E	93.658	CFL 11/12-18 & CFL 12/13-16	292,920	-
		Subtotal	19,662,534	-
Adoption Assistance - Title IV-E	93.659	CFL 11/12-18 & CFL 12/13-16	789,877	-
Adoption Assistance - Title IV-E	93.659	N/A	6,836,368	-
Adoption Assistance - Title IV-E	93.659	CFL 11/12-18 & CFL 12/13-16	240,627	-
		Subtotal	7,866,872	-
Social Services Block Grant	93.667	CDSS	923,565	-
Social Services Block Grant	93.667	N/A	396,916	-
Social Services Block Grant	93.667	CFL 12/13-18 & CFL 12/13-36	1,291,898	-
Social Services Block Grant	93.667	N/A	56,712	-
		Subtotal	2,669,091	-
<u>Direct Programs</u>				
Child Abuse and Neglect Discretionary Activities	93.670	N/A	209,696	-
Child Abuse and Neglect Discretionary Activities	93.670	N/A	86,588	60,286
		Subtotal	296,284	60,286
<u>Pass through State of California Department of Social Services</u>				
Chafee Foster Care Independence Program	93.674	13	585,983	-
<u>Direct Programs</u>				
ARRA- Grants to Health Center Programs	93.703	N/A	500,069	-

COUNTY OF CONTRA COSTA
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2013

Federal Grantor/ Pass-Through Entity/ Grant Name	Federal CFDA No.	Pass Through Entity Number	Federal Portion Expenditures	Amount Passed to Subrecipients
U.S. Department of Health & Human Services (Continued)				
<u>Pass through State of California Department of Health</u>				
Medical Assistance Program (Medicaid; Title XIX)	93.778	CFL 11/12-18	\$ 1,114,396	\$ -
Medical Assistance Program (Medicaid; Title XIX)	93.778	CFL 11/12-18; CFL 12/13-16; CFL 12/13-19	1,689,561	-
Medical Assistance Program (Medicaid; Title XIX)	93.778	CFL 12/13-14	3,582,907	-
Medical Assistance Program (Medicaid; Title XIX)	93.778	N/A	799,513	18,160
Medical Assistance Program (Medicaid; Title XIX)	93.778	MCAC 2012-13-01 thru 2012-13-08	20,539,465	-
<u>Pass through State of California Department of Social Services</u>				
Medical Assistance Program (Medicaid; Title XIX)	93.778	N/A	4,505,531	-
		Subtotal	32,231,373	18,160
<u>Pass through State of California Department of Aging</u>				
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	HI-1213-07	158,711	-
<u>Pass through State of California Department of Health & Human Services - AIDS Office</u>				
National Bioterrorism Hospital Preparedness Program	93.889	23-385,23-404,23-405,23-431,23-410,23-411,23-375,23-407,23-406	122,285	-
National Bioterrorism Hospital Preparedness Program	93.889	23-373,23-385,23-404,23-405,23-431,23-410,23-411,23-374,23-375,23-407,23-406	329,937	-
		Subtotal	452,222	-
HIV Emergency Relief Project Grants	93.914	07-65045	1,451,019	481,875
HIV Care Formula Grants	93.917	N/A	513,112	38,762
HIV Prevention Activities_Health Department Based	93.940	N/A	398,254	93,548
<u>Direct Programs</u>				
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	6H76HA00618-13-00	300,846	43,489
<u>Pass through State DHHS, CDPH, CLPPB</u>				
Childhood Lead Poisoning Prevention Projects_State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	CA02-25-668	104,592	-
<u>Pass through State of California Department of Health & Human Services - Immunize Branch</u>				
Immunization Cooperative Agreements	93.268	10-95366	422,410	108,157
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	N/A	33,531	-
<u>Direct Programs</u>				
Teenage Pregnancy Prevention Program	93.297	N/A	1,127,689	55,743
<u>Pass through State of California Department of Social Services</u>				
Promoting Safe and Stable Families	93.556	CFL 12/13-10 & CFL 12/13 11	697,553	-
Temporary Assistance for Needy Families (TANF)	93.558	N/A	10,312,485	-
Temporary Assistance for Needy Families (TANF)	93.558	CFL 12/13-18& CFL 12/13-36	42,470,477	-
Temporary Assistance for Needy Families (TANF)	93.558	CDSS	4,596,615	-
		Subtotal	57,379,577	-
<u>Pass through State of California Department of Child Support Services</u>				
Child Support Enforcement	93.563	1304CA4004	12,287,231	-
<u>Pass through State of California Department of Social Services</u>				
Refugee and Entrant Assistance_State Administered Programs	93.566	N/A	116,524	-

COUNTY OF CONTRA COSTA
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2013

Federal Grantor/ Pass-Through Entity/ Grant Name	Federal CFDA No.	Pass Through Entity Number	Federal Portion Expenditures	Amount Passed to Subrecipients
U.S. Department of Health & Human Services (Continued)				
<u>Pass through State of California Department of Health & Human Services</u>				
Refugee and Entrant Assistance_State Administered Programs	93.566	N/A	\$ 54,998	\$ -
<u>Pass through State of California Department of Social Services</u>				
Refugee and Entrant Assistance_State Administered Programs	93.566	N/A	18,691	-
		Subtotal	190,213	-
<u>Pass through Department of Community Services and Development</u>				
Low-Income Home Energy Assistance	93.568	12B-5805	106,853	-
Low-Income Home Energy Assistance	93.568	13B-5005	43,975	-
Low-Income Home Energy Assistance	93.568	13B-5005	41,626	-
Low-Income Home Energy Assistance	93.568	12B-5805	111,147	-
Low-Income Home Energy Assistance	93.568	12B-5805	92,139	-
Low-Income Home Energy Assistance	93.568	13B-5005	79,532	-
Low-Income Home Energy Assistance	93.568	12B-5805	124,754	-
Low-Income Home Energy Assistance	93.568	13B-5005	54,515	-
Low-Income Home Energy Assistance	93.568	12B-5805	68,486	-
Low-Income Home Energy Assistance	93.568	13B-5005	11,916	-
Low-Income Home Energy Assistance	93.568	13B-5005	339,879	-
Low-Income Home Energy Assistance	93.568	12B-5805	730,195	-
Low-Income Home Energy Assistance	93.568	12B-5805	46,515	-
Low-Income Home Energy Assistance	93.568	13B-5005	8,083	-
Low-Income Home Energy Assistance	93.568	11B-5706	43,691	-
		Subtotal	1,903,306	-
<u>Pass through Department of Community Services and Development</u>				
Community Services Block Grant	93.569	13F-3007	322,064	19,500
Community Services Block Grant	93.569	12F-4407	434,805	90,600
		Subtotal	756,869	110,100
<u>Pass through State Department of Education - Child Development Program</u>				
CCDF Program Cluster:				
Child Care and Development Block Grant	93.575	CSPP2045	558,566	-
Child Care and Development Block Grant	93.575	CCTR2024	390,283	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CCTR2024	709,381	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CAPP 2011	603,952	658,511
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CSPP2045	1,015,254	-
		Cluster Subtotal	3,277,436	658,511
<u>Direct Programs</u>				
Head Start	93.600	09CH0375/47	17,237,099	3,130,949
Head Start	93.600	09CH0375/47	4,450,488	621,600
		Subtotal	21,687,587	3,752,549
<u>Pass through State Department of Mental Health</u>				
Block Grants for Community Mental Health Services	93.958	3B09SM010005-09S1	1,607,213	435,321
<u>Pass through State of California Department of Alcohol and Drug Programs</u>				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	07-NNA-07	3,945,736	2,097,875
Block Grants for Prevention and Treatment of Substance Abuse	93.959	07-NNA-07	1,713,193	563,607
Block Grants for Prevention and Treatment of Substance Abuse	93.959	07-NNA-07	277,619	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	07-NNA-07	376,551	308,416
Block Grants for Prevention and Treatment of Substance Abuse	93.959	07-NNA-07	1,533,554	1,463,391
		Subtotal	7,846,653	4,433,289
<u>Pass through State of California Department of Health & Human Services</u>				
Maternal and Child Health Services Block Grant to the States	93.994	N/A	750,405	-
Maternal and Child Health Services Block Grant to the States	93.994	N/A	223,338	201,594
		Subtotal	973,743	201,594
Total U.S. Department of Health & Human Services			188,544,626	12,135,724

COUNTY OF CONTRA COSTA
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2013

<u>Federal Grantor/ Pass-Through Entity/ Grant Name</u>	<u>Federal CFDA No.</u>	<u>Pass Through Entity Number</u>	<u>Federal Portion Expenditures</u>	<u>Amount Passed to Subrecipients</u>
U.S. Department of Homeland Security				
<u>Direct Program</u>				
Emergency Food and Shelter National Board Program	97.024	N/A	\$ 75,000	\$ 75,000
<u>Pass through State of California Office of Emergency Services</u>				
Emergency Management Performance Grants	97.042	2012-0027	145,510	-
Emergency Management Performance Grants	97.042	2011-00048	270,442	-
		Subtotal	415,952	-
<u>Direct Programs</u>				
Assistance to Firefighters Grant	97.044	N/A	4,646,174	-
Assistance to Firefighters Grant	97.044	N/A	1,750,000	925,000
		Subtotal	6,396,174	925,000
<u>Pass through State of California Office of Emergency Services</u>				
State Homeland Security Program (SHSP)	97.073	2010-0085	132,631	-
State Homeland Security Program (SHSP)	97.073	2011-SS-0077	1,166,887	-
		Subtotal	1,299,518	-
<u>Pass through State of California Office of Emergency Services</u>				
Buffer Zone Protection Program (BZPP)	97.078	2010-BF-T0-0020	395,598	-
Total U.S. Department of Homeland Security			8,582,242	1,000,000
Total Expenditures of Federal Awards			\$ 330,688,498	\$ 20,368,443

COUNTY OF CONTRA COSTA
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

1. REPORTING ENTITY

The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB), consists of the primary government, which is the County of Contra Costa, California (County), organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

Funds received under the various grant programs have been recorded within the general fund, special revenue funds, capital projects fund, and enterprise funds of the County. The County utilizes the modified accrual method of accounting for the general fund, special revenue funds, and capital projects fund and full accrual basis of accounting for the enterprise funds. Revenues and expenditures related to the value of food stamps issued under the Food Stamps Program are not reported in the County's basic financial statements as they are non-cash awards. Non-cash transactions related to the Food Donation Program are not reported in the County's basic financial statements as these represent aid-in-kind.

The accompanying schedule of expenditures of federal awards (SEFA) is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the SEFA may differ from amounts presented in, or used in, the preparation of the County's basic financial statements.

B. Schedule of Expenditures of Federal Awards

The accompanying SEFA presents the activity of all federal financial assistance programs of the County except for the awards related to the County of Contra Costa Housing Authority (Authority) that conducted a separate single audit in accordance with OMB Circular A-133. Federal financial assistance received directly from federal agencies, as well as any federal financial assistance passed through the State of California, is included in the SEFA. The SEFA was prepared from only the accounts of various grant programs and therefore does not present the financial position, change in fund balance, or results of operations of the County.

When the County receives federal awards as a subrecipient, the pass through agency generally provides the County with a pass through number that will be referenced on the SEFA. If the pass through agency does not generate or provide such a number, the County will denote "N/A" on the SEFA in the absence of a pass through number.

COUNTY OF CONTRA COSTA
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

3. LOAN PROGRAMS

The County has provided loans under several U.S. Department of Housing and Urban Development programs. These loans are made to carry out activities for affordable housing and economic development. The programs are administered both internally and by servicing and trust arrangements with financial institutions to collect loan repayments. The funds will be returned to the County programs upon repayment of the principal and interest and will be recorded as program income at that time. The following is a summary of the loan programs maintained by the County, including the outstanding loan receivable balances at June 30, 2013 and the total amount reported in the SEFA, which includes that outstanding balance as well as other non-loan program expenditures.

Program Title	Federal CFDA Number	Loan Receivable Outstanding as of June 30, 2013	Non-Loan Current Year Expenditures	Amount Reported in SEFA
Community Development Block Grant	14.218	\$ 34,589,759	\$ 1,514,419	\$ 36,104,178
Neighborhood Stabilization Program (NSP-1)	14.218	428,247	218,562	646,809
Neighborhood Stabilization Program (NSP-3)	14.218	1,264,487	94,310	1,358,797
Neighborhood Stabilization Program (State)	14.228	426,414	37,145	463,559
Home Investment Partnership Program	14.239	45,940,249	325,795	46,266,044
Housing Opportunities for Persons with AIDS	14.241	4,426,995	181,804	4,608,799
		<u>\$ 87,076,151</u>	<u>\$ 2,372,035</u>	<u>\$ 89,448,186</u>

4. PROGRAM FUNDED THROUGH THE STATE DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

The following table, requested by the State of California, is a summary of expenditures for selected programs funded through the State Department of Community Services and Development for the year ended June 30, 2013:

Program Title	Federal CFDA Number	Amount
ARRA- Weatherization Assistance for Low-Income Persons	81.042	\$ 11,196
Weatherization Assistance for Low-Income Persons	81.042	75,643
Low-Income Home Energy Assistance	93.568	1,903,306
Community Services Block Grant	93.569	756,869

COUNTY OF CONTRA COSTA
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

5. SUMMARY OF FEDERAL EXPENDITURES OF THE HOUSING AUTHORITY

The Authority's expenditures are excluded from the accompanying SEFA because they are separately audited by other auditors. The programs of the Authority for the fiscal year ended March 31, 2013 were as follows:

Program Title	Federal CFDA Number	Amount
U.S. Department of Housing and Urban Development		
Shelter Plus Care	14.238	\$ 3,224,881
Public and Indian Housing	14.850	5,393,423
Lower Income Housing Assistance Program- Section 8		
Moderate Rehabilitation	14.856	134,672
Housing Choice Voucher Program	14.871	80,008,462
Public Housing- Capital Fund Program	14.872	3,150,485
Total U.S. Department of Housing and Urban Development		\$ 91,911,923

**6. PROGRAMS FUNDED THROUGH THE STATE OFFICE OF EMERGENCY
MANAGEMENT AGENCY (CalEMA)**

The County had program audits performed by an independent auditor on the following programs passed through the State Office of Emergency Services:

Grant Title	Grant Number
Regional Anti-Drug Abuse Program	BSCC614-12
Victim Witness Assistance Program	VW12310070
Vertical Prosecution Program	VB08060070
Violence Against Women Vertical Prosecution	VV10240070
Underserved Victim Advocacy and Outreach Program	UV12030070

A copy of the audit report for the above programs can be obtained from the Office of the Auditor-Controller at 625 Court Street, Room 103, Martinez, California, 94553-1282.

COUNTY OF CONTRA COSTA
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

7. CLUSTER PROGRAM TOTALS

The following table summarizes clusters funded by various sources or grants whose totals are not shown on the SEFA. The following table summarizes these programs:

Program Title	CFDA Number	Expenditures
<i>SNAP Program Cluster</i>		
Supplemental Nutrition Assistance Program (SNAP)		
Passed through State of California Department of Public Health	10.551	\$ 723,804
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program		
Passed through State of California Department of Social Services	10.561	14,812,426
Total SNAP Program Cluster		<u>\$ 15,536,230</u>
<i>CDBG Entitlement Grants Cluster</i>		
Community Development Block Grant/Entitlement Grants		
Direct Program	14.218	\$ 38,109,784
ARRA - Community Development Block Grant ARRA Entitlement Grants (CDBG-R)		
Direct Program	14.253	92,375
Total CDBG Entitlement Grants Cluster		<u>\$ 38,202,159</u>
<i>JAG Program Cluster</i>		
Edward Byrne Memorial Justice Assistance Grant Program		
Passed through State of California Emergency Management Agency	16.738	\$ 515,835
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to Units of Local Government		
Passed through State of California Emergency Management Agency	16.804	657,245
Total JAG Program Cluster		<u>\$ 1,173,080</u>
<i>WIA Cluster</i>		
Workforce Investment Act- Adult Program		
Passed through State of California Employment Development Department	17.258	\$ 4,426,637
Workforce Investment Act- Youth Activities		
Passed through State of California Employment Development Department	17.259	1,940,982
Workforce Investment Act- Dislocated Worker Formula Grants		
Passed through State of California Employment Development Department	17.278	2,090,430
Total WIA Cluster		<u>\$ 8,458,049</u>
<i>Aging Cluster</i>		
Special Programs for Aging_ Title III, Part B_ Grants for Supportive Services and Senior Centers		
Passed through State of California Department of Aging	93.044	\$ 1,148,547
Special Programs for Aging_ Title III, Part C_ Nutrition Services		
Passed through State of California Department of Aging	93.045	1,556,134
Nutrition Services Incentive Program		
Passed through State of California Department of Aging	93.053	344,635
Total Aging Cluster		<u>\$ 3,049,316</u>
<i>CCDF Program Cluster</i>		
Child Care and Development Block Grant		
Passed through State Department of Education- Child Development Program	93.575	\$ 948,849
Child Care Mandatory and Matching Funds of the Child Care and Development Fund		
Passed through State Department of Education- Child Development Program		
Total CCDF Program Cluster	93.596	<u>2,328,587</u> <u>\$ 3,277,436</u>

COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Section I Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified for all major programs, except for CFDA Nos. 16.738, 16.804, and 97.044, which were qualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	Yes

COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Section I Summary of Auditor's Results (Continued)

Identification of major programs:

- | | | |
|------|---|---|
| (1) | CFDA No. 14.239 | Home Investment Partnerships Program |
| (2) | CFDA No. 14.241 | Housing Opportunities for Persons with AIDS |
| (3) | CFDA No. 16.738
CFDA No. 16.804 | Edward Byrne Memorial Justice Assistance Grant Cluster:
Edward Byrne Memorial Justice Assistance Grant Program (JAG)
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG)
Program/Grants to Units of Local Government |
| (4) | CFDA No. 17.258
CFDA No. 17.259
CFDA No. 17.278 | Workforce Investment Act Cluster:
WIA - Adult Program
WIA - Youth Activities
WIA - Dislocated Worker Formula Grants |
| (5) | CFDA No. 93.044

CFDA No. 93.045

CFDA No. 93.053 | Aging Cluster:
Special Programs for the Aging_Title III, Part B_Grants for
Supportive Services and Senior Centers
Special Programs for the Aging_Title III, Part C_Nutrition
Services
Nutrition Services Incentive Program |
| (6) | CFDA No. 93.558 | Temporary Assistance for Needy Families (TANF) |
| (7) | CFDA No. 93.563 | Child Support Enforcement |
| (8) | CFDA No. 93.658 | Foster Care – Title IV-E |
| (9) | CFDA No. 93.659 | Adoption Assistance – Title IV-E |
| (10) | CFDA No. 93.703 | ARRA Grants to Health Center Programs |
| (11) | CFDA No. 93.778 | Medical Assistance Program (Medicaid; Title XIX) |
| (12) | CFDA No. 97.044 | Assistance to Firefighters Grant |

Dollar threshold used to distinguish between
Type A and Type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

No

COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Section II Financial Statement Findings

Finding 2013-001 Accounting for OPEB Obligation

Regulatory or Other Criteria:

Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (GASB 45)* requires governments to calculate annual OPEB cost which should be equal to the annual required contributions of the employer (ARC) to the plan for a given year, calculated in accordance with the parameters described in GASB 45. Those parameters include a provision for amortizing the total unfunded actuarial accrued liability (UAAL) in accordance with the following requirements (GASB 45, paragraph 13.f.):

- (1) Maximum amortization period - The maximum acceptable amortization period for the total unfunded actuarial liability is thirty years. The total unfunded actuarial liability may be amortized as one amount, or components of the total may be separately amortized. When components are amortized over different periods, the individual amortization periods should be selected so that the equivalent single amortization period for all components combined does not exceed the maximum acceptable period.
- (2) Equivalent single amortization period - The equivalent single amortization period is the number of years incorporated in a weighted average amortization factor for all components of the total UAAL combined and should be calculated as follows:
 - (a) Determine the amortization factor for each component of the total UAAL using its associated amortization period and the discount rate selected in accordance with subparagraphs b and c of this paragraph.
 - (b) Calculate next year's amortization payment for each of the components by dividing each component by its associated amortization factor.
 - (c) Calculate the weighted average amortization factor by dividing the total UAAL by the sum of next year's individual amortization payments.
 - (d) Calculate the equivalent single amortization period as the number of years incorporated in the weighted average amortization factor (from c) at the discount rate used in subparagraph f(2)(a) of this paragraph.
- (3) Minimum amortization period - A significant decrease in the total UAAL generated by a change from one of the actuarial cost methods specified in subparagraph d of this paragraph to another of those methods, or by a change in the method(s) used to determine the actuarial value of assets (for example, a change from a method that spreads increases or decreases in market value over five years to a method that uses current market value), should be amortized over a period of not less than ten years. The minimum amortization period is not required when a plan is closed to new entrants and all or almost all of the plan members have retired.

COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Finding 2013-001 Accounting for OPEB Obligation (Continued)

- (4) Amortization method - The provision(s) for amortizing the total unfunded actuarial liability may be determined in level dollar amounts or as a level percentage of projected payroll of active plan members. If the level percentage of projected payroll method is used, the assumed payroll growth rate should not include an assumed increase in the number of active plan members; however, projected decreases in that number should be included if no new members are permitted to enter the plan (for example, a plan that covers only employees hired before a certain date).

GASB 45 also requires that when an employer has a net OPEB obligation, annual OPEB cost should be equal to the ARC, one year's interest on the net OPEB obligation, and an adjustment to the ARC. The interest should be calculated on the balance of the net OPEB obligation at the beginning of the year, using the investment return rate assumed in determining the ARC for that year (paragraph 13c).

Because this calculation of interest is independent of the actuarial calculation, the ARC should be adjusted to offset the amount of interest (and principal, if any) already included in the ARC for amortization of past contribution deficiencies or excess contributions of the employer. That portion of the ARC is not precisely determinable but can be reasonably approximated based on the net OPEB obligation, as discussed in paragraph 16. (GASB 45, paragraph 15)

The adjustment to the ARC should be equal to the discounted present value (ordinary annuity) of the balance of the net OPEB obligation at the beginning of the year, calculated using the *same* amortization methodology used in determining the ARC *for that year*. (The adjustment applies only for that year; a new calculation should be made each year.) That is, the adjustment should be calculated using the same (a) amortization method (level dollar or level percentage of projected payroll), (b) actuarial assumptions used in applying the amortization method, and (c) amortization period that were used in determining the ARC for that year. The adjustment should be *deducted* from the ARC if the beginning balance of the net OPEB obligation is positive (cumulative annual OPEB cost is greater than cumulative employer contributions), or *added* to the ARC if the net OPEB obligation is negative. (GASB 45, paragraph 16)

Condition Identified and Perspective:

When the County adopted the provisions of GASB 45 the County also adopted certain assumptions to be used by the actuary in computing the County's estimated other postemployment benefit (OPEB) annual required contribution. Management noted that the basis of amortizing the unfunded actuarial accrued liability was incorrect in the last two actuarial valuation reports dated January 1, 2010, and January 1, 2012. The basis should have been a level dollar amount over 30 years on a closed basis, but instead the actuary used an open basis which understated the annual required contribution and the OPEB obligation. Management also noted that OPEB obligation was not being amortized, which overstated the OPEB liability.

COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Finding 2013-001 Accounting for OPEB Obligation (Continued)

Asserted Cause:

The County was unaware that the actuary was using an incorrect basis for amortizing the UAAL.

The County had received incorrect accounting advice that they did not need to amortize the OPEB obligation and was guided by the understanding that the amortization was factored into the biennial OPEB valuation.

Effect or Potential Effect:

The errors noted above resulted in a net adjustment to the OPEB obligation at July 1, 2012, of \$177 million.

View of Responsible Officials:

When County management discovered the inaccuracies, they immediately met to determine the appropriate corrective action. The County's new actuary and new auditors were consulted and it was determined that the best course of action was to recompute and restate the prior year's net OPEB obligation. As such, an adjustment of \$177 million to the net OPEB obligation, beginning of year, was recorded in the Comprehensive Annual Financial Report for fiscal year ending June 30, 2013.

In conducting a self-assessment of why the inconsistencies occurred it was determined to be a communication gap between the County Administrator's Office and the Office of the Auditor-Controller. Neither Office detected that different OPEB data was being used. This issue is being addressed by improving communication between both offices as evidenced by the County Administrator's Office recently consulting with the Office of the Auditor-Controller prior to submitting 2014 OPEB assumptions to the Board of Supervisors. Additionally, when the 2014 OPEB information is computed for the FYE June 30, 2014, CAFR, the information will be submitted by the Office of the Auditor-Controller to the County Administrator's Office for review and approval.

COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Finding 2013-002 IT Governance and General Computer Controls

Regulatory or Other Criteria:

Information technology general controls (ITGC) are intended to establish a framework of control over all aspects of computerized processing related to financial reporting and encompass functions such as the County's information services organization and division of duties, changes to existing programs, and access to programs and data. ITGC are essential to maintaining the effectiveness of automated application controls over time.

Condition Identified and Perspective:

General computer controls over the access to programs and data should require that a mechanism or procedures be in place to identify and react to risks arising from internal and external sources. The County Department of Information Technology has not completed a formal comprehensive IT risk assessment to help identify the risks to the delivery of IT services and the accuracy and integrity of the County's financial and personnel data.

Asserted Cause and/or Effect:

A comprehensive risk assessment identifies potential threats to an IT infrastructure, prioritizes the likelihood and impact of those threats, and determines appropriate safeguards or mitigating actions.

Recommendation:

The County Chief Information Officer should plan and budget for an independent IT risk assessment to be performed to identify all the possible risks to the County IT department, the delivery of IT services, and the accuracy and integrity of the County financial and personnel data.

View of Responsible Officials:

Periodic IT control reviews are performed. The purpose of the control reviews is to document the Departments' IT policies and procedures to ensure compliance with County policy and Best IT Management Practices. Additionally, DoIT is planning for a business impact analysis by an IBM main frame consulting firm or authorized service company. It is agreed that best IT Control practices would require Department Management to submit an annual self-assessment for subsequent validation.

COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Finding 2013-003 Schedule of Expenditures of Federal Awards Completeness

Regulatory or Other Criteria:

The U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* (OMB A-133), requires that the County prepare a schedule showing total expenditures for the year for each federal program. Further, OMB A-133 requires that the auditor identify and audit all high-risk type A federal programs. The County's type A programs are those with current year federal expenditures exceeding \$3,000,000.

Condition Identified and Perspective:

During our audit, we noted that the County included the following misstatements in its draft schedule of expenditures of federal awards (SEFA):

- ARRA Grants to Health Center Programs overstated expenditures by \$413,146 due to prior year expenditures being claimed twice.
- Medical Assistance Program overstated expenditures by \$1,332,631 due to an error in reportable program expenditures.
- Edward Byrne Memorial Justice Assistance Grant overstated expenditures by \$2,374 due to funds being sent back to the grantor and not expended.
- The Department of Conservation and Development overstated the amount of subrecipients by \$9,247,411 due to the Department including the expenditures paid to developers as a subrecipient. The following programs make up the \$9,247,411:
 - \$2,908,798 was related to CFDA No. 14.218- Community Development Block Grant (including NSP)
 - \$6,141,093 was related to CFDA No. 14.239- HOME Investment Partnership Program
 - \$197,520 was related to CFDA No. 14.241- Housing Opportunities for Persons with AIDS

The County subsequently corrected the breakdown of expenditure amounts reported in its fiscal year 2013 SEFA prior to its issuance.

COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Finding 2013-003 Schedule of Expenditures of Federal Awards Completeness (Continued)

Asserted Cause and/or Effect:

County department management did not carefully review expenditures reported in the SEFA prior to being submitted to the Office of the Auditor-Controller.

The County's SEFA serves as the basis in determining the number of major programs required to be audited in a fiscal year. Inaccuracy in its SEFA reporting may result in high-risk Type A programs not being identified for testing and Type B programs not being subjected to the required audit risk assessment.

Recommendation:

The County should improve its process for reviewing expenditures reported in the SEFA by requiring department management to review and sign off program expenditures prior to being reported to the Office of the Auditor-Controller. In addition, the Office of the Auditor-Controller should reconcile the detailed listing of expenditures to the SEFA for each significant federal program prior to the County submitting such detailed listing to its external auditors.

Views of Responsible Officials:

The Office of the Auditor-Controller will incorporate the recommended management signature line on the grant inventory listing sheets sent to departments to validate that the inventory sheets were reviewed and approved by management. Additionally, the grant inventory sheets will be amended to add a column for departments to identify pass thru agencies, aiding in the identification of any County agencies erroneously categorized as pass thru agencies.

The Office of the Auditor-Controller does not have the personnel or technical resources available to reconcile the SEFA. However, there are procedures in place to promote the quality of the SEFA information being reported using available resources.

- The Board of Supervisors' agendas are reviewed to identify any federal grants that were applied for during the fiscal year. If approved grants are not on the SEFA, the appropriate department is contacted to determine why.
- The current year SEFA is compared to the prior year SEFA to determine if any programs have dropped off. Any missing programs are investigated.
- The information on the department generated grant inventory sheets is compared to the information on the department generated grant questionnaires. Any discrepancies are investigated.
- Departments are required to provide a schedule of any costs disallowed by grantors.

It has been requested that the auditors hold a work session for department program personnel to improve the accuracy of the data provided by the departments for inclusion in the SEFA.

COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Section III Findings and Questioned Costs Related to Federal Awards

Finding 2013-004 Subrecipient Monitoring

Program Identification:

Awarding Agency: United States Department of Justice
Passed Through: California Emergency Management Agency
Program Name: Edward Byrne Memorial Justice Assistance Grant Program/ARRA – Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government
CFDA: 16.738 and 16.804
Award Number: All Awards
Award Year: Fiscal Year Ending June 30, 2013

Criteria:

2 CFR 176.50(c) states in part:

“A pass-through entity is responsible for:

- *During-the-Award Monitoring-* Monitoring the subrecipient’s use of federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that subrecipient administers federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
- *Subrecipient audits-* (1) Ensuring that subrecipients expending \$500,000 or more in federal awards during the subrecipient’s fiscal year... and that the required audits are completed within 9 months of the end of the subrecipient’s audit period; (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient’s audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.”

OMB Circular A-133 states, in part, that the single audit report:

“...shall be submitted within the earlier of 30 days after receipt of the auditor’s report(s), or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.”

Condition:

For the fiscal year ended June 30, 2013, the program’s subrecipients were not properly monitored. Audit reports were not requested by the County, and no tracking mechanism existed to ensure that subrecipients took appropriate corrective action regarding audit findings.

COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Finding 2013-004 Subrecipient Monitoring (Continued)

We reviewed 8 out of 19 subrecipient files and noted that all 8 subrecipients did not submit quarterly reports as required by the Memorandum of Understanding between the County and the subrecipients. Furthermore, the County Memorandum of Understandings require that subrecipients submit quarterly reports to the County. We noted that the 8 subrecipients tested only submitted quarterly reports when reimbursement requests were filed by the subrecipient.

Asserted Cause and/or Effect:

The County did not enforce the monitoring process in place to ensure that quarterly reports were received from subrecipients as required. The County is unable to ensure that subrecipients are in compliance with Federal guidelines or whether program objectives are being met.

Additionally, the County did not review subrecipient audit reports to identify cases of subrecipient non-compliance. As a result, the County is unable to ensure that appropriate corrective action is taken in cases of subrecipient non-compliance.

Questioned Costs:

Questioned costs for the year ended June 30, 2013 related to the Edward Byrne Memorial Justice Assistance Grant Program subrecipient for the 8 files tested totaled \$192,606, representing the amount of federal funds paid to these subrecipients for the during fiscal year 2013.

Recommendation:

We recommend that the County implement a system of monitoring the timely submission of status and audit reports by subrecipients.

Management Response and Corrective Action:

On February 5, 2013, the Office of the Sheriff submitted, via email to U.S. Department of Justice representative Linda Taylor, copies of the revised *Contra Costa County Office of the Sheriff 2009 JAG Recovery Grant Reporting Guidance* document as well as the *Contra Costa County Office of the Sheriff Grant Management: Subrecipient Monitoring Policy*. The Sheriff's Office requested approval of these revised policies to ensure compliance prior to implementation. Ms. Taylor confirmed receipt of the email and stated that she would forward to the U.S. Department of Justice, Office of Justice Programs – Office of Audit, Assessments, and Management (OAMM).

On July 5, 2013, OAMM notified the County via letter that the 2010 audit report had been officially closed. The Office of the Sheriff will implement the corrective action plan to ensure proper subrecipient monitoring, record-keeping, internal operation, and accounting control for fiscal year 2013/14.

The person responsible for this corrective action is Mary Jane Robb, Sheriff's Chief of Management Services, who can be contacted at (925) 335-1557 or mrobb@co.cccounty.us.

COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Finding 2013-005 Subrecipient Monitoring

Program Identification:

Awarding Agency: United States Department of Homeland Security
Passed Through: None- Direct Award
Program Name: Assistance to Firefighters
CFDA: 97.044
Award Number: All Grants
Award Year: Fiscal Year Ending June 30, 2013

Criteria:

2 CFR 176.50(c) states in part:

“A pass-through entity is responsible for:

-*Subrecipient Audits*- (1) Ensuring that subrecipients expending \$500,000 or more in federal awards during the subrecipient’s fiscal year ... and that the required audits are completed within 9 months of the end of the subrecipient’s audit period; (2) issuing a management decision on audit findings within 6 months after the receipt of the subrecipient’s audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.”

OMB Circular A-133 states, in part, that the single audit report:

“...shall be submitted within the earlier of 30 days after the receipt of the auditor’s report(s), or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.”

Condition:

Audit reports were not requested by the County, and no tracking mechanism existed to ensure that subrecipients took appropriate corrective action regarding audit findings.

Asserted Cause and/or Effect:

The County neither received nor requested audit reports from subrecipients, and did not establish a mechanism to track instances of subrecipient non-compliance and ensure implementation of corrective action. As a result the County is unable to adequately ensure subrecipient compliance with OMB Circular A-133.

Questioned Costs:

None.

COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Finding 2013-005 Subrecipient Monitoring (Continued)

Recommendation:

The County should implement policies to ensure that audit reports are received from subrecipients. In addition, the County should develop appropriate follow-up procedures to ensure that appropriate corrective actions are taken by subrecipients with regard to instances of non-compliance.

Management Response and Corrective Action:

The Memorandum of Understanding (MOU) between the Contra Costa County Fire Protection District (District) and the subrecipients did not contain a provision requiring the subrecipients to provide audit reports for the pass through agency's review. Future MOUs between the District and subrecipients will contain such a provision. If audit reports are not provided by subrecipients, the District will make inquiries to obtain any such reports.

The District's grants program manager, currently Battalion Chief Bob Atlas, who can be contacted at (925) 941-3509, will be designated to make such inquiries. Chief of Administrative Services Jackie Lorrekovich, who can be contacted at (925) 941-3312, will have oversight responsibility to review future MOUs between the District and subrecipients prior to adoption and to develop a tracking mechanism to ensure that appropriate corrective actions are taken in any cases of subrecipient non-compliance.

COUNTY OF CONTRA COSTA

Status of Prior Year Findings
For the Year Ended June 30, 2013

Financial Statement Findings

Reference Number: **FS2012-01** – *Oversight of Independently Operating Departments and Preparation of Schedule of Expenditures of Federal Awards*

Condition/Effect: The SEFA was adjusted during the performance of the audit to correct expenditures for 14 programs in an aggregate amount of \$4,382,563, including a reclassification of \$1,174,606, as a result of inaccurately reported federal expenditures submitted by independently operating departments within the County. The adjustments made to the SEFA resulted in the late identification of additional programs to be tested.

Recommendation: We understand that the County is made up of diverse departments and activities, however when the financial statements are prepared, the Office of the Auditor-Controller takes responsibility for the proper inclusion and reporting of all activities. To assist the Office of the Auditor-Controller in fulfilling this responsibility we believe the County should continually evaluate the coordination of departmental internal controls and the costs and benefits of more centralized controls to maximize their ability to fully capture all information related to financial reporting with the objective to prevent, or detect and correct, misstatements.

The need to make corrections to the SEFA during the annual audit has previously been identified as a material weakness and it appears regular training and directions for independently operating departments is needed to mitigate material errors. We recommend that the County implement the following procedures to ensure accurate SEFA reporting:

- Recommendation #1: Continue to educate program accountants on OMB Circular A-133 requirements for the SEFA.
- Recommendation #2: Regularly review and enhance the written policies and procedures that describe the necessary steps to compile the SEFA which would include reconciliation of the SEFA financial records to the general ledger in a timely manner.
- Recommendation #3: Consider the costs and benefits of (1) a centralized review process for the SEFA and (2) a requirements for all or certain departments to make quarterly reports to the Office of the Auditor-Controller identifying their SEFA monitoring procedures and their work to address compliance.

Status: In progress. See Finding 2013-003.

COUNTY OF CONTRA COSTA
Status of Prior Year Findings
For the Year Ended June 30, 2013

Federal Awards Findings

Reference Number: **FA2012-01 – Subrecipient Monitoring**

Program Identification: Edward Byrne Memorial Justice Assistance Grant (CFDA No. 16.804, U.S. Department of Justice Program Number 2009-SB-B9-2404)

Audit Finding: During the review of the County's compliance with subrecipients it was noted that the subrecipients did not submit quarterly reports as required by the Memorandum of Understanding between the County and the subrecipients; Quarterly reports were submitted only when reimbursement requests were filed by the subrecipient. The County does not have a monitoring process in place to ensure that all required quarterly reports are submitted to the County on a timely basis.

Status: Not corrected. See finding FA2013-004.

Reference Number: **FA2012-02 – Reporting**

Program Identification: Anti Drug Enforcement Team Recovery Act Grant (CFDA No. 16.804, U.S. Department of Justice, Passed through California Emergency Management Agency, Program Number ZA09010070)

Audit Finding: During our review of the County's compliance with Reporting requirements for the RADA grant it was noted that the amount originally reported in the SEFA represented the amount expended during the entire grant term (March 1, 2012 to September 30, 2012). This amount was revised to report only the expenditures incurred in fiscal year 2012 of \$189,618. The amount of federal expenditures incurred in the prior fiscal year totaled \$303,251 and was not reported in the previously issued SEFA. There would not have been an effect on major program determination for that year caused by this error.

The County's current reporting process does not appear to be working effectively to detect misstatements in the SEFA. Due to the decentralized nature of the County, there is reliance on each department to accurately calculate and communicate federal expenditures to the Office of the Auditor- Controller using an internally developed grant log sheet. We note that there are misunderstandings as to how the grant log sheets should be completed as related to the amount of federal expenditures.

Status: Corrected.

COUNTY OF CONTRA COSTA

Status of Prior Year Findings
For the Year Ended June 30, 2013

Federal Awards Findings (Continued)

Reference Number:	FA2012-03 – <i>Activities Allowed and Unallowed/ Allowable Cost</i>
Program Identification:	Workforce Investment Act Cluster (CFDA No. 17.258, 17.259, 17.278, U.S. Department of Labor, Passed Through State Employment Development Department)
Audit Finding:	<p>The County received a letter dated October 15, 2012 from the State of California Employment Development Department (EDD) related to EDD's review of the Contra Costa County Local Workforce Investment Area's financial management and procurement system for activities funded by Workforce Investment Act for the 2011-2012 program year. In that letter, eight findings were identified. A response dated November 20, 2012 was made by the Executive Director of the Workforce Development Board. During our testing, we noted two findings consistent with those identified by the EDD. They are as follows:</p> <ul style="list-style-type: none">• The County allocates expense payments based on the predetermined budget instead of using the actual costs to determine the benefits received by each program. In addition, there is no reconciliation performed between the budget amount and the benefit received by each program.• One of the items selected for testing included reimbursement for food without reasonable explanation of how the food expenditure was a necessary and reasonable cost of the administration of the WIA program.
Status:	Corrected.
Reference Number:	FA2012-04 – <i>Procurement, Debarment, and Suspension</i>
Program Identification:	Grants to Health Center Program- ARRA- Health Care for the Homeless (CFDA No. 93.703)
Audit Finding:	<p>The County's procurement is centralized through Public Works Department according to the County's Health Services personnel. However, the County's Health Services Department currently practices decentralized procurement due to technical requirements of the projects. Compliance requirements in the area of procurement are often met through the establishment of solicitation templates, which include necessary contents that are to be followed up by the entity and/or vendors. Per review of the Public Works Department's policies and procedures on procurement, we determined that the verification of suspended or debarred vendors is currently not performed.</p>
Status:	Corrected.

COUNTY OF CONTRA COSTA
Status of Prior Year Findings
For the Year Ended June 30, 2013

Federal Awards Findings (Continued)

Reference Number: **FA2012-05** – *Activities Allowed and Unallowed/ Allowable Cost*

Program Identification: Medical Assistance Program Grant (CFDA No. 93.778, U.S. Department of Health and Human Services, Passed Through California Department of Health, Pass Through Number (N/A))

Audit Finding: One of 40 providers selected for testing continued to receive benefit payments for two months subsequent to her last day of service charged to the program. Payments were made under the assumption that the provider continued to provide the same amount of hours of service as in the past. The County reporting procedures does not appear to be effective to ensure timely communication in the event that a provider is no longer providing services related to the program

Status: Corrected.

Reference Number: **FA2012-06** – *Oversight of Independently Operating Departments and Preparation of the SEFA*

Audit Finding: Finding FS2012-01, regarding Oversight of Independently Operating Departments and Preparation of SEFA was included in the financial statement findings section of this Schedule of Findings and Questioned Costs. This financial statement finding is also relevant to the federal awards section and is being incorporated as FA 2012-06. The corrections needed for the SEFA referenced in FS2012-01 are relevant to federal awards, but not necessarily to program compliance. It would be relevant to County programs generally. The other elements of a federal award finding are detailed with FS2012-01.

Status: In progress. See finding 2013-003.

Supplemental Schedules

COUNTY OF CONTRA COSTA
Employment and Human Services Department
Supplemental Schedule of Expenditures for Federal and State Awards
For the Year Ended June 30, 2013

Federal/ State Grantor Pass-through Grantor Program Title	Catalog of Federal Domestic Assistance Number (CFDA)	Grant/ Contract Number	State Expenditures	Federal Expenditures
Federal and State Awards				
U.S. Department of Health & Human Services Passed through California Department of Aging:				
Aging Cluster				
Special Programs for Aging-Title III Part B Grants for Supportive Services and Senior Centers	93.044	AP-1213-07	\$ -	\$ 1,148,547
Special Programs for Aging Title IIIC, Nutrition Services	93.045	AP-1213-07	178,014	1,556,134
Nutrition Services Incentive Program (NSIP)	93.053	AP-1213-07	-	344,635
Subtotal Aging Cluster			<u>178,014</u>	<u>3,049,316</u>
Special Programs for Aging-Title III Part D Disease Prevention and Health Promotion Services	93.043	AP-1213-07	-	55,319
National Family Caregiver Support Title III Part E	93.052	AP-1213-07	-	449,678
Special Programs for Aging Title VII A Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1213-07	-	53,340
Special Programs for Aging Title VII B Chapter 3 Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041	AP-1213-07	-	14,805
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations (Health Insurance Counseling and Advocacy Program, HICAP)	93.779	HI-1213-07	-	158,711
U.S. Department of Agriculture Pass through California Department of Food and Agriculture:				
Senior Farmer's Market Coupons	10.576	AP-1213-07	-	15,000
Total Expenditures of Federal and State Awards			<u>\$ 178,014</u>	<u>\$ 3,796,169</u>
State Awards				
California Department of Aging Direct State Programs:				
Special Deposit Fund-State Facilities Citation Penalties	NA	AP-1213-07	\$ 28,175	\$ -
Skilled Nursing Facility Quality and Accountability	NA	AP-1213-07	74,290	-
HICAP Reimbursement	NA	HI-1213-07	126,461	-
HICAP FUND	NA	HI-1213-07	63,215	-
Total Expenditures State Awards			<u>\$ 292,141</u>	<u>\$ -</u>

COUNTY OF CONTRA COSTA
Employment and Human Services Department-Community Services Bureau
Supplemental Schedule of Revenue and Expenditures
DCSD Contract No. 09C-1806 DOE ARRA (CFDA # 81.042)
For the Period of July 1, 2012 through June 30, 2013

	<u>Amount</u>	<u>Total Reported Amount</u>	<u>Total Budgeted Amount</u>
REVENUE:			
Grant Revenue	\$ 46,918	\$ 46,918	\$ 5,054,300
EXPENDITURES:			
Administrative Budget:			
Administrative Costs	-	-	323,629
Program Budget:			
Client Education	-	-	167,629
Outreach	-	-	164,642
Training and Technical Assistance	-	-	197,449
Minor Vehicle and Field Eqpt (Less than \$5,000)	-	-	59,300
Major Vehicle and Field Eqpt (More than \$5,000)	-	-	66,000
Workers' Compensation	-	-	33,490
Intake	-	-	74,352
Direct Program Activities	9,982	9,982	2,602,705
Health and Safety Activities	1,214	1,214	970,204
General/Operating Expenditures	-	-	394,900
Total Program Costs	<u>11,196</u>	<u>11,196</u>	<u>4,730,671</u>
Total expenditures	<u><u>\$ 11,196</u></u>	<u><u>\$ 11,196</u></u>	<u><u>\$ 5,054,300</u></u>

COUNTY OF CONTRA COSTA
Employment and Human Services Department-Community Services Bureau
Supplemental Schedule of Revenue and Expenditures
DCSD Contract No. 11C-1805 DOE WAP (CFDA # 81.042)
For the Period of July 1, 2012 through June 30, 2013

	<u>Amount</u>	<u>Total Reported Amount</u>	<u>Total Budgeted Amount</u>
REVENUE:			
Grant Revenue	\$ 95,164	\$ 95,164	\$ 117,520
EXPENDITURES:			
Administrative Budget:			
Administrative Costs	5,805	5,805	6,969
Weatherization Program Budget:			
Training and Technical Assistance	258	258	414
Intake	2,219	2,219	2,458
Outreach	1,996	1,996	2,510
Client Education	1,112	1,112	1,383
Workers' Compensation	618	618	750
Minor Vehicle & Field Eqpt (less than \$5,000)	-	-	49
General/Operating Expenditures	2,438	2,438	2,942
Direct Program Activities	49,674	49,674	78,018
Health and Safety Activities	11,523	11,523	22,027
Total Program Costs	69,838	69,838	110,551
Total expenditures	\$ 75,643	\$ 75,643	\$ 117,520

COUNTY OF CONTRA COSTA
Employment and Human Services Department-Community Services Bureau
Supplemental Schedule of Revenue and Expenditures
DCSD Contract No. 11B-5706 (CFDA # 93.568)
LIHEAP EHA-16/INTAKE/ECIP/HEAP
For the Period of July 1, 2012 through June 30, 2013

	<u>Amount</u>	<u>Total Reported Amount</u>	<u>Total Budgeted Amount</u>
REVENUE:			
Grant Revenue	\$ 44,606	\$ 44,606	\$ 841,611
EXPENDITURES:			
Assurance 16 Budget:			
Assurance 16 Activities	-	-	234,019
Administrative Budget:			
Administrative Costs	-	-	148,367
Intake Budget:			
Intake	-	-	61,048
Outreach Budget:			
Outreach	-	-	152,619
Training and Technical Assistance:			
Training and Technical Assistance	44,606	44,606	61,048
ECIP/HEAP Program Budget:			
ECIP EHCS Cooling Service Repair/Replacement	-	-	13,527
ECIP EHCS Heating Service Repair/Replacement	-	-	92,709
ECIP EHCS Water Heater Repair/Replacement	-	-	37,318
ECIP EHCS Other Program Costs	-	-	14,724
Severe Weather Energy Assistance and	-	-	26,232
Total ECIP/HEAP Program Budget	-	-	184,510
Total expenditures	\$ 44,606	\$ 44,606	\$ 841,611

COUNTY OF CONTRA COSTA
Employment and Human Services Department-Community Services Bureau
Supplemental Schedule of Revenue and Expenditures
DCSD Contract No. 11B-5706 Weatherization (CFDA # 93.568)
For the Period of July 1, 2012 through June 30, 2013

	<u>Amount</u>	<u>Total Reported Amount</u>	<u>Total Budgeted Amount</u>
REVENUE:			
Grant Revenue	\$ 30,147	\$ 30,147	\$ 1,270,598
EXPENDITURES:			
Administrative Budget:			
Administrative Costs	(677)	(677)	101,086
Weatherization Program Budget:			
Intake	-	-	23,271
Outreach	-	-	47,428
Training and Technical Assistance	-	-	31,678
Direct Program Activities	(238)	(238)	1,056,327
Vehicle and Equipment	-	-	-
Workers' Compensation	-	-	10,808
Total Program Costs	<u>(238)</u>	<u>(238)</u>	<u>1,169,512</u>
Total expenditures	<u>\$ (915)</u>	<u>\$ (915)</u>	<u>\$ 1,270,598</u>

COUNTY OF CONTRA COSTA
Employment and Human Services Department-Community Services Bureau
Supplemental Schedule of Revenue and Expenditures
DCSD Contract No. 12B-5805 (CFDA # 93.568)
LIHEAP EHA-16/INTAKE/ECIP/HEAP
For the Period of July 1, 2012 through June 30, 2013

	<u>Amount</u>	<u>Total Reported Amount</u>	<u>Total Budgeted Amount</u>
REVENUE:			
Grant Revenue	\$ 634,298	\$ 634,298	\$ 769,318
EXPENDITURES:			
Assurance 16 Budget:			
Assurance 16 Activities	124,754	124,754	167,019
Administrative Budget:			
Administrative Costs	68,486	68,486	116,128
Intake Budget:			
Intake	106,853	106,853	122,329
Outreach Budget:			
Outreach	92,139	92,139	122,329
Training and Technical Assistance:			
Training and Technical Assistance	46,515	46,515	48,932
ECIP/HEAP Program Budget:			
ECIP EHCS Cooling Service Repair/Replacement	8,138	8,138	8,140
ECIP EHCS Heating Service Repair/Replacement	45,867	45,867	78,190
ECIP EHCS Water Heater Repair/Replacement	28,247	28,247	39,590
ECIP EHCS Other Program Costs	10,245	10,245	16,661
Automation Supplemental	18,650	18,650	50,000
Total ECIP/HEAP Program Budget	111,147	111,147	192,581
Total expenditures	\$ 549,894	\$ 549,894	\$ 769,318

COUNTY OF CONTRA COSTA
Employment and Human Services Department-Community Services Bureau
Supplemental Schedule of Revenue and Expenditures
DCSD Contract No. 12B-5805 Weatherization (CFDA # 93.568)
For the Period of July 1, 2012 through June 30, 2013

	<u>Amount</u>	<u>Total Reported Amount</u>	<u>Total Budgeted Amount</u>
REVENUE:			
Grant Revenue	\$ 777,152	\$ 777,152	\$ 817,861
EXPENDITURES:			
Administrative Budget:			
Administrative Costs	35,853	35,853	65,428
Weatherization Program Budget:			
Intake	37,022	37,022	40,892
Outreach	39,677	39,677	40,892
Training and Technical Assistance	6,229	6,229	6,462
Direct Program Activities	604,474	604,474	656,787
Workers' Compensation	6,940	6,940	7,400
Total Program Costs	<u>694,342</u>	<u>694,342</u>	<u>752,433</u>
Total expenditures	<u>\$ 730,195</u>	<u>\$ 730,195</u>	<u>\$ 817,861</u>

COUNTY OF CONTRA COSTA
Employment and Human Services Department-Community Services Bureau
Supplemental Schedule of Revenue and Expenditures
DCSD Contract No. 13B-5005 (CFDA # 93.568)
LIHEAP EHA-16/INTAKE/ECIP/HEAP
For the Period of July 1, 2012 through June 30, 2013

	Amount	Total Reported Amount	Total Budgeted Amount
REVENUE:			
Grant Revenue	\$ 121,577	\$ 121,577	\$ 711,030
EXPENDITURES:			
Assurance 16 Program Budget:			
Assurance 16 Activities	79,532	79,532	153,313
Administrative Budget:			
Administrative Costs	54,515	54,515	97,880
Intake Budget:			
Intake	11,916	11,916	166,143
Outreach Budget:			
Outreach	41,626	41,626	103,839
Training and Technical Assistance:			
Training and Technical Assistance	8,083	8,083	41,536
ECIP/HEAP Program Budget:			
ECIP EHCS Diagnostics	5,371	5,371	10,420
ECIP EHCS Cooling Service Repair/Replacement	-	-	7,500
ECIP EHCS Heating Service Repair/Replacement	18,180	18,180	58,500
ECIP EHCS Water Heater Repair/Replacement	20,424	20,424	40,549
Automation Supplemental	-	-	31,350
Total ECIP/HEAP Program Budget	43,975	43,975	148,319
Total expenditures	\$ 239,647	\$ 239,647	\$ 711,030

COUNTY OF CONTRA COSTA
Employment and Human Services Department-Community Services Bureau
Supplemental Schedule of Revenue and Expenditures
DCSD Contract No. 13B-5005 Weatherization (CFDA # 93.568)
For the Period of July 1, 2012 through June 30, 2013

	<u>Amount</u>	<u>Total Reported Amount</u>	<u>Total Budgeted Amount</u>
REVENUE:			
Grant Revenue	\$ 181,751	\$ 181,751	\$ 876,933
EXPENDITURES:			
Administrative Budget:			
Administrative Costs	28,569	28,569	67,585
Weatherization Program Budget:			
Intake	19,880	19,880	69,759
Outreach	15,897	15,897	43,600
Training and Technical Assistance	1,835	1,835	43,600
Direct Program Activities	253,299	253,299	563,539
Workers' Compensation	2,862	2,862	16,000
General Operating Expenditures	17,537	17,537	72,850
Total Program Costs	311,310	311,310	809,348
Total expenditures	\$ 339,879	\$ 339,879	\$ 876,933

County of Contra Costa
Employment and Human Services Department-Community Services Bureau
Supplemental Schedule of Revenue and Expenditures
DCSD Contract No. 13F-3007 CSBG (CFDA # 93.569)
For the Period of July 1, 2012 through June 30, 2013

	<u>Amount</u>	<u>Total Reported Amount</u>	<u>Total Budgeted Amount</u>
REVENUE:			
Grant Revenue	\$ 200,501	\$ 200,501	\$ 780,601
EXPENDITURES:			
Administrative Costs:			
Salaries & Wages	61,649	61,649	118,119
Fringe Benefits	40,293	40,293	74,839
Operating Expenses & Equipment	19,290	19,290	32,290
Out of State Travel	-	-	6,500
Other Costs	48,061	48,061	88,466
Total Administrative Costs	<u>169,293</u>	<u>169,293</u>	<u>320,214</u>
Program Costs:			
Salaries & Wages	101,937	101,937	261,063
Fringe Benefits	31,334	31,334	74,524
Subcontractor Services	19,500	19,500	124,800
Total Program Costs	<u>152,771</u>	<u>152,771</u>	<u>460,387</u>
Total expenditures	<u><u>\$ 322,064</u></u>	<u><u>\$ 322,064</u></u>	<u><u>\$ 780,601</u></u>

COUNTY OF CONTRA COSTA
Employment and Human Services Department-Community Services Bureau
Supplemental Schedule of Revenue and Expenditures
DCSD Contract No. 12F-4407 CSBG (CFDA # 93.569)
For the Period of July 1, 2012 through June 30, 2013

	Amount	Total Reported Amount	Total Budgeted Amount
REVENUE:			
Grant Revenue	\$ 438,497	\$ 438,497	\$ 653,846
EXPENDITURES:			
Administrative Costs:			
Salaries & Wages	53,026	53,026	85,037
Fringe Benefits	35,422	35,422	67,094
Operating Expenses & Equipment	40,309	40,309	24,993
Out of State Travel	2,007	2,007	7,200
Other Costs	70,746	70,746	98,000
Total Administrative Costs	201,510	201,510	282,324
Program Costs:			
Salaries & Wages	116,447	116,447	220,885
Fringe Benefits	26,248	26,248	60,637
Subcontractor Services	90,600	90,600	90,000
Total Program Costs	233,295	233,295	371,522
Total expenditures	\$ 434,805	\$ 434,805	\$ 653,846

COUNTY OF CONTRA COSTA
Employment and Human Services Department-Community Services Bureau
Supplemental Schedule of Child Nutritional Program Revenues
For the Year Ended June 30, 2013

Child Care Food Program (Federal Assistance)

The child care food program income represents the assistance received from the Federal government in relation to the maintenance of a subsidized food program. The following is a summary of the total assistance received by the County and the various child development programs to which the funds were allocated for the fiscal year ended June 30, 2013.

	Total Federal Assistance
State Funded Programs:	
General Child Care Program	\$ 137,067
Total CA Preschool Program-CSB	454,991
Other Programs:	
Head Start and Early Head Start	391,848
Total CA Preschool Program-College	106,316
Total Federal Assistance	\$ 1,090,222