



Agenda

FINANCE COMMITTEE

April 24, 2017

9:00 A.M.

651 Pine Street, Room 101, Martinez

Supervisor Karen Mitchoff, Chair
Supervisor John Gioia, 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 March 27, 2017, Finance Committee meeting (Lisa Driscoll, County Finance Director)
4. CONSIDER Countywide Single Audit for the Fiscal Year Ending June 30, 2016 (Lisa Driscoll, County Finance Director)
5. CONSIDER recommending a draft policy for the review of Compensation Agreements submitted to the County, including all entities governed by the Board of Supervisors, by Successor Agencies to former Redevelopment Agencies throughout the County and FORWARD to the Board of Supervisors for final consideration. (Timothy Ewell, County Administrator's Office)
6. The next meeting is currently scheduled for May 22, 2017.
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: 04/24/2017

Subject: Record of Action for March 27, 2017 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 March 27, 2017 meeting.

Recommendation(s)/Next Step(s):

Staff recommends approval of the Record of Action for the March 27, 2017 meeting.

Fiscal Impact (if any):

No fiscal impact.

Attachments

Draft Record of Action March 27, 2017

DRAFT



FINANCE COMMITTEE

March 27, 2017

9:00 A.M.

651 Pine Street, Room 101, Martinez

Supervisor Karen Mitchoff, Chair

Supervisor John Gioia, 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 Karen Mitchoff

Absent: Vice Chair John Gioia

Staff Present: Lisa Driscoll, Finance Director; Joanne Bohren, Internal Audit; Henriette Browne, Internal Audit; John Kopchik, DCD; Kara Douglas, DCD; Kristen Lackey, DCD; Maureen Toms, DCD; Gabriel Lemus, DCD-CDBG; Christine Louie, DCD-CDBG; Kristin Sherk, DCD-CDBG; Daniel Davis, DCD-CDBG; Ramesh Kanzaria, Public Works; Mike Carlson, Public Works; Paul Detjens, Public Works

Attendees: Timothy Russell, Mirna Cervantes, Rudy Lapa, Chong Vang, Dan Bundy, Lucero DeLeon, Lily Trienens, Susun Kim, Alissa Friedman, Susan Shiu, Duane Chapman, Lauren Rettagliata

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).

No public comment was given.

3. Staff recommends approval of the Record of Action for the December 6, 2016 meeting.

The Record of Action for the December 6, 2016 meeting was approved as recommended.

AYE: Chair Karen Mitchoff

Passed

4. Adopt reissued reports and provide copies to whomever the original copies of the Single Audit reports were affected by the change. The revised Single Audit reports are also available on the Federal Clearinghouse website (<https://harvester.census.gov/facdissem/Main.aspx>).

Joanne Bohren, Chief Auditor, explained why the 2013 and 2014 Single Audit Reports needed to be reissued (EHSD reported federal grant monies as State monies). Supervisor Mitchoff asked what steps had been taken to reduce the risk of this happening again. Staff reported that the CFDA number in AgendaQuick would be used to track grants and that more training would be provided regarding the importance of tracking the items. The action was approved as recommended.

AYE: Chair Karen Mitchoff

Passed

5. CONSIDER approving request of \$990,000 to cover the funding shortfall.

Paul Detjens and Mike Carlson of Public Works Flood Control answered Supervisor Mitchoff's questions regarding failed grant attempts. At the conclusion of Mr. Carlson's comments, Supervisor Mitchoff recommended that the item be forwarded to the full Board for action.

AYE: Chair Karen Mitchoff

Passed

6. CONSIDER accepting Department of Conservation and Development's attached recommendations regarding FY 2017/18, FY 2018/19, & FY 2019/20 Community Development Block Grant - Economic Development & Infrastructure/Public Facilities Categories.

Gabriel Lemus, the Community Development Block Grant (CDBG) Program Manager in the Department of Conservation and Development presented a report of staff's funding recommendations for the FY 2017/18, FY 2018/19, and FY 2019/20 Economic Development and Infrastructure/Public Facilities projects. Attendees were invited to speak. Susun Kim from the Family Justice Center expressed her concern regarding the security of future funding and the timing of her project. Supervisor Mitchoff explained that moving money up in the funding process would mean that another project would not be funded. Mr. Lemus explained that there would be an opportunity to request modified funding if monies became available. Susan Shiu from the Contra Costa Childcare Council thanked staff for all the work performed on developing the recommendations. Mr. Lemus acknowledged the good work of all the agencies involved in CDBG. Supervisor Mitchoff asked Kara Douglas, Assistant Deputy Director – Department of Conservation and Development, if the if the City of Richmond's program was totally incorporated into the County competition process for this funding cycle. Ms. Douglas answered that they were and that the process had worked well for the City. Supervisor Mitchoff approved the recommendations as submitted and directed staff to forward the recommendations to the full Board of Supervisors.

7. ACCEPT report from the Conservation and Development Department regarding a recommendation to the Governing Board of the Successor Agency to the Contra Costa County Redevelopment Agency the approval of an issuance of 2017 Tax Allocation Revenue Bonds by the Successor Agency and forward to the full Board of Supervisors.

Kara Douglas introduced the report regarding issuance of 2017 Tax Allocation Revenue Bonds. Supervisor Mitchoff acknowledged the savings associated with the issuance and approved staff's recommendations. The item will be forwarded to the full Board of Supervisors.

AYE: Chair Karen Mitchoff

Passed

8. ACCEPT Quarterly Capital Projects update.

Ramesh Kanzaria presented the Quarterly Capital Report. Mr. Kanzaria reviewed the summary page in detail. There are currently 70 projects funded at \$189.6 million. There were 17 new projects since the last report totaling \$15.75 million and 7 projects were completed (\$2.3 million). In addition there are 73 Facilities Life-Cycle Investment Program (FLIP) projects totaling \$30.8 million. Highlights were provided of some of the major projects currently underway. Supervisor Mitchoff asked staff what the approval process is for projects on the list and specifically what the approval was for project #40 - Remodeling for Adult Mental Health (1420 Willow Pass Road, Concord) and #56 - Relocate Health, Housing and Homeless Services (2400 Bisso Lane, Concord) on pages 3 and 5 of the report. Supervisor Mitchoff indicated that she was asked by the Mental Health Commission about those two specific projects. She asked staff to research the process for determining funding for those two projects and to report back to the Mental Health Commission and Finance Committee at the June meeting. Lauren Rettagliata, Mental Health Commission, thanked Supervisor Mitchoff for addressing their concerns and explained why the information was important to the Commission. There were no further questions.

AYE: Chair Karen Mitchoff
Passed

9. The next meeting is currently scheduled for April 24, 2017.

10. Adjourn

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Contra Costa County Board of Supervisors

Subcommittee Report

FINANCE COMMITTEE

4.

Meeting Date: 04/24/2017

Subject: Countywide Single Audit for the Fiscal Year Ending June 30, 2016

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, 2016).

Recommendation(s)/Next Step(s):

Accept attached report regarding the Countywide Single Audit for the Fiscal Year Ending June 30, 2016 (also attached).

Fiscal Impact (if any):

Not applicable.

Attachments

Single Audit - June 30, 2016

Staff Report regarding the Countywide Single Audit for the Fiscal Year Ending June 30, 2016

COUNTY OF CONTRA COSTA

Single Audit Reports

For the Year Ended June 30, 2016

COUNTY OF CONTRA COSTA
Single Audit Reports
For the Year Ended June 30, 2016

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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, 2016, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated December 9, 2016. Our report includes a reference to other auditors who audited the financial statements of the 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 auditors’ 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2016-001, which we consider to be a significant deficiency.

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 & O'Connell LLP

Walnut Creek, California
December 9, 2016



**Independent Auditor’s Report on Compliance For Each Major Federal Program;
Report on Internal Control Over Compliance; Report on the Schedule of Expenditures of Federal
Awards Required by the Uniform Guidance; and Report on the Supplemental Schedule of
Expenditures of Federal and State Awards Provided by the California Department of Aging,
Schedule of Child Nutritional Program Revenues, and Supplemental State of California
Department of Community Services and Development Schedules of Revenue and Expenditures**

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 Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2016. The County’s major federal programs are identified in the summary of 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 \$98,419,533 in federal awards which is not included in the accompanying schedule of expenditures of federal awards during the year ended June 30, 2016. Our audit, described below, did not include the operations of the Housing Authority because the Housing Authority engaged other auditors to perform an audit in accordance with the Uniform Guidance.

Management’s Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of federal awards 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-002 and 2016-003. Our opinion on each major federal program is not modified with respect to these matters.

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

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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-002 and 2016-003 that we considered to be significant deficiencies.

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

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

Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Report on the Supplemental Schedule of Expenditures of Federal and State Awards Provided by the California Department of Aging, Schedule of Child Nutritional Program Revenues, and Supplemental State of California Department of Community Services and Development Schedules of Revenue and Expenditures

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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 9, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and Supplemental Schedules, as listed in the table of contents, are presented for the purposes of additional analysis as required by the Uniform Guidance 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 schedule of expenditures of federal awards and Supplemental Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Macias Gini & O'Connell LLP

Walnut Creek, California
March 27, 2017

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COUNTY OF CONTRA COSTA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

Federal Grantor/ Pass-Through Entity/ Federal Title	Federal CFDA No.	Grant Identifying Number	Federal Expenditures	Amount Passed to Subrecipients
U.S. Department of Agriculture				
Supplemental Nutrition Assistance Program Cluster:				
<u>Passed through State of California Department of Public Health</u> Supplemental Nutrition Assistance Program	10.551	N/A	\$ 1,145,046	\$ 280,529
<u>Passed through State of California Department of Social Services</u> State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	19,437,955	-
		Cluster Subtotal	20,583,001	280,529
<u>Passed through State of California Department of Education</u> National School Lunch Program	10.555	07-10074-6005292-01	387,940	-
Child and Adult Care Food Program	10.558	220700	962,972	-
<u>Passed through State of California Department of Public Health</u> Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	14-10235	3,888,549	-
<u>Passed through State of California Department of Food and Agriculture</u>				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	16-8506-0934-GR	750,684	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	15-8506-0484-CA	172,192	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	148506-1165-CA	398,642	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	15-8506-1164-CA	34,563	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	15-8506-0689-CA	43,505	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	14-8506-0572-CA	53,569	-
		Subtotal	1,453,155	-
Senior Farmers Market Nutrition Program	10.576	AP-1516-07	25,000	-
Total U.S. Department of Agriculture			27,300,617	280,529
U.S. Department of Commerce				
Economic Adjustment Assistance	11.307	07-79-06920	257,160	-
Total U.S. Department of Commerce			257,160	-
U.S. Department of Housing and Urban Development				
<u>Direct Programs:</u>				
Community Development Block Grants / Entitlement Grants	14.218	N/A	4,925,978	818,549
Community Development Block Grants / Entitlement Grants	14.218	N/A	1,969	-
		Subtotal	4,927,947	818,549
Emergency Solutions Grant Program	14.231	N/A	197,547	197,547
Emergency Solutions Grant Program	14.231	N/A	79,390	79,390
Emergency Solutions Grant Program	14.231	N/A	208,324	72,561
		Subtotal	485,261	349,498
Supportive Housing Program	14.235	N/A	180,520	180,520
Shelter Plus Care	14.238	N/A	571,101	571,101
Shelter Plus Care	14.238	N/A	89,418	89,418
Shelter Plus Care	14.238	N/A	139,424	139,424
		Subtotal	799,943	799,943
Home Investment Partnerships Program	14.239	N/A	1,170,097	-
Homeless Management Information Systems Technical Assistance	14.261	N/A	175,596	175,596
Continuum of Care Program	14.267	N/A	90,994	90,994
Continuum of Care Program	14.267	N/A	70,638	70,638
		Subtotal	161,632	161,632
<u>Passed through City of Oakland</u> Housing Opportunities for Persons with AIDS	14.241	N/A	892,978	198,463
Total U.S. Department of Housing and Urban Development			8,793,974	2,684,201
U.S. Department of Justice				
<u>Direct Programs</u>				
Services for Trafficking Victims	16.320	N/A	196,375	80,272
Services for Trafficking Victims	16.320	N/A	2,912	1,500
		Subtotal	199,287	81,772
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	N/A	265,253	217,579
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	N/A	126,074	99,462
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	N/A	142,600	126,907
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2011-WE-AX-0053	22,516	-
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2015-WE-AX-0014	24,790	-
		Subtotal	581,233	443,948
DNA Backlog Reduction Program	16.741	2014DNBX0036	236,926	-
DNA Backlog Reduction Program	16.741	2013DNBX0056	238,549	-
		Subtotal	475,475	-
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2012-MO-BX-0021	15,760	-
Equitable Sharing Program	16.922	N/A	49,010	-
<u>Passed through State of California Department of Corrections and Rehabilitation</u>				
Juvenile Accountability Block Grants	16.523	BSCC 215-15	2,455	-
Juvenile Accountability Block Grants	16.523	BSCC 215-13	14,547	-
		Subtotal	17,002	-
<u>Passed through State of California Office of Emergency Services</u>				
Crime Victim Assistance	16.575	N/A	92,105	-
Crime Victim Assistance	16.575	N/A	22,110	-
Crime Victim Assistance	16.575	VW15340070	457,155	-
Crime Victim Assistance	16.575	UV14050070, /UV15010070	27,338	-
Crime Victim Assistance	16.575	N/A	34,042	-
		Subtotal	632,750	-

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF CONTRA COSTA
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2016

Federal Grantor/ Pass-Through Entity/ Federal Title	Federal CFDA No.	Grant Identifying Number	Federal Expenditures	Amount Passed to Subrecipients
U.S. Department of Justice (Continued)				
<u>Passed through State of California Office of Emergency Services</u>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015DJBX0172	\$ 25,000	\$ 25,000
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014DJBX0539	91,920	91,920
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013DJBX0683	7,267	7,267
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 614-14	221,020	36,915
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 614-15	154,852	14,201
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 614-14	301	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 614-15	6,452	-
		Subtotal	506,812	175,303
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	CQ15110070	12,234	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	CQ15110070	15,104	-
		Subtotal	27,338	-
<u>Passed through Bureau of Juvenile Justice</u>				
Second Chance Act Reentry Initiative	16.812	2012-CZ-BX-0029	125,463	-
Second Chance Act Reentry Initiative	16.812	2013-SM-BX-0002	163,140	-
		Subtotal	288,603	-
Total U.S. Department of Justice			2,793,270	701,023
U.S. Department of Labor				
<u>Workforce Investment Act (WIA) Cluster:</u>				
<u>Passed through State of California Employment Development Department</u>				
WIA Adult Program	17.258	K698357	2,087,216	234,992
WIA Adult Program	17.258	K594756	157,048	-
		Subtotal	2,244,264	234,992
WIA Youth Activities	17.259	K698357	1,214,907	1,144,666
WIA Youth Activities	17.259	K594756	634,030	394,414
		Subtotal	1,848,937	1,539,080
WIA Dislocated Worker Formula Grants	17.278	K698357	1,666,177	-
WIA Dislocated Worker Formula Grants	17.278	K698357	312,633	-
		Subtotal	1,978,810	-
<u>Passed through South Bay Workforce Investment Board</u>				
WIA Dislocated Worker Formula Grants	17.278	13-WO-59	61,349	-
		Cluster Subtotal	6,133,360	1,774,072
<u>Passed through Contra Costa Community College</u>				
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	7993.000	130,688	-
Total U.S. Department of Labor			6,264,048	1,774,072
U.S. Department of Transportation				
<u>Direct Programs</u>				
Airport Improvement Program	20.106	N/A	10,248	-
Airport Improvement Program	20.106	N/A	834,506	-
		Subtotal	844,754	-
Technical Assistance Grants	20.710	N/A	15,965	-
<u>Passed through State of California Department of Transportation</u>				
Highway Planning and Construction	20.205	STPL-5928 (120)	2,438,587	-
Highway Planning and Construction	20.205	HRRRL-5928 (098)	1,677,778	-
Highway Planning and Construction	20.205	CML-5928 (121)	76,145	-
Highway Planning and Construction	20.205	HRRRL-5928 (095)	1,670,066	-
Highway Planning and Construction	20.205	CML-5928 (122)	161,679	-
Highway Planning and Construction	20.205	BRLS-5928 (125)	48,710	-
Highway Planning and Construction	20.205	BRLO-5928 (045)	6,227,438	-
Highway Planning and Construction	20.205	BRLO-5928 (108)	171,755	-
Highway Planning and Construction	20.205	BRLS-2928 (107)	186,481	-
Highway Planning and Construction	20.205	HSIPL-5928 (110)	25,349	-
		Subtotal	12,683,988	-
<u>Passed through Job Access and Reverse Commute-Keys Auto Loan Program</u>				
Job Access and Reverse Commute Program	20.516	CA-37-x177	6,705	-
Job Access and Reverse Commute Program	20.516	CA-37-x177	4,264	-
		Subtotal	10,969	-
<u>Passed through State of California Office of Traffic Safety</u>				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL1639	43,366	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL1556	35,302	-
		Subtotal	78,668	-
Total U.S. Department of Transportation			13,634,344	-
Institute of Museum and Library Services				
<u>Passed through California State Library</u>				
Grants to States	45.310	40-8569	5,000	-
Grants to States	45.310	40-8510	88,230	-
		Subtotal	93,230	-
Total Institute of Museum and Library Services			93,230	-
Small Business Administration				
<u>Passed through Humboldt State University</u>				
Small Business Development Centers	59.037	N/A	374,429	-
Total Small Business Administration			374,429	-

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF CONTRA COSTA
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2016

Federal Grantor/ Pass-Through Entity/ Federal Title	Federal CFDA No.	Grant Identifying Number	Federal Expenditures	Amount Passed to Subrecipients
Environmental Protection Agency				
<u>Direct Program</u>				
The San Francisco Bay Water Quality Improvement Fund	66.126	102180	\$ 217,223	\$ 217,223
Total Environmental Protection Agency			<u>217,223</u>	<u>217,223</u>
U.S. Department of Education				
<u>Passed through State of California Department of Rehabilitation</u>				
Rehabilitation Services_Vocational Rehabilitation Grants to States	84.126	29555	999,455	-
Total Department of Education			<u>999,455</u>	<u>-</u>
U.S. Department of Energy				
<u>Passed through State of California Department of Community Services and Development</u>				
Weatherization Assistance For Low-Income Persons	81.042	15C-1005	152,433	-
Total U.S. Department of Energy			<u>152,433</u>	<u>-</u>
U.S. Department of Health and Human Services				
<u>Direct Programs</u>				
Teenage Pregnancy Prevention Program	93.297	N/A	908,719	75,014
Head Start	93.600	09CH9115-04-02/09CH9115-03-02	2,058,881	-
Head Start	93.600	09CH9115-04-02/09CH9115-03-02	2,018,395	-
Head Start	93.600	09CH9115-04-02/09CH9115-03-02	1,948,581	-
Head Start	93.600	09CH9115-04-02/09CH9115-03-02	8,305,069	1,214,332
Head Start	93.600	09CH9115-04-02/09CH9115-03-02	6,275,344	838,024
		Subtotal	<u>20,606,270</u>	<u>2,052,356</u>
Basic Center Grant	93.623	N/A	146,378	146,378
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	N/A	2,543,937	-
<u>Passed 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-1516-07	12,946	12,946
Special Programs for the Aging_Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1516-07	46,638	46,638
Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	93.043	AP-1516-07	50,391	50,391
National Family Caregiver Support, Title III, Part E	93.052	AP-1516-07	300,549	300,549
Aging Cluster:				
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	AP-1516-07	831,661	311,137
Special Programs for the Aging_Title III, Part C_Nutrition Services	93.045	AP-1516-07	1,560,479	-
Nutrition Services Incentive Program	93.053	AP-1516-07	397,112	-
		Cluster Subtotal	<u>2,789,252</u>	<u>311,137</u>
Medicare Enrollment Assistance Program	93.071	MI-1415-07	8,138	-
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	HI-1516-07	147,441	-
<u>Passed through State of California Department of Health Care Services</u>				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	2X06SM016005-15	142,980	142,980
<u>Passed through State of California Department of Social Services</u>				
Guardianship Assistance	93.090	N/A	1,011,529	-
Guardianship Assistance	93.090	N/A	113,934	-
		Subtotal	<u>1,125,463</u>	<u>-</u>
Stephanie Tubbs Jones Child Welfare Services Program	93.645	N/A	637,321	-
Foster Care - Title IV-E	93.658	N/A	19,278	-
Foster Care - Title IV-E	93.658	N/A	7,835,607	-
Foster Care - Title IV-E	93.658	N/A	523,784	-
Foster Care - Title IV-E	93.658	N/A	246,357	-
Foster Care - Title IV-E	93.658	N/A	1,238,638	-
Foster Care - Title IV-E	93.658	N/A	101,307	-
Foster Care - Title IV-E	93.658	N/A	1,374,716	-
Foster Care - Title IV-E	93.658	N/A	6,053,990	-
Foster Care - Title IV-E	93.658	N/A	1,832,516	-
Foster Care - Title IV-E	93.658	N/A	61,446	-
		Subtotal	<u>19,287,639</u>	<u>-</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF CONTRA COSTA
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2016

Federal Grantor/ Pass-Through Entity/ Federal Title	Federal CFDA No.	Grant Identifying Number	Federal Expenditures	Amount Passed to Subrecipients
U.S. Department of Health and Human Services (Continued)				
Adoption Assistance	93.659	N/A	\$ 6,561,119	\$ -
Adoption Assistance	93.659	N/A	154,999	-
Adoption Assistance	93.659	N/A	788,149	-
		Subtotal	7,504,267	-
Social Services Block Grant	93.667	N/A	460,537	-
Social Services Block Grant	93.667	N/A	307,855	-
Social Services Block Grant	93.667	N/A	56,905	-
		Subtotal	825,297	-
Chafee Foster Care Independence Program	93.674	N/A	385,882	-
Promoting Safe and Stable Families	93.556	N/A	58,828	-
Promoting Safe and Stable Families	93.556	N/A	30,706	-
Promoting Safe and Stable Families	93.556	N/A	575,651	-
		Subtotal	665,185	-
Temporary Assistance for Needy Families	93.558	N/A	10,145,383	-
Temporary Assistance for Needy Families	93.558	N/A	49,158,784	-
Temporary Assistance for Needy Families	93.558	N/A	4,669,458	-
		Subtotal	63,973,625	-
Passed through State of California Long-Term Care Education Center				
Health Care Innovation Awards (HCIA)	93.610	1C1CMS330986-01-00	1,689	1,689
Passed through State of California Health Benefit Exchange				
State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	93.525	12E9053 A3	9,231,147	-
Passed through State of California Department of Child Support Services				
Child Support Enforcement	93.563	1304CA4004	12,202,354	-
Passed through the State of California Department of Community Services and Development				
Low-Income Home Energy Assistance	93.568	15B-3005	696,365	-
Low-Income Home Energy Assistance	93.568	15B-3005	518,707	-
Low-Income Home Energy Assistance	93.568	16B-4005	57,230	-
Low-Income Home Energy Assistance	93.568	16B-4005	320,301	-
		Subtotal	1,592,603	-
Community Services Block Grant	93.569	15F-2007	480,083	197,322
Community Services Block Grant	93.569	16F-5007	235,173	50,190
		Subtotal	715,256	247,512
Passed through State of California Department of Education - Child Development Program				
CCDF Program Cluster:				
Child Care and Development Block Grant	93.575	CCTRS023	409,733	-
Child Care and Development Block Grant	93.575	CSPPS044	472,441	-
		Subtotal	882,174	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CCTRS023	774,841	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CAPPS010	854,445	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CSPPS044	1,377,360	-
		Subtotal	3,006,646	-
		Cluster Subtotal	3,888,820	-
Passed through State of California Department of Health Care Services				
Medical Assistance Program	93.778	N/A	983,205	-
Medical Assistance Program	93.778	N/A	5,090,795	-
Medical Assistance Program	93.778	N/A	1,209,968	-
Medical Assistance Program	93.778	N/A	1,831,761	-
Medical Assistance Program	93.778	N/A	25,504,180	-
Medical Assistance Program	93.778	N/A	3,670,647	-
		Subtotal	38,290,556	-
Passed through State of California Department of Public Health				
Medical Assistance Program	93.778	N/A	641,017	-
Medical Assistance Program	93.778	N/A	202,198	-
		Subtotal	843,215	-
		93.778 Subtotal	39,133,771	-
Passed through the County of Alameda				
HIV Emergency Relief Project Grants	93.914	N/A	1,626,484	474,109
Passed through State of California Department of Mental Health				
Block Grants for Community Mental Health Services	93.958	3B09SM010005-15s1	1,753,236	680,806
Passed through State of California Department of Alcohol and Drug Programs				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	07-NNA-07	1,428,361	1,428,361
Block Grants for Prevention and Treatment of Substance Abuse	93.959	07-NNA-07	1,031,586	1,031,586
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	87,697	87,697
Block Grants for Prevention and Treatment of Substance Abuse	93.959	07-NNA-07	30,000	30,000
Block Grants for Prevention and Treatment of Substance Abuse	93.959	07-NNA-07	1,206,796	1,206,796
		Subtotal	4,062,059	3,784,440
Passed through State of California Department of Public Health				
Environmental Public Health and Emergency Response	93.070	N/A	9,990	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned	93.074	14-10498	1,012,684	-
Cooperative Agreements	93.116	N/A	159,683	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.184	99-85200	688,016	-
Disabilities Prevention	93.184	99-85200	236,574	-
Disabilities Prevention	93.184	99-85200	924,590	-

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF CONTRA COSTA
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2016

Federal Grantor/ Pass-Through Entity/ Federal Title	Federal CFDA No.	Grant Identifying Number	Federal Expenditures	Amount Passed to Subrecipients
U.S. Department of Health and Human Services (Continued)				
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	CA 14-10064	\$ 60,493	\$ -
Immunization Cooperative Agreements	93.268	10-95366	432,592	101,798
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	5U50CK000201-03/3U50CK000410	88,668	-
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	5U50CK000201-03	45,206	-
		Subtotal	133,874	-
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	15-10155	1,177,627	-
Refugee and Entrant Assistance_State Administered Programs	93.566	15-7-90840-00	137,500	-
Refugee and Entrant Assistance_State Administered Programs	93.566	N/A	30,706	-
Refugee and Entrant Assistance_State Administered Programs	93.566	N/A	136,723	-
		Subtotal	304,929	-
HIV Care Formula Grants	93.917	N/A	553,830	8,294
HIV Prevention Activities_Health Department Based	93.940	N/A	379,345	18,839
Maternal and Child Health Services Block Grant to the States	93.994	N/A	213,983	-
Maternal and Child Health Services Block Grant to the States	93.994	N/A	228,087	-
		Subtotal	442,070	-
Total U.S. Department of Health and Human Services			201,907,444	8,455,876
U.S. Department of Homeland Security				
<u>Direct Programs</u>				
Assistance to Firefighters Grant	97.044	EMW-2012-FR-00093	13,011	-
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A	4,502,614	-
<u>Passed through State of California Natural Resources</u>				
Boating Safety Financial Assistance	97.012	CL15L0611	29,264	-
Boating Safety Financial Assistance	97.012	C1570605	4,393	-
		Subtotal	33,657	-
<u>Passed through Marine Exchange of the San Francisco Bay Region</u>				
Port Security Grant Program	97.056	2014PU00463	74,227	-
Port Security Grant Program	97.056	2011PUK00351	70,074	-
		Subtotal	144,301	-
<u>Passed through State of California Office of Emergency Services</u>				
Emergency Management Performance Grants	97.042	2015-0049	352,682	60,835
<u>Homeland Security Grant Program:</u>				
<u>Passed through State of California Office of Emergency Services</u>				
Homeland Security Grant Program	97.067	2015-0078	30,971	-
Homeland Security Grant Program	97.067	2014-00093	943,616	94,570
		Subtotal	974,587	94,570
<u>Passed through the City and County of San Francisco</u>				
Homeland Security Grant Program	97.067	2015-00078	67,900	-
Homeland Security Grant Program	97.067	2014-SS-00093	286,696	-
		Subtotal	354,596	-
		97.067 Subtotal	1,329,183	94,570
Total U.S. Department of Homeland Security			6,375,448	155,405
Total Expenditures of Federal Awards			\$ 269,163,075	\$ 14,268,329

COUNTY OF CONTRA COSTA
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

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.

The accompanying schedule of expenditures of federal awards (SEFA) is presented in accordance with the requirements of the Uniform Guidance. 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 (Housing Authority) that conducted a separate single audit in accordance with the Uniform Guidance. Federal financial assistance received directly from federal agencies, as well as any federal financial assistance passed through the State of California and other agencies, 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/net position, or results of operations of the County.

The SEFA also includes the grant identifying number as provided by the federal or pass-through grantors. If no such number was provided, the County will denote "N/A" on the SEFA.

C. 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. Loans extended under the Community Development Block Grants/Entitlement Grants (CDBG) and the Home Investment Partnerships Program (HOME) by the County are not considered loans as described in 2 CFR section 200.502, Basis for determining Federal awards expended, (b) Loans and Loan Guarantees (Loans).

COUNTY OF CONTRA COSTA
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

3. SUMMARY OF FEDERAL EXPENDITURES OF THE HOUSING AUTHORITY

The Housing Authority's expenditures are excluded from the accompanying SEFA because they are separately audited by other auditors. The programs of the Housing Authority for the fiscal year ended March 31, 2016 were as follows:

Program Title	Federal CFDA Number	Amount
U.S. Department of Housing and Urban Development		
Shelter Plus Care	14.238	\$ 3,588,998
Public and Indian Housing	14.850	5,713,834
Lower Income Housing Assistance Program- Section 8		
Moderate Rehabilitation	14.856	185,172
Housing Choice Voucher Program	14.871	87,853,845
Public Housing- Capital Fund Program	14.872	971,790
Family Self Sufficiency Program Coordinators	14.896	105,894
Total U.S. Department of Housing and Urban Development		\$ 98,419,533
Total Expenditures of Federal Awards		\$ 98,419,533

**4. PROGRAMS FUNDED THROUGH THE STATE OF CALIFORNIA
OFFICE OF EMERGENCY SERVICES:**

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

State Grant Title	Federal CFDA Number	Grant Number
Underserved Victim Advocacy and Outreach	16.575	UV14050070
		UV15010070
Victim Witness Assistance Program	16.575	VW15340070

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.

5. INDIRECT COSTS

The County did not elect to use the 10% de minimis cost rate as covered in 2 CFR section 200.414 Indirect (F&A) costs.

COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

Section I Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted? No

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? Yes

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? Yes

COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

Section I Summary of Auditor's Results (Continued)

Identification of major programs:

- | | | |
|-----|---|--|
| (1) | CFDA No. 17.258
CFDA No. 17.259
CFDA No. 17.278 | Workforce Investment Act (WIA) Cluster:
WIA Adult Program
WIA Youth Activities
WIA Dislocated Worker Formula Grants |
| (2) | CFDA No. 93.044
CFDA No. 93.045
CFDA No. 93.053 | Aging Cluster:
Special Programs for the Aging_ Title III Part B_ Grant
for Supportive Services and Senior Centers
Special Programs for the Aging_ Title III Part C_
Nutrition Services
Nutrition Services Incentive Program |
| (3) | CFDA No. 93.600 | Head Start |
| (4) | CFDA No. 93.914 | HIV Emergency Relief Project Grants |
| (5) | CFDA No. 93.958 | Block Grants for Community Mental Health Services |
| (6) | CFDA No. 93.959 | Block Grants for Prevention and Treatment of Substance Abuse |
| (7) | CFDA No. 93.658 | Foster Care- Title IV-E |
| (8) | CFDA No. 93.659 | Adoption Assistance |
| (9) | CFDA No. 97.067 | Homeland Security Grant Program |

Dollar threshold used to distinguish between Type A and Type B programs:	\$3,000,000
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Auditee qualified as low-risk auditee?	Yes
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COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

Section II Financial Statement Findings

Finding 2016-001 Schedule of Expenditures of Federal Awards Completeness

Regulatory or Other Criteria:

Title 2 - Grants And Agreements Subtitle A - Office of Management and Budget Guidance for Grants and Agreements Chapter II - Office of Management and Budget Guidance Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards - Subpart F - Audit Requirements Sec. 200.510 Financial Statements requires that the County prepare a schedule showing total expenditures for the year for each federal program.

Condition Identified and Context:

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

- WIA Cluster expenditures were overstated by \$130,688 and expenditures of CFDA No. 17.282 Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants understated by the same amount due to management oversight.
- WIA Cluster subrecipients expenditures were understated by \$116,352 due to management oversight.
- Homeland Security Grant Program federal expenditures were overstated by \$6,464 due to including expenditures not expensed under the Homeland Security Grant Program.
- Homeland Security Grant Program subrecipients expenditures were overstated by \$230,447 due to misclassification of expenditures for subrecipients.
- 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 federal and subrecipient expenditures were overstated by \$258,497 and \$48,829, respectively, due to misclassification between federal and state portions.

The County subsequently corrected the expenditure amounts reported in its fiscal year 2016 SEFA prior to its issuance.

Asserted Cause and Effect:

The Employment and Human Services Department and the Office of the Sheriff did not carefully review and submit all federal expenditures in the SEFA 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 given fiscal year and inaccuracies have the potential to affect major program determinations.

COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

Finding 2016-001 Schedule of Expenditures of Federal Awards Completeness (Continued)

Recommendation:

The County should continue to improve its process for reviewing expenditures reported in the SEFA by requiring department management to review and submit a detail listing of expenditures prior to being submitted 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:

For Fiscal Year End June 30, 2014, the Office of the Auditor-Controller incorporated the recommended management signature line on the grant inventory listing sheets sent to departments for completion.

The Office of the Auditor-Controller does not possess the staffing resources necessary to reconcile the SEFA; however, using available resources, the Office of the Auditor-Controller has implemented several processes and procedures to promote the quality of the reported SEFA information.

- The Office of the Auditor-Controller provides each department with a copy of the prior year SEFA and has each department address whether or not their prior year grants had any current year expenditures. If a prior year grant did not have any current year expenditures, the department provides an explanation.
- The Office of the Auditor-Controller reviews the Board of Supervisor's agendas to identify any federal grants that were approved to be applied for during the fiscal year. If approved grants are not on the SEFA, the appropriate department is contacted to determine the status of the grant.
- The Office of the Auditor-Controller compares the current year SEFA to the prior year SEFA to determine if any programs have been deleted. That comparison then is used to investigate the reason for the missing programs.
- The information on the department generated grant inventory sheets is compared to the information on the department generated grant questionnaires. That comparison is then used to investigate any discrepancies.
- The Office of the Auditor-Controller requires departments to provide a schedule of any costs disallowed by grantors.

The Office of the Auditor-Controller also has organized multiple venues for educating operating departmental staff in Single Audit reporting and compliance.

- On June 22, 2016, the County's external auditors conducted a work session for operating departmental staff to review Single Audit reporting requirements and deficiencies that were detected during the Fiscal Year End June 30, 2015, Single Audit process.
- During the week of May 16, 2016, the Office of the Auditor-Controller provided training to department fiscal personnel on the various aspects of the year end closing process, including Single Audit, and provided a Year End Closing Manual.

COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

- The Office of the Auditor-Controller and the County's auditors will be scheduling a work session for departmental staff to review Single Audit reporting requirements and deficiencies that were detected during the Fiscal Year End June 30, 2016, Single Audit process.

Effective with the Fiscal Year End June 30, 2016, Single Audit, departments with SEFA reporting findings are providing their corrective action plans for the prevention of future SEFA errors. The corrective action plans provided by the departments are as follows:

Office of the Sheriff-Homeland Security Grant Program (HSGP)

The Office of the Sheriff has annotated the miscoding of \$6,464 in Urban Areas Security Initiative (UASI) FY15/16 SEFA and Schedule of Expenditures by revising both reports. A copy of the revised UASI FY15/16 SEFA and Schedule of Expenditures were submitted on February 13, 2017, to the MGO (external) Auditors and the Auditor-Controller's Office. A note was included as a reference on the UASI Schedule of Expenditures that this expenditure was not claimed on the UASI grant and as such was recorded correctly in EMPG FY15/16 SEFA and claimed as an EMPG FY15/16 grant expenditure. Processes have been established to ensure all grant-related expenditures are sent to the Office's Fiscal Unit, prior to final processing for payment. This step will provide the additional oversight needed to ensure accuracy.

The Sheriff's Office Grant Financial Management Policies and Procedures Manual as of February 2017, has been implemented and updated to reflect the change in recording other County department and outside agency grant payments. The new procedure states that only payments to an outside agency will be treated and recorded as a true sub-recipient expenditure in year-end SEFA reporting.

HSGP FY15/16 SEFA and Schedule of Expenditures have been revised and submitted to the MGO Auditors and the Auditor-Controller's Office on February 28, 2017.

Employment and Human Services Department-Workforce Investment Act/Workforce Innovation and Opportunity Act (WIA/WIOA) and Aging and Adult (AAA) Programs

A revision to the FY 2015/2016 SEFA was submitted to MGO (external auditors) prior to finalizing the Single Audit in order to report the correct WIA/WIOA and AAA federal expenditures and CFDA numbers

As a corrective action plan, effective with the preparation of the FY 16/17 SEFA, the Department will compile a written manual section on year-end fiscal activities. The manual section will cover reporting federal expenditures for the different types of programs, including those with cash claims and those with accrual-based claims. We will conduct training sessions for fiscal staff who prepare year-end reports and journals. An additional check will be performed. All single audit materials including reports and documentation will be reviewed by a second staff member before they are presented to the CFO for approval.

COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

Section III Findings and Questioned Costs Related to Federal Awards

Finding 2016-002 Subrecipient Monitoring

Program Identification:

Awarding Agency: Department of Health and Human Services
Substance Abuse and Mental Health Services Administration
Passed Through: State of California Department of Mental Health
Program Name: Block Grants for Community Mental Health
CFDA No.: 93.958
Award Number: All Awards
Award Year: Fiscal Year Ending June 30, 2016

Criteria:

Title 2 - Grants and Agreements, Subtitle A - Office of Management and Budget Guidance for Grants and Agreements, Chapter II - Office of Management and Budget Guidance, Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart D - Post Federal Award Requirements, Subrecipient Monitoring and Management, §200.331 Requirements for pass-through entities:

All pass-through entities must:

- (b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:
- (1) The subrecipient's prior experience with the same or similar subawards;
 - (2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F – Audit Requirements of this part, and the extent to which the same or similar subaward has been audited as a major program;
 - (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
 - (4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

Condition:

During our audit we noted that although the County's Health Services Department (Department) monitors its subrecipients, primarily based on reviews of independent single audits of subrecipients, it has not yet developed and documented a formal risk assessment process over its subrecipients of federal awards by which to determine the frequency and extent of subrecipient monitoring to be performed as of June 30, 2016.

Asserted Cause and/or Effect:

The Department did not develop formal policies and procedures for evaluating each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward in a timely manner such that it could be implemented during the fiscal year ended June 30, 2016.

COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

Finding 2016-002 Subrecipient Monitoring (Continued)

In the absence of a formally documented risk assessment process for determining appropriate monitoring procedures, sufficient and effective monitoring may not occur for those subrecipients most at risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward.

Questioned Costs:

None.

Recommendation:

The Department should ensure that policies and procedures are in place for timely response to new federal award requirements and implementation of changes resulting from new requirements.

The Department should document a formal process for performing risk assessments over its subrecipients of federal awards in order to determine the frequency and extent of monitoring activities to be performed in accordance with the requirements of the Uniform Guidance.

Views of Responsible Officials:

The Department will draft a process to conduct risk assessments of subrecipients receiving federal awards. The Department will finalize and implement this process by October 2017.

Finding 2016-003 Reporting

Program Identification:

Awarding Agency:	Department of Health and Human Services
Passed Through:	State of California Department of Aging
Program Name:	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
CFDA No.:	93.044, 93.045, 93.053
Award Number:	All Awards
Award Year:	Fiscal Year Ending June 30, 2016

Criteria:

The General Instructions for preparation of the Aging Cluster monthly expense report "Title III/VII Monthly Details Expenditure/Request for Funds Submission," is to be submitted onto "The California Aging Reporting System (CARS)" CARS website.

"Reports are to be received on or before 30 days after the month end."

COUNTY OF CONTRA COSTA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

Finding 2016-003 Reporting (Continued)

Condition:

During our audit we noted that the County's Employment & Human Services Department did not submit two Aging reports on time for the months ended March 2016 and May 2016. The March report was due April 30, 2016 and the May report was due June 30, 2016. Both reports were not submitted until July 21, 2016.

Asserted Cause and/or Effect:

Internal controls are not adequate to ensure the completion and submission of the required reports and communications on a timely basis.

Questioned Costs:

None.

Recommendation:

We recommend that the Employment & Human Services Department meet all mandated reporting deadlines.

Views of Responsible Officials:

Effective April 1, 2017, a corrective action plan will be implemented. The plan includes strengthening internal controls to ensure that California Dept. of Aging Reports are filed timely. The Fiscal Compliance Accountant will monitor submittals on a tracking worksheet maintained by the fiscal staff responsible for submitting each report. Expectations for submitting reports by the respective due date will be communicated in staff meetings and documented in staff work plans.

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Supplemental Schedules

COUNTY OF CONTRA COSTA
Supplemental Schedule of Expenditures of Federal and State Awards Provided by the California Department of Aging
For the Year Ended June 30, 2016

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 and Human Services Passed through State of California Department of Aging				
Aging Cluster				
Special Programs for Aging-Title III Part B Grants for Supportive Services and Senior Centers	93.044	AP-1516-07	\$ 38,607	\$ 831,661
Special Programs for Aging Title IIIC, Nutrition Services	93.045	AP-1516-07	177,797	1,560,479
Nutrition Services Incentive Program	93.053	AP-1516-07	-	397,112
Subtotal Aging Cluster			<u>216,404</u>	<u>2,789,252</u>
Other Aging Programs				
Special Programs for Aging-Title III Part D Disease Prevention and Health Promotion Services	93.043	AP-1516-07	-	50,391
National Family Caregiver Support Title III Part E	93.052	AP-1516-07	-	300,549
Special Programs for Aging Title VII A Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1516-07	-	46,638
Special Programs for Aging Title VII B Chapter 3 Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041	AP-1516-07	-	12,946
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations (Health Insurance Counseling and Advocacy Program, HICAP)	93.779	HI-1516-07	190,792	147,441
Medicare Improvements for Patients and Providers Act	93.071	MI-1415-07	-	8,138
U.S. Department of Agriculture Passed through California Department of Food and Agriculture Senior Farmer's Market Coupons				
	10.576	AP-1516-07	-	25,000
Total Expenditures of Federal and State Awards			<u>\$ 407,196</u>	<u>\$ 3,380,355</u>
State Awards				
California Department of Aging				
Special Deposit Fund (SDF)-State Facilities Citation Penalties	NA	AP-1516-07	\$ 49,423	
Skilled Nursing Facility Quality and Accountability	NA	AP-1516-07	73,352	
Public Health L & C Program Fund	NA	AP-1516-07	15,443	
Health Insurance Counseling and Advocacy Program Reimbursement	NA	HI-1516-07	127,211	
Health Insurance Counseling and Advocacy Program Fund	NA	HI-1516-07	63,581	
Supplemental Nutrition Assistance Program - Education (SNAP-Ed) State administrative matching grant	NA	SP-1516-07	28,292	
Total Expenditures of State Awards			<u>\$ 357,302</u>	

**COUNTY OF CONTRA COSTA
EHSD-Community Services Bureau
Schedule of Child Nutritional Program Revenues
For the Year Ended June 30, 2016**

Child and Adult Care Food Program (CACFP)

CFDA 10.558

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, 2016.

	Total Federal Assistance
State Funded Programs:	
General Child Care & Dev Programs "CCTR"	\$ 141,643
CA State Preschool Program-"CSPP"	531,876
 Other Programs:	
Head Start and Early Head Start	289,453
Total Federal Assistance	\$ 962,972

COUNTY OF CONTRA COSTA
EHSD-Community Services Bureau
Supplemental Schedule of Revenue and Expenditures
DCSD Contract No. 15C-1005 (CFDA # 81.042)
For the Period Sept. 1, 2015 through June 30, 2016

REVENUE	July 1, 2015 through June 30, 2016	Total Audited Amount	Total Reported Expenses	Total Budget
Grant Revenue	\$ 152,433	\$ 152,433	\$ 152,433	\$ 152,541
Interest Income	-	-	-	-
Total Revenue	152,433	152,433	152,433	152,541
 EXPENDITURES				
Administrative Costs				
Salaries & Wages	6,223	6,223	6,223	6,301
Fringe Benefits	4,179	4,179	4,179	4,179
Operating Expenses	-	-	-	-
Out of State Travel	-	-	-	-
Other Costs	-	-	-	-
Total Administrative Costs	10,402	10,402	10,402	10,480
 Program Costs				
Training and Technical Assistance	7,538	7,538	7,538	7,538
Intake	4,485	4,485	4,485	4,575
Outreach	2,998	2,998	2,998	3,050
Client Education	3,937	3,937	3,937	3,050
Workers' Compensation	723	723	723	1,144
General Operating Expenditures	5,341	5,341	5,341	6,100
Direct Program Activities	106,549	106,549	106,549	96,604
Health and Safety Activities	10,460	10,460	10,460	20,000
Total Program Costs	142,031	142,031	142,031	142,061
Total Costs	152,433	152,433	152,433	152,541
Revenue over (under) costs	\$ -	\$ -	\$ -	\$ -

COUNTY OF CONTRA COSTA
EHSD-Community Services Bureau
Supplemental Schedule of Revenue and Expenditures
DCSD Contract No. 15F-2007 (CFDA # 93.569)
For the Period Jan. 1, 2015 through December 31, 2015

REVENUE	July 1, 2014 through June 30, 2015	July 1, 2015 through June 30, 2016	Total Audited Amount	Total Reported Expenses	Total Budget
Grant Revenue	\$ 214,699	\$ 583,010	\$ 797,709	\$ 797,709	\$ 797,709
Interest Income	-	-	-	-	-
Total Revenue	214,699	583,010	797,709	797,709	797,709
EXPENDITURES					
Administrative Costs					
Salaries & Wages	31,923	13,027	44,950	44,950	43,675
Fringe Benefits	24,510	7,654	32,164	32,164	29,933
Operating Expenses	10,156	8,099	18,255	18,255	17,918
Other Costs	59,501	45,004	104,505	104,505	95,079
Total Administrative Costs	126,090	73,784	199,874	199,874	186,605
Program Costs					
Salaries & Wages	150,234	160,906	311,140	311,140	318,909
Fringe Benefits	41,302	40,981	82,283	82,283	85,105
Operating Expenses	-	7,090	7,090	7,090	7,090
Subcontractor Services	-	197,322	197,322	197,322	200,000
Total Program Costs	191,536	406,299	597,835	597,835	611,104
Total Costs	317,626	480,083	797,709	797,709	797,709
Revenue over (under) costs	\$ (102,927)	\$ 102,927	\$ -	\$ -	\$ -

COUNTY OF CONTRA COSTA
EHSD-Community Services Bureau
Supplemental Schedule of Revenue and Expenditures
DCSD Contract No. 16F-5007 (CFDA # 93.569)
For the Period Jan. 1, 2016 through February 28, 2017

REVENUE	July 1, 2015 through June 30, 2016	Total Audited Amount	Total Reported Expenses	Total Budget
Grant Revenue	\$ 199,427	\$ 199,427	\$ 199,427	\$ 846,479
Interest Income	-	-	-	-
Total Revenue	199,427	199,427	199,427	846,479
EXPENDITURES				
Administrative Costs				
Salaries & Wages	8,122	8,122	8,122	15,629
Fringe Benefits	4,965	4,965	4,965	10,863
Operating Expenses	-	-	-	-
Other Costs	32,717	32,717	32,717	75,084
Total Administrative Costs	45,804	45,804	45,804	101,576
Program Costs				
Salaries & Wages	82,595	82,595	82,595	231,059
Fringe Benefits	44,140	44,140	44,140	100,401
Operating Expenses	9,742	9,742	9,742	14,507
Out-of-State Travel	2,702	2,702	2,702	3,964
Subcontractor Services	50,190	50,190	50,190	394,972
Total Program Costs	189,369	189,369	189,369	744,903
Total Costs	235,173	235,173	235,173	846,479
Revenue over (under) costs	\$ (35,746)	\$ (35,746)	\$ (35,746)	\$ -

COUNTY OF CONTRA COSTA
EHSD-Community Services Bureau
Supplemental Schedule of Revenue and Expenditures
DCSD Contract No. 15B-3005 LIHEAP-Weatherization (CFDA # 93.568)
For the Period Jan. 1, 2015 through June 30, 2017

REVENUE	July 1, 2014 through June 30, 2015	July 1, 2015 through June 30, 2016	Total Audited Amount	Total Reported Expenses	Total Budget
Grant Revenue	\$ 276,520	\$ 851,653	\$ 1,128,173	\$ 1,128,173	\$ 1,204,143
Interest Income	-	-	-	-	-
Total Revenue	276,520	851,653	1,128,173	1,128,173	1,204,143
 EXPENDITURES					
Program Costs					
Intake	6,530	19,253	25,783	25,783	53,950
Outreach	4,160	12,970	17,130	17,130	39,236
Training and Technical Assistance	22,503	37,483	59,986	59,986	60,000
Direct Program Activities	373,423	586,595	960,018	960,018	984,747
Workers' Compensation	2,807	6,965	9,772	9,772	12,260
General Operating Expenditures	22,406	33,099	55,505	55,505	53,950
Total Program Costs	431,829	696,365	1,128,194	1,128,194	1,204,143
Total Costs	\$ 431,829	\$ 696,365	\$ 1,128,194	\$ 1,128,194	\$ 1,204,143

COUNTY OF CONTRA COSTA
EHSD-Community Services Bureau
Supplemental Schedule of Revenue and Expenditures
DCSD Contract No. 15B-3005 ECIP (CFDA # 93.568)
For the Period Jan. 1, 2015 through June 30, 2017

REVENUE	July 1, 2014 through June 30, 2015	July 1, 2015 through June 30, 2016	Total Audited Amount	Total Reported Expenses	Total Budget
Grant Revenue	\$ 391,873	\$ 608,382	\$ 1,000,255	\$ 1,000,255	\$ 1,018,161
Interest Income	-	-	-	-	-
Total Revenue	391,873	608,382	1,000,255	1,000,255	1,018,161
 EXPENDITURES					
Administrative Costs					
Salaries & Wages	36,788	36,413	73,201	73,201	74,500
Fringe Benefits	22,936	23,803	46,739	46,739	45,698
Facilities	2,275	2,184	4,459	4,459	5,000
Travel	121	200	321	321	1,500
Accounting	3,498	4,975	8,473	8,473	9,000
Office Supplies	-	224	224	224	1,000
Indirect Costs	55,350	45,931	101,281	101,281	98,000
Total A-16/ECIP/HEAP Administrative Costs	120,968	113,730	234,698	234,698	234,698
 Program Costs					
Assurance 16 Costs	97,152	104,461	201,613	201,613	201,613
ECIP/HEAP Intake	76,600	97,344	173,944	173,944	173,944
ECIP/HEAP Outreach	47,229	79,339	126,568	126,568	126,568
ECIP EHCS Cooling Services Repair/Replacement	8,450	8,792	17,242	17,242	25,271
ECIP EHCS Heating Services Repair/Replacement	79,429	53,828	133,257	133,257	106,912
ECIP EHCS Water Heater Repair/Replacement	42,617	29,241	71,858	71,858	93,264
ECIP EHCS Diagnostics	16,384	13,938	30,322	30,322	27,297
Training & Technical Assistance	10,560	18,034	28,594	28,594	28,594
Total Program Costs	378,421	404,977	783,398	783,398	783,463
Total Costs	\$ 499,389	\$ 518,707	\$ 1,018,096	\$ 1,018,096	\$ 1,018,161

COUNTY OF CONTRA COSTA
EHSD-Community Services Bureau
Supplemental Schedule of Revenue and Expenditures
DCSD Contract No. 16B-4005 LIHEAP-Weatherization (CFDA # 93.568)
For the Period Jan. 1, 2016 through Sept. 30, 2017

REVENUE	July 1, 2015 through June 30, 2016	Total Audited Amount	Total Reported Expenses	Total Budget
Grant Revenue	\$ 55,230	\$ 55,230	\$ 55,230	\$ 1,027,911
Interest Income	-	-	-	-
Total Revenue	55,230	55,230	55,230	1,027,911
 EXPENDITURES				
Program Costs				
Intake	16,335	16,335	16,335	51,395
Outreach	8,980	8,980	8,980	41,116
Training and Technical Assistance	6,107	6,107	6,107	30,837
Out of State Travel	3,859	3,859	3,859	4,000
General Overhead Costs	10,435	10,435	10,435	61,675
Subtotal	45,716	45,716	45,716	189,023
Direct Program Costs				
Direct Program Activities	11,514	11,514	11,514	838,888
Subtotal	11,514	11,514	11,514	838,888
Total Costs	\$ 57,230	\$ 57,230	\$ 57,230	\$ 1,027,911

COUNTY OF CONTRA COSTA
EHSD-Community Services Bureau
Supplemental Schedule of Revenue and Expenditures
DCSD Contract No. 16B-4005 ECIP (CFDA # 93.568)
For the Period Jan. 1, 2016 through Sept. 30, 2017

REVENUE	July 1, 2015 through June 30, 2016	Total Audited Amount	Total Reported Expenses	Total Budget
Grant Revenue	\$ 316,685	\$ 316,685	\$ 316,685	\$ 925,094
Interest Income	-	-	-	-
Total Revenue	316,685	316,685	316,685	925,094
 EXPENDITURES				
Administrative Costs				
Salaries & Wages	16,731	16,731	16,731	52,964
Fringe Benefits	11,787	11,787	11,787	36,437
Facilities	(2,184)	(2,184)	(2,184)	5,757
Travel	191	191	191	2,303
Accounting	4,323	4,323	4,323	14,968
Office Supplies	-	-	-	1,152
Indirect Costs	37,294	37,294	37,294	92,405
Total A-16/ECIP/HEAP Administrative Costs	68,142	68,142	68,142	205,986
 Program Costs				
Assurance 16 Costs	70,186	70,186	70,186	206,232
ECIP/HEAP Intake	53,678	53,678	53,678	146,280
ECIP/HEAP Outreach	44,038	44,038	44,038	123,381
Training & Technical Assistance	4,519	4,519	4,519	40,482
ECIP Emergency Heating & Cooling Services	79,738	79,738	79,738	202,733
Total Program Costs	252,159	252,159	252,159	719,108
Total Costs	\$ 320,301	\$ 320,301	\$ 320,301	\$ 925,094

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

DATE: April 19, 2017

TO: FINANCE COMMITTEE:
Supervisor Karen Mitchoff, Chair
Supervisor John Gioia, Vice Chair

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

SUBJECT: **COUNTYWIDE SINGLE AUDIT FOR THE
FISCAL YEAR ENDING JUNE 30, 2016**

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, 2016).

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 2016-001 "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 two instances of noncompliance with 2016-002 "Subrecipient Monitoring" and 2016-003 "Reporting".

The reportable conditions are described in the following report:

◆ Finding 2016-001: 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 auditor noted several misstatements in the County's draft schedule of expenditures of federal awards (SEFA). Employment and Human Services' WIA Cluster expenditures were overstated by \$130,688 and expenditures of Trade Adjustment Assistance Community College and Career Training grants were understated by the same amount due to management oversight. WIA Cluster subrecipients expenditures were also understated by \$116,352 due to management oversight. The Sheriff's Homeland Security Grant Program expenditures were overstated by \$6,464 and subrecipient expenditures were overstated by \$230,447 due to misclassification of expenditures. Special Programs for the Aging Title III, Parts B & C, were overstated by \$258,497 and \$48,829 respectively, due to a misclassification of expenditures.

The County was able to correct the expenditure amounts reported in its SEFA prior to its issuance.

Corrective Action: 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 several work sessions and webinars between the auditors and department program personnel to improve the accuracy of the SEFA.

◆ Finding 2016-002: Subrecipient Monitoring

Recommendation: The Health Services Department should ensure that policies and procedures are in place for timely responses to new federal award requirements and any implementation of changes resulting from the new requirements. The Department should document a formal process for performing risk assessments over its subrecipients of federal awards in order to determine the frequency and extent of monitoring activities to be performed.

Background: The auditor noted that the Health Services Department has not yet developed and documented a formal risk assessment process over its subrecipients of federal awards.

Corrective Action: The Health Services Department will draft a process to conduct risk assessments of subrecipients receiving federal awards and will finalize and implement this process by October, 2017.

◆ Finding 2016-003: Reporting

Recommendation: The Employment and Human Services Department should meet all mandated reporting deadlines.

Background: The Employment and Human Services Department did not submit two monthly reports for funding received from the California Department of Aging until after the due dates.

Corrective Action: Employment and Human Services reports that they implemented a corrective action plan as of April 1, 2017 which includes strengthening internal controls to insure California Department of Aging Reports are filed timely and the Fiscal Compliance Accountant will monitor submittals on a tracking worksheet. Deadlines will be communicated in staff meetings and documented in staff work plans.

Prior Year Findings

◆ Finding 2015-001: 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 auditor noted several misstatements in the County's draft schedule of expenditures of federal awards (SEFA). The State Planning and Establishment Grants for the Affordable Care Act Exchange understated expenditures by \$9,999,762 in prior years due to management oversight. The Consolidated Health Centers overstated expenditures by 60,823 by using the federal fiscal year instead of the County fiscal year. Block Grants for Prevention and Treatment of Substance Abuse understated expenditures by \$159,812 by reporting projected amounts instead of actual expenditures. The County was able to correct the expenditure amounts reported in its SEFA prior to its issuance.

Corrective Action: In progress – see Finding 2016-001. 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 several work sessions and

webinars between the auditors and department program personnel to improve the accuracy of the SEFA.

◆ Finding 2015-002: Subrecipient Monitoring

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.

Background: The auditor noted that the Health Services, Behavioral Health Division had two subrecipients who did not submit audit reports.

Corrective Action: In progress – see Finding 2016-002. While there were no questioned costs and the Health Services Department does monitor its subrecipients, it has not yet developed and documented a formal risk assessment process over its subrecipients of federal awards by which to determine the frequency and extent of subrecipient monitoring to be performed annually.

Attachments

*cc: Elizabeth Verigin, Assistant Auditor-Controller, Auditor-Controller's Office
Joanne Bohren, Chief of Audit Services, Auditor-Controller's Office
Dr. William Walker, Health Services Director
Kathy Gallagher, Director, Employment & Human Services
David Livingston, Sheriff-Coroner*



Contra Costa County Board of Supervisors

Subcommittee Report

FINANCE COMMITTEE

5.

Meeting Date: 04/24/2017

Subject: ESTABLISH POLICY FOR REVIEW OF MASTER COMPENSATION AGREEMENTS WITH RDA SUCCESSOR AGENCIES

Submitted For: David Twa, County Administrator

Department: County Administrator

Referral No.: N/A

Referral Name: ESTABLISH POLICY FOR REVIEW OF MASTER COMPENSATION AGREEMENTS WITH RDA SUCCESSOR AGENCIES

Presenter: Timothy Ewell, (925) 335-1036 **Contact:** Timothy Ewell, (925) 335-1036

Referral History:

As part of the 2011 Budget Act, and in order to protect funding for core public services at the local level, the Legislature approved the dissolution of the state's 400 plus Redevelopment Agencies (RDAs). After a period of litigation, RDAs were officially dissolved as of February 1, 2012. As a result of the elimination of the RDAs, property tax revenues are now being used to pay required payments on existing bonds, other obligations, and pass-through payments to local governments. The remaining property tax revenues that exceed the enforceable obligations are now being allocated to cities, counties, special districts, and school and community college districts, thereby providing critical resources to preserve core public services.

To help facilitate the wind-down process at the local level, successor agencies were established to manage redevelopment projects currently underway, make payments on enforceable obligations, and dispose of redevelopment assets and properties. Each Successor Agency has an Oversight Board that supervises its work. The Oversight Board is comprised of representatives of the local agencies that serve the redevelopment project area: the city, county, special districts, and K-14 educational agencies. Oversight Board members have a fiduciary responsibility to holders of enforceable obligations, as well as to the local agencies that would benefit from property tax distributions from the former redevelopment project area.

FINDING OF COMPLETION

Pursuant to Health and Safety Code (HSC) Section 34179.7, the California Department of Finance (DOF) was authorized to issue a finding of completion to a Successor Agency, once the following conditions had been met and verified by December 31, 2015:

- The Successor Agency had paid the full amount as determined during the Due Diligence Reviews and the County Auditor-Controller has reported those payments to DOF, and The Successor Agency had paid the full amount as determined during the July True-Up process, or
- The Successor Agency had paid the full amount upon a final judicial determination of the amounts due and confirmed that those amounts have been paid by the County Auditor-Controller, or
- The Successor Agency had entered into a written installment payment plan with DOF for the payments owed from above.

Upon receiving the finding of completion, a Successor Agency is allowed to do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the Recognized Obligation Payment Schedule (ROPS), as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC Section 34191.4 (b) (1) Loan repayments will be governed by criteria in HSC section 34191.4 9 (a) (2).
- Utilize proceeds derived from bonds issued prior to Jan. 1, 2011 in a manner consistent with the original bond covenants per HSC Section 34191.4 (c)
- However, if on a payment plan, and a Successor Agency fails to fully make one or more payments agreed to in the written installment plan, the benefits above may be revoked.

LONG RANGE PROPERTY MANAGEMENT PLAN

Pursuant to Health and Safety Code section 34191.5, within six months after receiving a Finding of Completion from DOF, a Successor Agency is required to submit for approval to its Oversight Board and DOF a Long-Range Property Management Plan (LRPMP) that addresses the disposition and use of the real properties of the former redevelopment agency. If DOF had not approved a plan by January 1, 2016, then the Successor Agency was to have disposed of their property pursuant to HSC 34177 (e).

COMPENSATION AGREEMENTS

Some LRPMPs prepared by successor agencies include a provision providing that certain real property of the former redevelopment agency would be retained and used for future development purposes pursuant to HSC 34179.5(c) 34179.5(c)(5)(C). As part of that, LRPMPs submitted by successor agencies have contemplated the use of “compensation agreements” between an individual successor agency and affected taxing entities (ATEs), the terms of which are not subject to approval by DOF, pursuant to HSC 34180(f)(1).

Specifically, HSC 34180(f)(1) states that:

"If a city, county, or city and county wishes to retain any properties or other assets for future redevelopment activities, funded from its own funds and under its own auspices, it must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their shares of the base property tax, as determined pursuant to Section 34188, for the value of the property retained."

Referral Update:

The County has received multiple requests to enter into compensation agreements from successor agencies and is likely to receive additional requests in the future. Today's action is requesting that the Committee consider a recommendation to establish policy guidelines for evaluating whether or not to enter into compensation agreements with successor agencies and under what terms and forward to the Board of Supervisors for final consideration. This will ensure that the County, including Affected Taxing Entities (ATEs) governed by the Board of Supervisors, receive appropriate financial compensation, consistent with the spirit of RDA dissolution.

Staff from the County Administrator's Office has worked with County Counsel to develop three, draft policy scenarios for discussion and consideration by the Committee at today's meeting. This follows a survey of the California County Counsels Association to determine how other counties are dealing with this issue. The policy scenarios are attached to this staff report.

Recommendation(s)/Next Step(s):

1. RECOMMEND a draft policy for the review of Compensation Agreements submitted to the County, including all entities governed by the Board of Supervisors, by Successor Agencies to former Redevelopment Agencies throughout the County and FORWARD to the Board of Supervisors for final consideration; and,
2. PROVIDE additional direction to staff as necessary.

Fiscal Impact (if any):

No immediate fiscal impact. Depending on what policy structure is ultimately adopted by the Board of Supervisors, staff will be able to assess the revenue impacts to the County, including all entities governed by the Board of Supervisors.

Attachments

Potential Policies

PowerPoint Presentation

RDA Master Compensation Agreement

Potential Policy Options for Contra Costa County

1. City compensates County (and County agencies) at transfer from Successor RDA to City for gross market value based on independent appraiser report. If cannot agree on market value, then value as of 2011 pursuant to H&S § 34180(f)

Other Counties doing this: Similar to San Diego County above

2. City compensates County (and County agencies) a certain % share of gross market value at transfer from Successor RDA to City based on independent appraiser report. Remaining % share due when City enters into sale agreement with developer or other private party. Require Deed restriction and record Compensation Agreement against all properties

Other counties doing this: Hybrid of above County examples

3. County defers payment of current gross market value until City enters into sale agreement with a developer or other private party. Require Deed restriction and record Compensation Agreement against all properties

Other counties doing this: San Mateo, Santa Clara.



Establishment of a Policy for Review of Redevelopment Successor Agency Compensation Agreements

Report to the Finance Committee

April 24, 2017



Spirit of RDA Dissolution

Section 1 of ABx1 26 (Chapter 5, Statutes of 2011):

- ▶ (a) The economy and the residents of this state are slowly recovering from the worst recession since the Great Depression.
- ▶ (b) State and local governments are still facing incredibly significant declines in revenues and increased need for core governmental services.
- ▶ (c) Local governments across this state continue to confront difficult choices and have had to reduce fire and police protection among other services.



Spirit of RDA Dissolution

- ▶ (d) Schools have faced reductions in funding that have caused school districts to increase class size and layoff teachers, as well as make other hurtful cuts.
- ▶ (e) Redevelopment agencies have expanded over the years in this state. The expansion of redevelopment agencies has increasingly shifted property taxes away from services provided to schools, counties, special districts, and cities.
- ▶ (f) Redevelopment agencies take in approximately 12 percent of all of the property taxes collected across this state.
- ▶ (g) It is estimated that under current law, redevelopment agencies will divert \$5 billion in property tax revenue from other taxing agencies in the 2011 – 12 fiscal year.



History

- ▶ 2011 Budget Act: Approved dissolution of Redevelopment agencies throughout California.
- ▶ February 1, 2012: RDAs officially dissolved following litigation on the matter.
- ▶ December 31, 2015: CA Dept. of Finance (DOF) to issue a Finding of Completion after former RDA meets certain conditions by this date. (HSC 34179.7)
- ▶ January 1, 2016: Within 6 months following issuance of a Finding of Completion, Successor Agencies required to submit a Long Range Property Management Plan (LRPMP) to DOF for approval. (HSC 34191.5)



Long Range Property Management Plans

- ▶ Addresses the disposition and use of real property of the former RDA.
- ▶ Must have been approved by DOF by January 1, 2016.
 - If not approved by DOF, then the Successor Agency must have disposed of their property. (HSC 34177(e))
- ▶ LRPMPs have contemplated “compensation agreements” between the former RDA and Affected Taxing Entities (ATEs).
- ▶ DOF has approved LRPMPs, which contemplate “compensation agreements”; however, such agreements do not require approval by the State.



Compensation Agreements

- ▶ Designed to allow cities and counties to retain properties for future development.
- ▶ Negotiations directly with the Affected Taxing Entities, no State approval required.
- ▶ Health and Safety Code Section 34180(f):
 - (1) If a city, county, or city and county wishes to retain any properties or other assets for future redevelopment activities, funded from its own funds and under its own auspices, it must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their shares of the base property tax, as determined pursuant to Section 34188, for the value of the property retained.
 - (2) If no other agreement is reached on valuation of the retained assets, the value will be the fair market value as of the 2011 property tax lien date as determined by an independent appraiser approved by the oversight board.



What's it Mean?

- ▶ County is entitled to compensation for real property that cities intend to retain for future development.
- ▶ Terms of a compensation agreement are negotiated by the County, as an ATE, and the City.
- ▶ HSC 34180(f)(2) provides that if no agreement is reached as to the value of certain real property, then fair market value as of the 2011 property tax lien date is operable.
- ▶ No State approval of compensation agreements reached between the parties



Policy Scenarios

- City compensates County (and County agencies) at transfer from Successor RDA to City for gross market value based on independent appraiser report. If cannot agree on market value, then value as of 2011 pursuant to H&S § 34180(f)
- City compensates County (and County agencies) a certain % share of gross market value at transfer from Successor RDA to City based on independent appraiser report. Remaining % share due when City enters into sale agreement with developer or other private party. Require Deed restriction and record Compensation Agreement against all properties
- County defers payment of current gross market value until City enters into sale agreement with a developer or other private party. Require Deed restriction and record Compensation Agreement against all properties



Questions / Discussion