

County of Alameda, California

SINGLE AUDIT REPORTS For the Fiscal Year Ended June 30, 2015



Through the support and shared vision of New Beginnings and the Alameda County Arts Commission's 100 Families program, Alameda County partnered with the Oakland Museum of California to present the mural "We Dream in Art" on the front and side of the County Administration Building in Downtown Oakland. The 190-foot-long mural features the faces of local residents and the inspiring artworks of families who collaborated to create messages focused on their positive hopes and dreams for our community.

Steve Manning, Auditor-Controller

COUNTY OF ALAMEDA
 Single Audit Reports
 For the Year Ended June 30, 2015

Table of Contents

FINANCIAL SECTION:	Page(s)
Independent Auditor's Report	1
Management's Discussion and Analysis.....	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements:	
Balance Sheet – Governmental Funds	21
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	22
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Net Position – Proprietary Funds	25
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	26
Statement of Cash Flows – Proprietary Funds	27
Statement of Fiduciary Net Position – Fiduciary Funds.....	28
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	29
Notes to Basic Financial Statements	30
Required Supplementary Information:	
Schedules of Funding Progress	98
Budgetary Comparison Schedules:	
General Fund	99
Property Development Special Revenue Fund.....	100
Flood Control Special Revenue Fund.....	101
Notes to Required Supplementary Information.....	102
SINGLE AUDIT SECTION:	
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 <i>Government Auditing Standards</i>	103
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133.....	105
Schedule of Expenditures of Federal Awards.....	109
Notes to the Schedule of Expenditures of Federal Awards	117
Schedule of Findings and Questioned Costs.....	123
Status of Prior Year Findings	129



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Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133

The Grand Jury and Honorable Members
of the Board of Supervisors
County of Alameda, California

Report on Compliance for Each Major Federal Program

We have audited the County of Alameda'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, 2015. 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 Alameda County Medical Center, dba Alameda Health System (AHS); Alameda County Housing and Community Development Department (Department); and the Alameda County Healthy Homes (Program), which expended \$3,934,380, \$21,168,895, and \$1,003,801 in federal awards, respectively, which are not included in the accompanying schedule of expenditures of federal awards during the year ended June 30, 2015. Our audit, described below, did not include the operations of AHS because we were engaged to perform an audit in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (OMB Circular A-133), and report on the results separately to AHS. The Department and the Program engaged other auditors to perform audits in accordance with OMB Circular A-133.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-002. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were 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 a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-002, that we consider to be significant deficiencies.

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

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

Macias Gini & O'Connell LLP

Oakland, California
March 4, 2016

COUNTY OF ALAMEDA
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2015

Section I Summary of Auditor's Results (Continued)

Identification of major programs:

- | | |
|---------------------|---|
| (1) CFDA No. 10.557 | Special Supplemental Nutrition Program for Women, Infants, and Children |
| (2) CFDA No. 10.561 | State Administrative Matching Grants for the Supplemental Nutrition Assistance Program |
| (3) | Aging Cluster: |
| CFDA No. 93.044 | Special Programs for the Aging_ Title III, Part B_ Grants for Supportive Services and Senior Centers |
| CFDA No. 93.045 | Special Programs for the Aging_ Title III, Part C_ Nutrition Services |
| CFDA No. 93.053 | Nutrition Services Incentive Program |
| (4) CFDA No. 93.224 | Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care) |
| (5) CFDA No. 93.558 | Temporary Assistance for Needy Families |
| (6) CFDA No. 93.645 | Stephanie Tubbs Jones Child Welfare Services Program |
| (7) CFDA No. 93.658 | Foster Care_ Title IV-E |
| (8) CFDA No. 93.674 | Chafee Foster Care Independence Program |
| (9) CFDA No. 97.067 | Homeland Security Grant Program |

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

\$3,000,000

Auditee qualified as low-risk auditee?

No

COUNTY OF ALAMEDA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

Section II Financial Statement Findings

None reported.

Section III Federal Award Findings and Questioned Costs

Finding 2015-001 Reporting

Program Identification:

Awarding Agency: United States Department of Health and Human Services
Passed Through: California Department of Social Services
Program Name: Chafee Foster Care Independence Program
CFDA: 93.674
Award Number: All awards
Award Year: FYE 6/30/2015

Criteria:

The General Instructions for preparation of the Chafee Foster Care Independence Program quarterly statistical report "Exit Outcomes for Youth Aging Out of Foster Care", Form SOC 405E, available on the California Department of Social Services website states that:

"Reports are to be received on or before the 20th calendar day of the month following the end of the report quarter."

Condition Identified and Perspective:

During our audit we noted that:

- The report for the quarter ended September 30, 2014, was due by October 20, 2014 but not submitted until October 21, 2014.
- The report for the quarter ended March 31, 2015, was due by April 20, 2015 but not submitted until April 29, 2015.

This is a repeat finding from the County's single audit for the year ended June 30, 2014.

Questioned Costs:

None

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.

Recommendation:

We recommend that the County meet all mandated reporting deadlines.

COUNTY OF ALAMEDA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

Finding 2015-001 Reporting (continued)

Views of Responsible Officials:

The County agrees with the finding of late submission of two "Exit Outcomes for Youth Aging Out of Foster Care" report, Form SOC 405E.

The Department of Children & Family Services contracts with a provider who completes Form SOC 405E as part of administrative support. The two instances of delay in filing quarterly report, SOC 405E were due to reconciling discrepancies between the Forms 30-133 (Alameda County Exit Outcomes for Youth Aging Out of Foster Care), which were completed by the Child Welfare Workers, and the youth names in the form that have been submitted as dismissals during that quarter.

The Department of Children & Family Services has now taken over the reporting function and created a system that will ensure accurate data for reporting. The Department has updated Form 30-133 to match with the SOC 405X (new name April 1, 2015) report, and implemented new measures of recording dismissals to ensure accurate and timely reporting in the future.

Finding 2015-002 Eligibility

Program Identification:

Awarding Agency:	United States Department of Health and Human Services
Passed Through:	California Department of Social Services
Program Name:	Chafee Foster Care Independence Program
CFDA:	93.674
Award Number:	All awards
Award Year:	FYE 6/30/2015

Criteria:

Section 31-525.71 of the Child Welfare Services Program Special Requirements Manual Letter No. CWS-03-02 published by the California Department of Social Services requires the County to have Transitional Independent Living Plan and Agreements (TILP) as follows:

"County ILP Coordinators shall: Ensure that every eligible youth participating in ILP up to age 21 has a TILP."

Condition Identified and Perspective:

We selected and tested 40 cases out of a total population of 215 unique case identification numbers. We found one case in which the County could not provide a TILP.

Questioned Costs:

Questioned costs are 2.5% (1 of 40 case files) of the \$781,611 in total program expenditures for the year, or \$19,540.

COUNTY OF ALAMEDA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

Finding 2015-002 Eligibility (continued)

Asserted Cause and/or Effect:

The County did not prepare a TILP for the one case because the youth attended less than four classes. However, per the program guidelines, eligibility must be determined concurrently with the development of the initial TILP.

Recommendation:

We recommend that the County prepare TILPs for each participating youth upon initial contact in order to determine eligibility as required by the guidelines.

Views of Responsible Officials:

The County agrees with the finding and accepts the recommendation.

The one youth for whom the County did not prepare a Transitional Independent Living Plan and Agreements (TILP) had only attended one class instead of the required four classes, and did not complete the standard paperwork at that time. The County's TILP process for FY 2015-16 is that County prepares a TILP for each participating youth during the initial sign-up process, before they begin classes. Moving forward, quarterly monitoring on TILPs is enforced to ensure every eligible youth participating in ILP, up to age 21, has a TILP.

The HCH program CFDA 93.224 did not have any reportable Findings on the County Single Audit. Therefore it is not listed upon the findings for 2015 Single Audit.