

COUNTY OF SAN MATEO

Single Audit Reports

Year Ended June 30, 2017



Certified
Public
Accountants

COUNTY OF SAN MATEO

Single Audit Reports
Year Ended June 30, 2017

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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 San Mateo
Redwood City, 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 San Mateo (County) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 22, 2017. Our report contains a reference to other auditors who audited the financial statements of the Housing Authority of the County of San Mateo, the San Mateo County Employees' Retirement Association, the First 5 San Mateo County, and the Health Plan of San Mateo, as described in our report on the County's financial statements. The financial statements of the Health Plan of San Mateo were not audited in accordance with *Government Auditing Standards*. 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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
November 22, 2017



**Independent Auditor’s Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; Report on Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance; and Report on State of California
Department of Community Services and Development, Community Services Block Grant,
Schedules of Revenues and Expenditures**

To the Board of Supervisors of
the County of San Mateo
Redwood City, California

Report on Compliance for Each Major Federal Program

We have audited the County of San Mateo’s (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2017. 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 County of San Mateo (Housing Authority), which expended \$74,551,320 in federal awards that are not included in the accompanying schedule of expenditures of federal awards during the year ended June 30, 2017. 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 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).

Management’s Responsibility

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

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 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, 2017.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Report on State of California Department of Community Services and Development, Community Services Block Grant, Schedules of Revenues 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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 22, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of

federal awards and the State of California Department of Community Services and Development, Community Services Block Grant, schedules of revenues and expenditures are presented for purposes of additional analysis as required by the Uniform Guidance and the State of California Department of Community Services and Development, 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 the State of California Department of Community Services and Development, Community Services Block Grant, schedules of revenues and expenditures 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 29, 2018

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COUNTY OF SAN MATEO
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number (CFDA)	Federal Expenditures	Amount Provided to Subrecipients	Pass-Through Identifying Number
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through State of California, Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	\$ 222,389	\$ -	16-0517-SF
Plant and Animal Disease, Pest Control, and Animal Care	10.025	23,878	-	16-0399-SF
Plant and Animal Disease, Pest Control, and Animal Care	10.025	340,528	-	16-0053
Plant and Animal Disease, Pest Control, and Animal Care	10.025	34,865	-	15-0476-SF
Plant and Animal Disease, Pest Control, and Animal Care	10.025	73,180	-	16-0540-SF
Plant and Animal Disease, Pest Control, and Animal Care	10.025	3,272	-	16-0679-SF
Total Plant and Animal Disease, Pest Control, and Animal Care		<u>698,112</u>	<u>-</u>	
Senior Farmers Market Nutrition Program	10.576	10,000	10,000	None
Passed Through State of California, Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	8,132,860	-	None
State Administrative Matching Grants for SNAP	10.561	187,743	-	13-20532
State Administrative Matching Grants for SNAP	10.561	551,255	-	16-10141
Subtotal of SNAP Cluster		<u>8,871,858</u>	<u>-</u>	
Passed Through State of California, Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	59,525	-	41-10413-6045223-01
National School Lunch Program	10.555	89,938	-	41-10413-6045223-01
Subtotal of Child Nutrition Cluster		<u>149,463</u>	<u>-</u>	
Passed Through State of California, Department of Public Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2,893,383	-	15-10112
Subtotal of Pass-Through Programs		<u>12,622,816</u>	<u>10,000</u>	
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>12,622,816</u>	<u>10,000</u>	
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Community Development Block Grants / Entitlement Grants	14.218	3,116,826	1,291,722	--
Emergency Solutions Grant Program	14.231	207,057	182,544	--
Home Investment Partnerships Program	14.239	606,762	414,554	--
Continuum of Care Program	14.267	80,489	-	--
Subtotal of Direct Programs		<u>4,011,134</u>	<u>1,888,820</u>	
Passed Through City and County of San Francisco:				
Housing Opportunities for Persons with AIDS	14.241	629,082	576,125	None
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		<u>4,640,216</u>	<u>2,464,945</u>	
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	16,480	-	--
Edward Byrne Memorial Justice Assistance Grant Program	16.738	22,119	-	--
DNA Backlog Reduction Program	16.741	197,609	-	--
Equitable Sharing Program	16.922	154,810	-	--
Subtotal of Direct Programs		<u>391,018</u>	<u>-</u>	
Passed Through State of California, Corrections Standards Authority:				
Juvenile Accountability Block Grants	16.523	8,499	-	CSA 181-09
Passed Through State of California, Emergency Management Agency:				
Crime Victim Assistance	16.575	597,444	-	VW16350410
Crime Victim Assistance	16.575	198,754	-	XV15010410
Crime Victim Assistance	16.575	133,743	-	XC16010410
Subtotal of Crime Victim Assistance		<u>929,941</u>	<u>-</u>	
Passed Through State of California, Board of State and Community Corrections:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	19,265	-	2016-46
Edward Byrne Memorial Justice Assistance Grant Program	16.738	17,412	-	2017-44
Edward Byrne Memorial Justice Assistance Grant Program	16.738	263,282	-	BSCC-638-15
Edward Byrne Memorial Justice Assistance Grant Program	16.738	486,366	-	BSCC-638-17
Subtotal of Edward Byrne Memorial Justice Assistance Grant Program		<u>786,325</u>	<u>-</u>	
Subtotal of Pass-Through Programs		<u>1,724,765</u>	<u>-</u>	
TOTAL U.S. DEPARTMENT OF JUSTICE		<u>2,115,783</u>	<u>-</u>	
U.S. DEPARTMENT OF LABOR				
Direct Program:				
Homeless Veterans Reintegration Program	17.805	\$ 6,944	\$ -	--
TOTAL U.S. DEPARTMENT OF LABOR		<u>6,944</u>	<u>-</u>	

See notes to the schedule of expenditures of federal awards

COUNTY OF SAN MATEO
Schedule of Expenditures of Federal Awards (continued)
Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number (CFDA)	Federal Expenditures	Amount Provided to Subrecipients	Pass-Through Identifying Number
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs:				
Job Access and Reverse Commute Program	20.516	6,743	-	--
Airport Improvement Program	20.106	568,192	-	--
Subtotal of Direct Programs		<u>574,935</u>	<u>-</u>	
Highway Planning and Construction Cluster:				
Passed Through State of California, Department of Transportation:				
Highway Planning and Construction	20.205	6,171,742	-	BRLO-5935(053)
Highway Planning and Construction	20.205	207,467	-	BRLO-5935(052)
Subtotal of Highway Planning and Construction Cluster		<u>6,379,209</u>	<u>-</u>	
Passed Through San Mateo County Transit District:				
Job Access and Reverse Commute Program	20.516	138,913	-	None
Subtotal of Pass-Through Programs		<u>6,518,122</u>	<u>-</u>	
TOTAL U.S. DEPARTMENT OF TRANSPORTATION		<u>7,093,057</u>	<u>-</u>	
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Passed Through State of California, Water Resources Control Board:				
Capitalization Grants for Clean Water State Revolving Funds	66.458	222,372	-	C-06-7810-110
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY		<u>222,372</u>	<u>-</u>	
U.S. DEPARTMENT OF EDUCATION				
Passed Through State of California, Department of Rehabilitation:				
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	76,289	-	29823
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	669,210	-	29829
TOTAL U.S. DEPARTMENT OF EDUCATION		<u>745,499</u>	<u>-</u>	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Programs:				
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	2,126,251	-	--
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	92,744	-	--
Subtotal of Direct Programs		<u>2,218,995</u>	<u>-</u>	
Passed Through State of California, Department of Aging:				
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation				
Special Programs for the Aging - Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	93.041	7,414	-	AP-1617-08
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.042	44,280	44,280	AP-1617-08
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	41,969	41,969	AP-1617-08
Aging Cluster:				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers				
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.044	797,692	699,496	AP-1617-08
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	1,335,132	1,179,647	AP-1617-08
Nutrition Services Incentive Program	93.053	179,872	179,872	AP-1617-08
Subtotal of Aging Cluster		<u>2,312,696</u>	<u>2,059,015</u>	
National Family Caregiver Support, Title III, Part E	93.052	351,326	316,779	AP-1617-08
State Health Insurance Assistance Program	93.324	135,232	122,879	HI-1617-08
Passed Through Health Plan of San Mateo:				
Medical Assistance Program	93.778	288,163	-	None
Passed Through State of California, Department of Community Services and Development:				
Community Services Block Grant	93.569	11,527	11,527	14F-3103
Community Services Block Grant	93.569	276,269	276,269	16F-5040
Community Services Block Grant	93.569	32,078	32,078	16F-5554
Community Services Block Grant	93.569	216,615	216,615	17F-2040
Subtotal of Community Services Block Grant		<u>536,489</u>	<u>536,489</u>	
Passed Through State of California, Department of Health Care Services:				
Disabilities Prevention	93.184	673,887	-	San Mateo (41)
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program				
Home Visiting Program	93.505	1,080,417	-	15-10170 San Mateo
Immunization Cooperative Agreements	93.268	279,711	-	15-10450
Children's Health Insurance Program	93.767	433,674	-	None
Medical Assistance Program	93.778	1,716,067	-	None
Medical Assistance Program	93.778	105,374	-	14-10068
Maternal and Child Health Services Block Grant to the States	93.994	1,009,060	-	201641 San Mateo

See notes to the schedule of expenditures of federal awards

COUNTY OF SAN MATEO
Schedule of Expenditures of Federal Awards (continued)
Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number (CFDA)	Federal Expenditures	Amount Provided to Subrecipients	Pass-Through Identifying Number
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed Through State of California, Department of Public Health:				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	\$ 946,136	\$ -	14-10540
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	216,103	-	None
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	22,195	-	15-10384
HIV Care Formula Grants	93.917	281,528	-	15-11026
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	1,798	-	15-10267
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency				
Preventive Health and Health Services Block Grant	93.991	36,844	-	15-10833
Disabilities Prevention	93.184	133,783	-	San Mateo
Passed Through State of California, Department of Mental Health:				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	141,182	141,182	None
Block Grants for Community Mental Health Services	93.958	1,072,653	269,469	None
Passed Through State of California, Department of Social Services:				
Guardianship Assistance	93.090	255,705	-	None
Promoting Safe and Stable Families	93.556	368,658	246,194	None
Temporary Assistance for Needy Families	93.558	24,050,290	1,159,633	None
Refugee and Entrant Assistance - State Administered Programs				
Stephanie Tubbs Jones Child Welfare Services Program	93.566	27,999	-	None
	93.645	342,050	-	None
Foster Care - Title IV-E	93.658	10,678,288	1,005,973	None
Foster Care - Title IV-E	93.658	1,588,636	-	2024.00.01
Subtotal of Foster Care - Title IV-E		<u>12,266,924</u>	<u>1,005,973</u>	
Adoption Assistance	93.659	2,769,848	-	None
Social Services Block Grant	93.667	353,852	-	None
Chafee Foster Care Independence Program	93.674	152,976	84,420	None
Medical Assistance Program	93.778	10,872,614	-	None
Passed Through State of California, Department of Child Support Services:				
Child Support Enforcement	93.563	7,491,142	-	None
Passed Through State of California, Department of Education:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	389,685	389,685	CAPP-6055
Passed Through State of California, Alcohol and Drug Programs:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	4,867,744	3,445,799	None
Passed Through City and County of San Francisco:				
HIV Emergency Relief Project Grants	93.914	1,170,773	210,182	H89HA00006
HIV Prevention Activities - Health Department Based	93.940	294,894	-	5U62PS003638-05
HIV Prevention Activities - Health Department Based	93.940	204,726	-	6 NU62PS003638-05-03
Subtotal of HIV Prevention Activities - Health Department Based		<u>499,620</u>	<u>-</u>	
Subtotal of Pass-Through Programs		<u>77,747,861</u>	<u>10,073,948</u>	
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>79,966,856</u>	<u>10,073,948</u>	
OFFICE OF THE EXECUTIVE PRESIDENT				
Direct Program:				
High Intensity Drug Trafficking Areas Program	95.001	3,835,848	-	--
TOTAL OFFICE OF THE EXECUTIVE PRESIDENT		<u>3,835,848</u>	<u>-</u>	
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through City and County of San Francisco:				
Homeland Security Grant Program	97.067	3,466,336	-	2015-00078
Homeland Security Grant Program	97.067	2,071,173	-	2016-0102
Passed Through State of California, Emergency Management Agency:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	15,996	-	FEMA-4308-DR-CA
Emergency Management Performance Grants	97.042	281,235	-	2016-0010
Homeland Security Grant Program	97.067	1,320,982	-	2015-00078
Homeland Security Grant Program	97.067	387,373	-	2016-0102
Subtotal of Pass-Through Programs		<u>7,543,095</u>	<u>-</u>	
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY		<u>7,543,095</u>	<u>-</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 118,792,486</u>	<u>\$ 12,548,893</u>	

See notes to the schedule of expenditures of federal awards

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COUNTY OF SAN MATEO

Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

1. GENERAL

The schedule of expenditures of federal awards (Schedule) includes the federal grant activity of the County of San Mateo (County). All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other agencies are included in this Schedule, except for assistance related to Medical Assistance (Medi-Cal) and Medicare Hospital Insurance (Medicare) (Note 5) and the Housing Authority of the County of San Mateo (Housing Authority) (Note 6).

2. BASIS OF ACCOUNTING

The accompanying Schedule is presented using the modified accrual basis of accounting for program expenditures accounted for in the governmental funds and the accrual basis of accounting for program expenditures accounted for in the proprietary funds as described in Note 2.B of the County's basic financial statements. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The County did not elect to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs.

3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying Schedule agree or can be reconciled with amounts reported in the related federal financial assistance reports.

4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal award expenditures agree or can be reconciled with the amounts reported in the County's basic financial statements.

5. MEDI-CAL AND MEDICARE

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

COUNTY OF SAN MATEO

Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

6. HOUSING AUTHORITY OF THE COUNTY OF SAN MATEO

Housing Authority federal expenditures are excluded from the Schedule and are separately audited by other auditors. Federal expenditures for the Housing Authority programs are taken from the separately issued single audit report for the year ended June 30, 2017. The federal programs of the Housing Authority are as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Moving To Work Demonstration Program:		
Low Rent Operating Subsidy	14.881	\$ 16,087
Capital Fund	14.881	261,865
Housing Choice Vouchers	14.881	65,370,208
Other Programs:		
Shelter Plus Care	14.238	26,051
Continuum of Care	14.267	5,243,694
Housing Choice Vouchers	14.871	3,322,915
ROSS-FSS Coordinator	14.896	310,500
Total		<u>\$ 74,551,320</u>

COUNTY OF SAN MATEO

Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

7. CALIFORNIA DEPARTMENT OF AGING (CDA) SINGLE AUDIT REPORTING REQUIREMENTS

The terms and conditions of agency contracts with CDA require agencies to display state-funded expenditures discretely along with the related federal expenditures. For state grants not involving federal funding, the amounts are to be displayed separately. The following schedule is presented to comply with these requirements.

Federal Grantor Pass-through Grantor Program Title	CFDA No.	Grant/ Contract Number	Expenditures	
			State	Federal
U.S. Department of Health and Human Services				
<i>Passed through California Department of Aging</i>				
Special Programs for Aging-Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, & Exploitation	93.041	AP-1617-08	\$ -	\$ 7,414
Special Programs for Aging-Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1617-08	-	44,280
Special Programs for Aging-Title III, Part D Disease Prevention and Health Promotion Services	93.043	AP-1617-08	-	41,969
Special Programs for Aging-Title III, Part B Grants for Supportive Services and Senior Centers	93.044	AP-1617-08	27,963	797,692
Special Programs for Aging-Title III, Part C Nutrition Services (*)	93.045	AP-1617-08	174,254	1,335,132
National Family Caregiver Support	93.052	AP-1617-08	-	351,326
Nutrition Services Incentive Program	93.053	AP-1617-08	-	179,872
Health Insurance Counseling and Advocacy Program (HICAP)	93.324	HI-1617-08	178,315	135,232
Total Expenditures of CDA and Federal Awards			<u>380,532</u>	<u>\$ 2,892,917</u>
State Awards-California Department of Aging:				
Ombudsman State Health Facilities Citation Penalties Account		AP-1617-08	30,518	
Ombudsman Skilled Nursing Facility Quality & Accountability Fund		AP-1617-08	53,130	
Ombudsman Public Health & Licensing and Certification Fund		AP-1617-08	11,185	
Total Expenditures of CDA Awards			<u>\$ 475,365</u>	

* Federal expenditure amounts include a portion incurred by the San Mateo Medical Center, a major fund of the County of San Mateo. These amounts are shown below:

Federal Grantor Pass-through Grantor Program Title	CFDA No.	Grant/ Contract Number	Expenditures	
			State	Federal
Special Programs for Aging-Title III, Part C Nutrition Services	93.045	AP-1617-08	\$ -	\$ 63,596
Total Expenditures of CDA and Federal Awards			<u>\$ -</u>	<u>\$ 63,596</u>

COUNTY OF SAN MATEO

Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

8. PROGRAM TOTALS

The following table summarizes programs funded by various sources whose totals are not shown on the Schedule.

CFDA no. / Program Title / Federal Grantor or Pass-Through Grantor	Pass Through Identifying Number	Federal Expenditures
(1) CFDA no. 16.738 - Edward Byrne Memorial Justice Assistance Grant Program		
U.S. Department of Justice	None	\$ 22,119
State of California, Board of State and Community Corrections	BSCC-638-15	263,282
State of California, Board of State and Community Corrections	BSCC-638-17	486,366
State of California, Board of State and Community Corrections	2016-46	19,265
State of California, Board of State and Community Corrections	2017-44	17,412
	Program Total	<u>\$ 808,444</u>
(2) CFDA no. 20.516 - Job Access and Reverse Commute Program		
U.S. Department of Transportation	None	\$ 6,743
San Mateo County Transit District	None	138,913
	Program Total	<u>\$ 145,656</u>
(3) CFDA no. 93.184 - Disabilities Prevention		
State of California, Department of Health Care Services	San Mateo (41)	\$ 673,887
State of California, Department of Public Health	San Mateo	133,783
	Program Total	<u>\$ 807,670</u>
(4) CFDA no. 93.778 - Medical Assistance Program (Medicaid: Title XIX)		
State of California, Department of Health Care Services	None	\$ 1,716,067
State of California, Department of Health Care Services	14-10068	105,374
State of California, Department of Social Services	None	10,872,614
Health Plan of San Mateo	None	288,163
	Program Total	<u>\$ 12,982,218</u>
(5) CFDA no. 97.067 - Homeland Security Grant Program		
City and County of San Francisco	2015-00078	\$ 3,466,336
City and County of San Francisco	2016-0102	2,071,173
State of California, Emergency Management Agency	2015-00078	1,320,982
State of California, Emergency Management Agency	2016-0102	387,373
	Program Total	<u>\$ 7,245,864</u>

COUNTY OF SAN MATEO

Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

**9. SCHEDULES OF STATE OF CALIFORNIA EMERGENCY MANAGEMENT AGENCY
GRANT EXPENDITURES**

The following schedule represents expenditures for U.S. Department of Justice grants passed through the State of California Emergency Management Agency (CalEMA) as well as CalEMA funded grant expenditures for the year ended June 30, 2017. This information is included in the County's single audit report at the request of CalEMA.

Program Title and Expenditure Category	Grant Number Grant Period	Budget	Cumulative through June 30, 2016	Actual 7/1/16-6/30/17		Cumulative through June 30, 2017
				Non-match*	Match	
Victim Witness Assistance Program						
Personnel Services	VW16350410	\$ 962,681	\$ -	\$ 597,444	\$ 205,547	\$ 802,991
Operating Expenses	7/1/16-9/30/17	-	-	-	-	-
Equipment	CFDA no. 16.575	-	-	-	-	-
Total		<u>\$ 962,681</u>	<u>\$ -</u>	<u>\$ 597,444</u>	<u>\$ 205,547</u>	<u>\$ 802,991</u>
Underserved Victim Advocacy and Outreach Program						
Personnel Services	XC16010410	\$ 792,938	\$ -	\$ 133,743	\$ 1,296	\$ 135,039
Operating Expenses	7/1/16-6/30/18	-	-	-	-	-
Equipment	CFDA no. 16.575	-	-	-	-	-
Total		<u>\$ 792,938</u>	<u>\$ -</u>	<u>\$ 133,743</u>	<u>\$ 1,296</u>	<u>\$ 135,039</u>
Underserved Victim Advocacy and Outreach Program						
Personnel Services	XV15010410	\$ 437,500	\$ 74,610	\$ 198,754	\$ 49,690	\$ 323,054
Operating Expenses	4/1/16-3/31/18	-	-	-	-	-
Equipment	CFDA no. 16.575	-	-	-	-	-
Total		<u>\$ 437,500</u>	<u>\$ 74,610</u>	<u>\$ 198,754</u>	<u>\$ 49,690</u>	<u>\$ 323,054</u>

* Actual non-match expenditures are reported as federal expenditures in the Schedule under the designated CFDA numbers.

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COUNTY OF SAN MATEO
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2017

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 accounting principles generally accepted in the United States of America: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

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 2 CFR 200.516(a)? No

Identification of major programs:

<u>Program Title</u>	<u>CFDA Number</u>
Highway Planning and Construction Program	20.205
Aging Cluster Program	93.044, 93.045, 93.053
Temporary Assistance for Needy Families	93.558
Medical Assistance Program	93.778
Homeland Security Grant Program.....	97.067

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000

Auditee qualified as low-risk auditee? No

COUNTY OF SAN MATEO
Schedule of Findings and Questioned Costs
Year Ended June 30, 2017

Section II – Financial Statement Findings

No findings are reported.

Section III – Federal Awards Findings and Questioned Costs

No findings are reported.



COUNTY OF SAN MATEO
Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2017

Prior Year Findings and Questioned Costs

Financial Statement Findings:

Reference Number: 2016-001

Audit Finding: Schedule of Expenditures of Federal Awards Completeness

Status of Corrective Action: Corrective action was implemented.

Reference Number: 2016-002

Audit Finding: Internal Controls Over Financial Reporting

Status of Corrective Action: Corrective action was implemented.

Reference Number: 2016-003

Audit Finding: Terminated Employees with User Access

Status of Corrective Action: Corrective action was implemented.

Federal Awards Findings:

None reported.

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SUPPLEMENTARY INFORMATION

COUNTY OF SAN MATEO

State of California Department of Community Services and Development
Community Services Block Grant (CSBG) – CFDA No. 93.569

Contract No. 16F-5040
Schedule of Revenues and Expenditures
For the Period July 1, 2016 to December 31, 2016

REVENUES	Fiscal Year 2015/16	Fiscal Year 2016/17	Total Audited Costs	Total Reported Expenses	Total Budget
Grant Revenue*	\$ 174,996	\$ 276,269	\$ 451,265	\$ -	\$ 451,265
EXPENDITURES					
Administrative Costs					
Salaries and Wages	\$ 10,229	\$ 4,271	\$ 14,500	\$ 14,500	\$ 14,500
Program Costs					
Sub-Contractors	164,767	271,998	436,765	436,765	436,765
Total Expenditures**	\$ 174,996	\$ 276,269	\$ 451,265	\$ 451,265	\$ 451,265

* Revenue represents advances/reimbursements of federal funds through the year ended June 30, 2016 and for the year ended June 30, 2017.

** Expenditures are reported in the Schedule of Expenditures of Federal Awards under the designated CFDA and pass-through entity numbers.

COUNTY OF SAN MATEO

State of California Department of Community Services and Development
Community Services Block Grant (CSBG) – CFDA No. 93.569

Contract No. 17F-2040
Schedule of Revenues and Expenditures
For the Period January 1, 2017 to June 30, 2017

REVENUES	Fiscal Year 2016/17	Total Audited Costs	Total Reported Expenses	Total Budget
Grant Revenue*	\$ 216,615	\$ 216,615	\$ -	\$ 451,265
EXPENDITURES				
Administrative Costs				
Salaries and Wages	\$ -	\$ -	\$ -	\$ 14,500
Program Costs				
Sub-Contractors	216,615	216,615	216,615	436,765
Total Expenditures**	\$ 216,615	\$ 216,615	\$ 216,615	\$ 451,265

* Revenue represents advances/reimbursements of federal funds for the year ended June 30, 2017.

** Expenditures are reported in the Schedule of Expenditures of Federal Awards under the designated CFDA and pass-through entity numbers.

COUNTY OF SAN MATEO

State of California Department of Community Services and Development
Community Services Block Grant (CSBG) – CFDA No. 93.569

Contract No. 16F-5554
Schedule of Revenues and Expenditures
For the Period July 1, 2016 to May 31, 2017

REVENUES	Fiscal Year 2016/17	Total Audited Costs	Total Reported Expenses	Total Budget
Grant Revenue*	\$ 32,078	\$ 32,078	\$ -	\$ 32,078
EXPENDITURES				
Administrative Costs				
Salaries and Wages	\$ -	\$ -	\$ -	\$ -
Program Costs				
Sub-Contractors	32,078	32,078	32,078	32,078
Total Expenditures**	\$ 32,078	\$ 32,078	\$ 32,078	\$ 32,078

* Revenue represents advances/reimbursements of federal funds for the year ended June 30, 2017.

** Expenditures are reported in the Schedule of Expenditures of Federal Awards under the designated CFDA and pass-through entity numbers.

COUNTY OF SAN MATEO

State of California Department of Community Services and Development
Community Services Block Grant (CSBG) – CFDA No. 93.569

Contract No. 14F-3103
Schedule of Revenues and Expenditures
For the Period July 1, 2016 to December 31, 2016

	Through Fiscal Year 2015/16	Fiscal Year 2016/17	Total Audited Costs	Total Reported Expenses	Total Budget
REVENUES					
Grant Revenue*	\$ 51,197	\$ 11,527	\$ 62,724	\$ -	\$ 62,724
EXPENDITURES					
Administrative Costs					
Salaries and Wages	\$ 2,520	\$ -	\$ 2,520	\$ 2,520	\$ 2,520
Program Costs					
Sub-Contractors	48,677	11,527	60,204	60,204	60,204
Total Expenditures**	\$ 51,197	\$ 11,527	\$ 62,724	\$ 62,724	\$ 62,724

* Revenue represents advances/reimbursements of federal funds through the year ended June 30, 2016 and for the year ended June 30, 2017.

** Expenditures are reported in the Schedule of Expenditures of Federal Awards under the designated CFDA and pass-through entity numbers.