

**CITY OF SANTA ANA, CALIFORNIA**  
**SINGLE AUDIT OF FEDERAL AWARDS**  
**AND OTHER FINANCIAL INFORMATION**

**JUNE 30, 2016**

CITY OF SANTA ANA, CALIFORNIA

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

Honorable City Council  
of the City of Santa Ana  
Santa Ana, 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, each major fund and the aggregate remaining fund information of the City of Santa Ana, California (the City) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 7, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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 City'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*.

We noted a certain matter that we have reported to management and the City Council in a separate letter dated December 7, 2016.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*White Nelson Siehl Evans LLP*

Irvine, California

December 7, 2016

INDEPENDENT AUDITORS' 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, SCHEDULE OF EXPENDITURES OF STATE AWARDS REQUIRED BY THE STATE OF CALIFORNIA, AND HOUSING AUTHORITY OF THE CITY OF SANTA ANA FINANCIAL DATA SCHEDULES REQUIRED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Honorable City Council  
of the City of Santa Ana  
Santa Ana, California

**Report on Compliance for Each Major Federal Program**

We have audited the City of Santa Ana's (the City) 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 City's major federal programs for the year ended June 30, 2016. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the City'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 City'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 City's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, the City 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.

## **Report on Internal Control over Compliance**

Management of the City 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 City's internal control over compliance with the types of compliance 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 City'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. 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, Schedule of Expenditures of State Awards Required by the State of California, and Housing Authority of the City of Santa Ana Financial Data Schedules Required by the U.S. Department of Housing and Urban Development**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Ana, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 7, 2016, 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, Schedule of Expenditures of State Awards, and the Housing Authority of the City of Santa Ana Financial Data Schedules are presented for purposes of additional analysis as required by the Uniform Guidance, the State of California, and the U.S. Department of Housing and Urban 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, Schedule of Expenditures of State Awards, and Housing Authority of the City of Santa Ana Financial Data Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

*White Nelson Siehl Evans LLP*

Irvine, California

February 14, 2017, except for the Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance, Schedule of Expenditures of State Awards Required by the State of California, and Housing Authority of the City of Santa Ana Financial Data Schedules Required by the U.S. Department of Housing and Urban Development to which the date is December 7, 2016

**SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS**

**CITY OF SANTA ANA, CALIFORNIA**

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

<b>Federal Grantor / Pass-Through Grantor / Program Title</b>	<b>Catalog of Federal Domestic Assistance Number</b>	<b>Program Identification Number</b>	<b>Federal Awards Expenditures</b>	<b>Amount Provided to Subrecipients</b>
<b>U.S. Department of Housing and Urban Development</b>				
Direct Programs:				
Community Development Block Grants/Entitlement Grants:				
Community Development Block Grants	14.218	B-13-MC-06-0508	\$ 3,321,709	\$ 20,624
Community Development Block Grants	14.218	B-14-MC-06-0508	2,821,235	163,960
Community Development Block Grants	14.218	B-15-MC-06-0508	2,603,663	439,353
Community Development Block Grants	14.218	B-15-MC-06-0508(PI)	112,098	9,699
Community Development Block Grants	14.218	B-16-MC-06-0508(PI)	2,524	-
Neighborhood Stabilization Program 1	14.218	B-08-MN-06-0522(PI)	7,410	-
Neighborhood Stabilization Program 3	14.218	B-11-MN-06-0522(PI)	1,236	-
Subtotal Community Development Block Grants/Entitlement Grants			<u>8,869,875</u>	<u>633,636</u>
Emergency Solutions Grant Program	14.231	E-14-MC-06-0508	83,854	-
Emergency Solutions Grant Program	14.231	E-15-MC-06-0508	<u>448,436</u>	<u>410,508</u>
			<u>532,290</u>	<u>410,508</u>
Section 8 Housing Choice Vouchers	14.871	SF-503 Voucher	<u>31,154,096</u>	<u>-</u>
Family Self-Sufficiency Program	14.896	CA093FSH062A014	34,212	-
Family Self-Sufficiency Program	14.896	CA093FSH650A015	<u>62,869</u>	<u>-</u>
			<u>97,081</u>	<u>-</u>
HOME Investment Partnerships Program	14.239	M-12-MC-06-0535	21,630	-
HOME Investment Partnerships Program	14.239	M-13-MC-06-0535	4,739	-
HOME Investment Partnerships Program	14.239	M-13-MC-06-0535(PI)	44,709	-
HOME Investment Partnerships Program	14.239	M-14-MC-06-0535(PI)	196,967	-
HOME Investment Partnerships Program	14.239	M-15-MC-06-0535(PI)	325,757	-
HOME Investment Partnerships Program	14.239	M-16-MC-06-0535(PI)	<u>3,045</u>	<u>-</u>
			<u>596,847</u>	<u>-</u>
ARRA - Neighborhood Stabilization Program 2	14.256	B-09-LN-CA-0047	959,341	-
ARRA - Neighborhood Stabilization Program 2	14.256	B-09-LN-CA-0047(PI)	<u>48,596</u>	<u>-</u>
			<u>1,007,937</u>	<u>-</u>
Housing Opportunities for Persons with AIDS	14.241	CA-H13-F0-06	<u>11,503</u>	<u>3,819</u>
Total U.S. Department of Housing and Urban Development			<u>42,269,629</u>	<u>1,047,963</u>

(PI) = Program Income

See accompanying Notes to the Schedules of Expenditures of Federal and State Awards.

(Continued)

**CITY OF SANTA ANA, CALIFORNIA**

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

<b>Federal Grantor / Pass-Through Grantor / Program Title</b>	<b>Catalog of Federal Domestic Assistance Number</b>	<b>Program Identification Number</b>	<b>Federal Awards Expenditures</b>	<b>Amount Provided to Subrecipients</b>
<b>U.S. Department of Labor</b>				
Passed through CA Employment Development Department:				
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
WIOA Adult Program	17.258	K698383	\$ 808,320	\$ -
WIOA Dislocated Workers Formula Grants	17.278	K594782	321,527	-
WIOA Dislocated Workers Formula Grants	17.278	K698383	306,975	-
WIOA Dislocated Workers Formula Grants (Rapid Response)	17.278	K594782	74,580	-
WIOA Dislocated Workers Formula Grants (Rapid Response)	17.278	K698383	241,370	-
			944,452	-
WIOA Youth Activities	17.259	K594782	192,617	-
WIOA Youth Activities	17.259	K698383	895,907	355,907
			1,088,524	355,907
Subtotal Workforce Innovation and Opportunity Act (WIOA) Cluster			2,841,296	355,907
Direct Program:				
H-1B Job Training Grants	17.268	HG-22593-12-60-A-6	1,093,696	520,134
Total U.S. Department of Labor			3,934,992	876,041
<b>U.S. Department of Transportation</b>				
Passed through CA Department of Transportation:				
Highway Planning and Construction:				
Highway Bridge Program	20.205	BPMPL 5063(158)	21,728	-
National Highway Performance Program	20.205	BRLS-5063(153)	12,431	-
Demonstration Sec 117	20.205	DEMO-5063(145)	26,827	-
Demonstration Sec 117	20.205	DEMO-5063(146)	339,138	-
Bicycle Corridor Improvement	20.205	CMAQ-5063(147) BCI	16,517	-
Bicycle Corridor Improvement	20.205	CMAQ-5063(148) BCI	327,000	-
Bicycle Corridor Improvement	20.205	CMAQ-5063(149) BCI	5,706	-
Bicycle Corridor Improvement	20.205	CMAQ-5063(150) BCI	90,359	-
Highway Safety Improvement Program	20.205	HSIPL-5063(139)	10,103	-
Highway Safety Improvement Program	20.205	HSIPL-5063(140)	221,436	-
Highway Safety Improvement Program	20.205	HSIPL-5063(142)	9,020	-
Highway Safety Improvement Program	20.205	HSIPL-5063(151)	45,655	-
Highway Safety Improvement Program	20.205	HSIPL-5063(152)	59,856	-
Highway Safety Improvement Program	20.205	HSIPL-5063(154)	151,661	-
Highway Safety Improvement Program	20.205	HSIPL-5063(155)	8,255	-
Highway Safety Improvement Program	20.205	HSIPL-5063(156)	37,334	-
Highway Safety Improvement Program	20.205	HSIPL-5063(157)	6,966	-
Subtotal Highway Planning and Construction			1,389,992	-

See accompanying Notes to the Schedules of Expenditures of Federal and State Awards.

(Continued)

**CITY OF SANTA ANA, CALIFORNIA**

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

<b>Federal Grantor / Pass-Through Grantor / Program Title</b>	<b>Catalog of Federal Domestic Assistance Number</b>		<b>Program Identification Number</b>	<b>Federal Awards Expenditures</b>	<b>Amount Provided to Subrecipients</b>
<b>U.S. Department of Transportation (Continued)</b>					
Passed through CA Department of Transportation:					
Highway Research and Development Program:					
Transportation Enhancement Activities	20.200	RPSTPLE-5063(143)	\$ 11,037	\$ -	-
National Safe Route to School	20.200	SRTSLNI-5063(144)	3,841	-	-
			14,878	-	-
Passed through CA Office of Traffic Safety:					
State and Community Highway Safety:					
Selective Traffic Enforcement	20.600	PT1568	100,647	-	-
Selective Traffic Enforcement	20.600	PT16124	200,608	-	-
Public Education on Bicycle Safety	20.600	PS1506	139,405	-	-
			440,660	-	-
Total U.S. Department of Transportation			1,845,530		-
<b>U.S. Department of Justice</b>					
Direct Programs:					
Equitable Sharing Program (Asset Forfeiture)	16.922	-	5,769,236	-	-
ARRA-Public Safety Partnership & Community Policing Grants	16.710	2014-UL-WX-0039	814,343	-	-
Public Safety Partnership & Community Policing Grants	16.710	2014-UL-WX-0003	357,963	-	-
			1,172,306	-	-
Passed through County of Orange Sheriff's Department:					
Edward Byrne Memorial Justice Assistance Grant Program:					
Byrne Justice Assistance Grant 2012	16.738	2012-DJ-BX-0057	6,285	-	-
Byrne Justice Assistance Grant 2013	16.738	2013-DJ-BX-1065	64,967	-	-
Byrne Justice Assistance Grant 2014	16.738	2014-DJ-BX-0038	27,556	-	-
			98,808	-	-
Total U.S. Department of Justice			7,040,350	-	-
<b>U.S. Department of Homeland Security</b>					
Passed through CA Office of Emergency Services:					
Homeland Security Grant Program:					
Urban Area Security Initiative 2014	97.067	2014-SS-00093	1,321,946	-	-
Urban Area Security Initiative 2015	97.067	2015-00078 059-95010	322,330	73,563	-
Subtotal Homeland Security Grant Program			1,644,276	73,563	-
Total U.S. Department of Homeland Security			1,644,276	73,563	-

See accompanying Notes to the Schedules of Expenditures of Federal and State Awards.

(Continued)

**CITY OF SANTA ANA, CALIFORNIA****Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2016 (Continued)**

<b>Federal Grantor / Pass-Through Grantor / Program Title</b>	<b>Catalog of Federal Domestic Assistance Number</b>	<b>Program Identification Number</b>	<b>Federal Awards Expenditures</b>	<b>Amount Provided to Subrecipients</b>
<b>U.S. Department of Health and Human Services</b>				
Passed through Community Action Partnership of Orange County: Partnerships to Improve Community Health	93.331	1U58DP005861-01	\$ 67,097	\$ -
Passed through County of Orange Social Services Agency: Temporary Assistance for Needy Families	93.558	WRR0415	774,696	-
Total U.S. Department of Health and Human Services			841,793	-
<b>U.S. Institute of Museum and Library Services</b>				
Direct Program: National Leadership Grants	45.312	LG-07-14-0067-14	146,568	-
<b>U.S. National Endowment for the Arts</b>				
Direct Program: Promotion of the Arts - Grants to Organizations and Individuals	45.024	59-0100-01-1-503	2,831	-
<b>U.S. Department of Treasury</b>				
Direct Program: Equitable Sharing Program (Asset Forfeiture)	21.000	-	150,286	-
<b>Total Expenditures of Federal Awards</b>				
			<u>\$57,876,255</u>	<u>\$ 1,997,567</u>

See accompanying Notes to the Schedules of Expenditures of Federal and State Awards.

**SCHEDULE OF EXPENDITURES  
OF STATE AWARDS**

**CITY OF SANTA ANA, CALIFORNIA**

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

<b>Grantor / Program Title</b>	<b>Program Identification Number</b>	<b>State Awards Expenditures</b>
<b>CA Department of Resources Recycling and Recovery</b>		
Oil Payment Program	OPP4	\$ 9,502
Oil Payment Program	OPP5	47,550
Beverage Container Payment Program	FY 12/13	48,372
Beverage Container Payment Program	FY 13/14	<u>45,603</u>
		<u>151,027</u>
<b>CA State Water Resources Control Board</b>		
Proposition 40 Storm Water Grant Program	14-449-550-0	<u>167,220</u>
<b>CA Department of Parks and Recreation</b>		
Habitat Conservation Fund	C9757010	19,240
Statewide Park Program - Prop 84	C6905016	<u>133,644</u>
		<u>152,884</u>
<b>CA Department of Transportation</b>		
Bicycle Transportation Act	BTA 12/13-12-ORA-04	44,010
Active Transportation Program	ATPL-5063(159)	22,699
Active Transportation Program	ATPL-5063(160)	18,328
Active Transportation Program	ATPL-5063(161)	13,463
Active Transportation Program	ATPL-5063(162)	56,978
Active Transportation Program	ATPL-5063(163)	12,887
Active Transportation Program	ATPL-5063(164)	63,472
Active Transportation Program	ATPL-5063(165)	95,934
Active Transportation Program	ATPL-5063(166)	<u>175,849</u>
		<u>503,620</u>
<b>CA Department of Motor Vehicles</b>		
SCAQMD Mobile Source Air Pollution Reduction	2011 MSRC ML11029	66,390
SCAQMD Mobile Source Air Pollution Reduction	2011 MSRC ML11041	<u>120,000</u>
		<u>186,390</u>
<b>CA Department of Alcoholic Beverage Control</b>		
Alcoholic Beverage Control Grant	15G-LA38	<u>100,473</u>
<b>CA Department of Housing and Community Development</b>		
Housing-Related Parks Program	14-HRPP-9159	<u>1,030,800</u>
<b>Total Expenditures of State Awards</b>		<b>\$ 2,292,414</b>

See accompanying Notes to the Schedules of Expenditures of Federal and State Awards.

**NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS**

CITY OF SANTA ANA, CALIFORNIA

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended June 30, 2016

**1. BASIS OF PRESENTATION:**

The accompanying Schedules of Expenditures of Federal and State Awards (the Schedules) include the federal and state award activities of the City of Santa Ana (the City) under programs of the federal government and the State of California, as well as federal and state financial assistance passed through other government agencies for the year ended June 30, 2016. The information in these Schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedules present only a selected portion of the operations of the City, they are not intended to, and do not, present the financial statements of the City. The City's reporting entity is defined in Note 1 of the notes to the City's financial statements.

**2. BASIS OF ACCOUNTING:**

The accompanying Schedules are presented using the modified accrual basis of accounting for governmental funds and the accrual basis for proprietary funds, which is described in the Note 1 of the notes to the City's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The information in these Schedules is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in these Schedules may differ from amounts presented in, or used in the preparation of the basic financial statements. Pass-through entity identifying numbers are identified where available.

**3. INDIRECT COST RATE:**

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**4. CONTINGENCIES:**

Under the terms of federal and state grants, additional audits may be requested by the grantor agencies and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to a request for reimbursement to the grantor agencies.

**HOUSING AUTHORITY OF THE CITY OF SANTA ANA  
FINANCIAL DATA SCHEDULES**

# CITY OF SANTA ANA, CALIFORNIA

## Housing Authority of the City of Santa Ana Financial Data Schedule of Assets, Liabilities and Equity June 30, 2016

Line Item No.	Account Description	Family Self Sufficiency Program	Housing Choice Vouchers	Total
<b>Assets</b>				
111	Current Assets:			
111	Cash - Unrestricted	\$ -	\$ 692,621	\$ 692,621
113	Cash - Other Restricted	-	371,619	371,619
115	Cash - Restricted for Payment of Current Liabilities	-	69,329	69,329
100	Total Cash	-	1,133,569	1,133,569
122	Receivables:			
122	Accounts Receivable - HUD Other Projects	-	15,269	15,269
128	Fraud Recovery	-	52,190	52,190
128.1	Allowance for Doubtful Accounts - Fraud	-	(18,788)	(18,788)
129	Accrued Interest Receivable	-	855	855
120	Total Receivables, Net of Allowances for Doubtful Accounts	-	49,526	49,526
142	Prepaid Expenses and Other Assets	-	15,961	15,961
150	Total Current Assets	-	1,199,056	1,199,056
164	Noncurrent Assets:			
164	Fixed Assets:			
166	Furniture, Equipment & Machinery - Administration	-	-	-
166	Accumulated Depreciation	-	-	-
160	Total Fixed Assets, Net of Accumulated Depreciation	-	-	-
174	Other Assets	-	-	-
180	Total Non-Current Assets	-	-	-
290	Total Assets and Deferred Outflows of Resources	\$ -	\$ 1,199,056	\$ 1,199,056
<b>Liabilities and Equity</b>				
312	Liabilities:			
312	Accounts Payable - HUD PHA Programs <=90 days	\$ -	\$ 10,807	\$ 10,807
322	Accrued Compensated Absences - Current Portion	-	21,609	21,609
331	Accounts Payable - HUD PHA Programs	-	1,820	1,820
342	Deferred Revenues	-	33,402	33,402
345	Other Current Liabilities	-	69,329	69,329
346	Accrued Liabilities - Other	-	-	-
310	Total Current Liabilities	-	136,967	136,967
353	Noncurrent Liabilities:			
353	Noncurrent Liabilities - Other	-	207,987	207,987
354	Accrued Compensated Absences - Non Current	-	64,825	64,825
350	Total Noncurrent Liabilities	-	272,812	272,812
300	Total Liabilities	-	409,779	409,779
509.3	Equity:			
509.3	Restricted Fund Balance	-	177,868	177,868
511.3	Assigned Fund Balance	-	611,409	611,409
513	Total Equity - Net Assets/Position	-	789,277	789,277
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net Assets/Position	\$ -	\$ 1,199,056	\$ 1,199,056

# CITY OF SANTA ANA, CALIFORNIA

## Housing Authority of the City of Santa Ana

### Financial Data Schedule of Revenues, Expenses and Changes in Equity

Year Ended June 30, 2016

Line Item No.	Account Description	Family Self Sufficiency Program	Housing Choice Vouchers	Total
<b>Revenues</b>				
70600	HUD PHA Operating Grants	\$ 97,081	\$ 30,862,351	\$ 30,959,432
71100	Investment Income - Unrestricted - ADMIN	-	9,100	9,100
71400	Fraud Recovery	-	36,603	36,603
71500	Other Revenue	-	77,928	77,928
72000	Investment Income - Restricted - HAP	-	95	95
70000	Total Revenue	<u>97,081</u>	<u>30,986,077</u>	<u>31,083,158</u>
<b>Expenses</b>				
Administrative:				
91100	Administrative Salaries	-	1,092,072	1,092,072
91200	Auditing Fees	-	26,978	26,978
91400	Advertising and Marketing	-	10,357	10,357
91500	Employee Benefit Contributions - Administrative	-	424,171	424,171
91600	Other Operating - Administrative	-	355,614	355,614
91800	Travel, Training & Transportation	-	507	507
91810	Allocated Overhead	-	206,213	206,213
	Total Operating - Administrative Expenses	<u>-</u>	<u>2,115,912</u>	<u>2,115,912</u>
Tenant Services:				
92100	Tenant Services - Salaries	68,425	-	68,425
92300	Employee Benefit Contributions - Tenant Services	28,656	-	28,656
92500	Total Tenant Services	<u>97,081</u>	<u>-</u>	<u>97,081</u>
General Expenses:				
96140	All Other Insurance	-	-	-
96200	Other General Expenses	-	735,088	735,088
96210	Compensated Absences	-	-	-
96000	Total Operating - General Expenses	<u>-</u>	<u>735,088</u>	<u>735,088</u>
96900	Total Operating Expenses	<u>97,081</u>	<u>2,851,000</u>	<u>2,948,081</u>
97000	Excess Operating Revenue over Operating Expenses	-	28,135,077	28,135,077
97300	Housing Assistance Payments	-	28,258,257	28,258,257
97350	HA Portability-In	-	44,839	44,839
90000	Total Expenses	<u>97,081</u>	<u>31,154,096</u>	<u>31,251,177</u>
10093	Transfers between Program & Project-In	-	-	-
10094	Transfers between Program & Project-Out	-	-	-
10000	Excess (Deficiency) of Operating Revenues Over (Under) Expenses	<u>\$ -</u>	<u>\$ (168,019)</u>	<u>\$ (168,019)</u>
<b>Memo Account Information:</b>				
11030	Beginning Equity	\$ -	\$ 957,296	\$ 957,296
11040	Prior period Adjustments and Equity Transfers	-	-	-
11050	Changes in Compensated Absence Balance	-	-	-
11200	Unit Months Available	-	32,388	32,388
11210	Number of Unit Months Leased	-	31,109	31,109
11170	Administrative Fee Equity	-	611,409	611,409
11180	Housing Assistance Payments Equity	-	177,868	177,868
	Line 11170 & 11180	<u>-</u>	<u>789,277</u>	<u>\$ 789,277</u>
	Line 513	<u>-</u>	<u>789,277</u>	<u>\$ -</u>

**SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS**

CITY OF SANTA ANA, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2016

**Summary of Auditors' Results:**

*Financial Statements*

Type of auditors' report issued:

- Unmodified

Internal control over financial reporting:

- Material weakness identified?  yes  no
- Significant deficiency identified?  yes  none reported

Noncompliance material to financial statements noted:  yes  no

*Federal Awards*

Internal control over major programs:

- Material weakness identified?  yes  no
- Significant deficiency identified?  yes  none reported

Type of auditors' report issued on compliance for major programs:

- Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?  yes  no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Vouchers
20.205	Highway Planning and Construction
16.922	Equitable Sharing Program (Asset Forfeiture)

Dollar threshold used to distinguish between type A and type B programs: \$ 1,736,288

Auditee qualified as low-risk auditee?  yes  no

CITY OF SANTA ANA, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(CONTINUED)

For the year ended June 30, 2016

2. FINDINGS RELATING TO FINANCIAL STATEMENTS:

None noted.

3. FINDINGS AND QUESTIONED COSTS RELATING TO MAJOR FEDERAL AWARDS:

None noted.

CITY OF SANTA ANA, CALIFORNIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the year ended June 30, 2016

FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

There were no prior audit findings relative to the financial statements.

FINDINGS AND QUESTIONED COSTS FOR MAJOR FEDERAL AWARD PROGRAMS:

**Finding Number 2015-001**

Major Program

U.S. Department of Housing and Urban Development - Housing Opportunities for Persons with AIDS, CFDA No. 14.241, Passed through the City of Anaheim, Grant Identification Number: CA-H14-F0-10 (2014).

Condition

During the review of two (2) agreements, representing all of the subawards with expenditures during fiscal year 2015, between the City of Santa Ana and subrecipients, one (1) agreement did not include the CFDA number as required by OMB Circular A-133. The agreement did include all of the other required elements, such as the award name and number.

Recommendation

The recommendation was that City's management revise the policies and procedures to ensure that subrecipients are provided with complete Federal award information as required by OMB Circular A-133. In addition, for those subawards still receiving federal monies, the recommendation was the City amends the agreements to include the CDFA number.

Current Status

This finding has been corrected.

CITY OF SANTA ANA, CALIFORNIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
(CONTINUED)

For the year ended June 30, 2016

FINDINGS AND QUESTIONED COSTS FOR MAJOR FEDERAL AWARD PROGRAMS  
(CONTINUED):

**Finding Number 2015-002**

**Major Program**

U.S. Department of Homeland Security - Homeland Security Grant Program, CFDA No. 97.067, Passed through the California Governor's Office of Emergency Services, Grant Identification Numbers: 2014-SS-00093 (2014), 2013-00110 (2013), and 2011-SS-0077 (2011).

**Condition**

During the review of compliance with the subrecipient monitoring requirements, it was noted that four (4) of four (4) subawards selected for testing did not contain written evidence that a DUNS number was obtained prior to issuing the subaward.

**Recommendation**

The recommendation was that management design and implement procedures to obtain and update the DUNS numbers for subrecipients prior to the issuance of a subaward in accordance with the federal requirements.

**Current Status**

This finding has been corrected.

CITY OF SANTA ANA, CALIFORNIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
(CONTINUED)

For the year ended June 30, 2016

FINDINGS AND QUESTIONED COSTS FOR MAJOR FEDERAL AWARD PROGRAMS  
(CONTINUED):

**Finding Number 2015-003**

**Major Program**

U.S. Department of Housing and Urban Development - Section 8 Housing Choice Vouchers Program, CFDA No. 14.871, Grant Identification Numbers: CA093VO0168 (2015) and CA093VO0169 (2015).

**Condition**

During the review, it was noted that the City did not have written procedures to implement the requirements of 2 CFR section 200.305 *Payment* during fiscal year 2015.

**Recommendation**

The recommendation was that the City identifies grants that are subject to Uniform Guidance on a timely basis to ensure all compliance requirements are met.

**Current Status**

This finding has been corrected.

CITY OF SANTA ANA, CALIFORNIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
(CONTINUED)

For the year ended June 30, 2016

FINDINGS AND QUESTIONED COSTS FOR MAJOR FEDERAL AWARD PROGRAMS  
(CONTINUED):

**Finding Number 2015-004**

**Major Program**

U.S. Department of Housing and Urban Development - Section 8 Housing Choice Vouchers Program, CFDA No. 14.871, Grant Identification Numbers: CA093VO0168 (2015) and CA093VO0169 (2015).

**Condition**

During the review of compliance with the Uniform Guidance requirements, it was noted that the City did not have written procedures for determining the allowability of costs and the terms and conditions of the Federal award in fiscal year 2015. However, the City developed and implemented the written procedures during fiscal year 2016.

**Recommendation**

The recommendation was that the City identifies grants that are subject to Uniform Guidance on a timely basis to ensure all compliance requirements are met.

**Current Status**

This finding has been corrected.