

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

JUNE 30, 2018

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 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, 2018, 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, 2018.

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*.

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 Dick Evans LLP

Irvine, California
December 7, 2018

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 US 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 *Office of Management and Budget 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, 2018. 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 US 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, 2018.

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, the Schedule of Expenditures of State Awards Required by the State of California, and the Housing Authority of the City of Santa Ana Financial Data Schedules Required by the US 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, 2018, 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, 2018, 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, the 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 US 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, the Schedule of Expenditures of State Awards, and the 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 Dick Evans LLP

Irvine, California

February 14, 2019, except for the Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance, the Schedule of Expenditures of State Awards Required by the State of California, and the Housing Authority of the City of Santa Ana Financial Data Schedules Required by the US Department of Housing and Urban Development to which the date is December 7, 2018.

**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

CITY OF SANTA ANA, CALIFORNIA

**Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018**

Federal Grantor / Pass-Through Grantor / Program Title	Catalog of Federal Domestic Assistance Number	Program Identification Number	Federal Awards Expenditures	Amount Provided to Subrecipients
U.S. Department of Housing and Urban Development				
Direct Programs:				
Community Development Block Grants/Entitlement Grants:				
Community Development Block Grants	14.218	B-14-MC-06-0508	\$ 830,057	\$ -
Community Development Block Grants	14.218	B-15-MC-06-0508	1,227,623	6,000
Community Development Block Grants	14.218	B-16-MC-06-0508	1,041,208	436,973
Community Development Block Grants	14.218	B-17-MC-06-0508	2,449,688	747,261
Community Development Block Grants	14.218	B-17-MC-06-0508(PI)	180,936	14,928
Community Development Block Grants	14.218	B-18-MC-06-0508(PI)	1,713	1,713
Neighborhood Stabilization Program 1	14.218	B-08-MN-06-0522(PI)	6,105	-
Neighborhood Stabilization Program 3	14.218	B-11-MN-06-0522(PI)	533	-
Subtotal Community Development Block Grants/Entitlement Grants			5,737,863	1,206,875
Emergency Solutions Grant Program	14.231	E-16-MC-06-0508	66,724	64,221
Emergency Solutions Grant Program	14.231	E-17-MC-06-0508	389,128	309,779
			455,852	374,000
Section 8 Housing Choice Vouchers	14.871	SF-503 Voucher	33,777,524	-
Family Self-Sufficiency Program	14.896	CA093FSH080A016	82,146	-
Family Self-Sufficiency Program	14.896	CA093FSH650A017	80,256	-
			162,402	-
Home Investment Partnerships Program	14.239	M-14-MC-06-0535	952,985	-
Home Investment Partnerships Program	14.239	M-15-MC-06-0535	852,033	-
Home Investment Partnerships Program	14.239	M-16-MC-06-0535	577,459	-
Home Investment Partnerships Program	14.239	M-17-MC-06-0535	33,794	-
Home Investment Partnerships Program	14.239	M-16-MC-06-0535(PI)	14,620	-
Home Investment Partnerships Program	14.239	M-17-MC-06-0535(PI)	228,757	-
			2,659,648	-
ARRA - Neighborhood Stabilization Program 2	14.256	B-09-LN-CA-0047(PI)	15,380	-
Housing Opportunities for Persons with AIDS	14.241	CA-H13-F0-06	1,546	-
Total U.S. Department of Housing and Urban Development			42,810,215	1,580,875

(Continued)

(PI) = Program Income

CITY OF SANTA ANA, CALIFORNIA

**Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018 (Continued)**

Federal Grantor / Pass-Through Grantor / Program Title	Catalog of Federal Domestic Assistance Number	Program Identification Number	Federal Awards Expenditures	Amount Provided to Subrecipients
U.S. Department of Labor				
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
Passed through CA Employment Development Department:				
WIOA Adult Program	17.258	K7102060	\$ 128,537	\$ -
WIOA Adult Program	17.258	K8106656	542,555	-
WIOA Adult Program (High Performing Boards)	17.258	K7102060	54,839	-
			<u>725,931</u>	<u>-</u>
WIOA Dislocated Worker Formula Grants	17.278	K7102060	239,802	-
WIOA Dislocated Worker Formula Grants	17.278	K8106656	584,024	-
WIOA Dislocated Worker Formula Grants (Rapid Response)	17.278	K7102060	310,104	-
WIOA Dislocated Worker Formula Grants (Rapid Response)	17.278	K8106656	54,748	-
			<u>1,188,678</u>	<u>-</u>
WIOA Youth Activities	17.259	K7102060	181,454	
WIOA Youth Activities	17.259	K8106656	822,671	429,462
			<u>1,004,125</u>	<u>429,462</u>
Passed through County of Orange Community Resources Agency				
WIOA Adult Program	17.258	16-28-0039-RWS-P	74,306	-
WIOA Dislocated Worker Formula Grants	17.278	16-28-0039-RWS-P	137,996	-
			<u>212,302</u>	<u>-</u>
			<u>3,131,036</u>	<u>429,462</u>
Subtotal Workforce Innovation and Opportunity Act (WIOA) Cluster			<u>3,131,036</u>	<u>429,462</u>
Total U.S. Department of Labor			<u>3,131,036</u>	<u>429,462</u>
U.S. Department of Transportation				
Passed through CA Department of Transportation:				
Highway Planning and Construction:				
National Highway Performance Program	20.205	BRLS 5063(153)	3,416	-
National Highway Performance Program	20.205	BRLS 5063(184)	123,540	-
Bicycle Corridor Improvement	20.205	CMAQ 5063(180) BCI	58,948	-
Bicycle Corridor Improvement	20.205	CMAQ 5063(182) BCI	70,402	-
Bicycle Corridor Improvement	20.205	CMAQ 5063(183) BCI	119,715	-
Demonstration Sec 117	20.205	DEMO 5063(145)	501,714	-
Transportation Enhancement Activities	20.205	STPL 5063(168)	491,669	-
Transportation Enhancement Activities	20.205	STPL 5063(169)	450,713	-
Transportation Enhancement Activities	20.205	STPL 5063(176)	383,001	-
Highway Safety Improvement Program	20.205	HSIPL 5063(154)	1,483	-
Highway Safety Improvement Program	20.205	HSIPL 5063(155)	177,567	-
Highway Safety Improvement Program	20.205	HSIPL 5063(156)	183,556	-
Highway Safety Improvement Program	20.205	HSIPL 5063(157)	184,419	-

(Continued)

CITY OF SANTA ANA, CALIFORNIA

**Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018 (Continued)**

Federal Grantor / Pass-Through Grantor / Program Title	Catalog of Federal Domestic Assistance Number	Program Identification Number	Federal Awards Expenditures	Amount Provided to Subrecipients
Highway Safety Improvement Program	20.205	HSIPL 5063(171)	\$ 4,470	\$ -
Highway Safety Improvement Program	20.205	HSIPL 5063(186)	37,684	-
Highway Safety Improvement Program	20.205	HSIPL 5063(187)	125,168	-
Highway Safety Improvement Program	20.205	HSIPL 5063(188)	29,703	-
Highway Safety Improvement Program	20.205	HSIPL 5063(189)	640	-
Highway Safety Improvement Program	20.205	HSIPL 5063(190)	640	-
Subtotal Highway Planning and Construction			2,948,448	-
Passed through CA Office of Traffic Safety:				
State and Community Highway Safety:				
Selective Traffic Enforcement	20.600	PT17117-1	155,541	-
Selective Traffic Enforcement	20.600	PT18133	264,028	-
Public Education on Bicycle Safety	20.600	PS1716	139,455	-
			559,024	-
Total U.S. Department of Transportation			3,507,472	-
U.S. Department of Justice				
Direct Programs:				
Equitable Sharing Program (Asset Forfeiture)	16.922	-	1,145,743	-
Public Safety Partnership & Community Policing Grants	16.710	2015-UL-WX-0003	258,028	-
Public Safety Partnership & Community Policing Grants	16.710	2016-UL-WX-0020	574,789	-
			832,817	-
Passed through County of Orange Sheriff's Department:				
Edward Byrne Memorial Justice Assistance Grant Program:				
Byrne Justice Assistance Grant 2016	16.738	2016-DJ-BX-0746	34,251	-
Passed through Human Options:				
Culturally and Linguistically Specific Services Program	16.016	2016-WE-AX-0054	43,232	-
Total U.S. Department of Justice			2,056,043	-
U.S. Department of Homeland Security				
Homeland Security Grant Program:				
Passed through CA Office of Emergency Services:				
Urban Area Security Initiative 2015	97.067	2015-00078 059-95010	1,459,277	681,007
Passed through City of Anaheim:				
Urban Area Security Initiative 2016	97.067	2016-SS-0102	640,681	-
Subtotal Homeland Security Grant Program			2,099,958	681,007
Passed through CA Office of Emergency Services:				
Disaster Grants - Public Assistance	97.036	FEMA-4305-DR-CA	81,934	-

(Continued)

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

CITY OF SANTA ANA, CALIFORNIA

**Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018 (Continued)**

Federal Grantor / Pass-Through Grantor / Program Title	Catalog of Federal Domestic Assistance Number	Program Identification Number	Federal Awards Expenditures	Amount Provided to Subrecipients
Passed through County of Orange Sheriff's Department:				
Emergency Management Performance Grants	97.042	2006-7	\$ 39,174	\$ -
Emergency Management Performance Grants	97.042	2007-8	30,146	-
Emergency Management Performance Grants	97.042	2008-9	32,137	-
Emergency Management Performance Grants	97.042	2009-10	35,000	-
Emergency Management Performance Grants	97.042	2010-11	22,713	-
Emergency Management Performance Grants	97.042	EMF-2017-EP-00007	46,809	-
			<u>205,979</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>2,387,871</u>	<u>681,007</u>
U.S. Department of Health and Human Services				
Passed through Community Action Partnership of Orange County:				
Partnerships to Improve Community Health	93.331	NU69DP005861-03	98,839	-
Passed through County of Orange Social Services Agency:				
Temporary Assistance for Needy Families	93.558	WRR0216	502,167	-
Total U.S. Department of Health and Human Service:			<u>601,006</u>	<u>-</u>
U.S. Institute of Museum and Library Services				
Direct Program:				
National Leadership Grants	45.312	AL-00-16-0001-16	5,000	-
National Leadership Grants	45.312	LG-07-14-0067-14	110,120	-
			<u>115,120</u>	<u>-</u>
Passed through California State Library:				
Grants to States (Library Services and Technology Act 2012)	45.310	LS-00-17-0005-17	39,519	-
Total U.S. Institute of Museum and Library Services			<u>154,639</u>	<u>-</u>
U.S. Department of Treasury				
Direct Program:				
Equitable Sharing Program (Asset Forfeiture)	21.016	-	123,944	-
Total Expenditures of Federal Awards			<u>\$ 54,772,226</u>	<u>\$ 2,691,344</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, 2018**

Grantor / Program Title	Program Identification Number	State Awards Expenditures
CA Department of Alcoholic Beverage Control Alcoholic Beverage Control Grant	17G-LA44	\$ 67,047
CA Department of Education Basic Skills/Student Outcomes Transformation Program	DO-17-2058-01	51,415
CA Department of Motor Vehicles SCAQMD Mobile Source Air Pollution Reduction	2012-MSRC ML12014	43,967
CA Department of Parks and Recreation Statewide Park Program - Proposition 84	C6905016	4,088,963
CA Natural Resources Agency Urban Greening Grant Program - Proposition 84	U59151-0	56,543
CA Department of Resources Recycling and Recovery Oil Payment Program	OPP7	72,590
Beverage Container Payment Program	FY 13/14	22,299
Beverage Container Payment Program	FY 14/15	6,730
Beverage Container Payment Program	FY 15/16	6,192
Beverage Container Payment Program	FY 16/17	2,731
		<u>110,542</u>
CA Department of Transportation Bicycle Transportation Act	BTA 12/13-12-ORA-04	51,020
Active Transportation Program	ATPL-5063(159)	448,027
Active Transportation Program	ATPL-5063(160)	327,146
Active Transportation Program	ATPL-5063(161)	550,200
Active Transportation Program	ATPL-5063(162)	94,170
Active Transportation Program	ATPL-5063(163)	19,991
Active Transportation Program	ATPL-5063(164)	38,280
Active Transportation Program	ATPL-5063(165)	41,345
Active Transportation Program	ATPL-5063(170)	549,646
Active Transportation Program	ATPL-5063(172)	177,485
Active Transportation Program	ATPL-5063(174)	9,508
Active Transportation Program	ATPL-5063(177)	5,892
Active Transportation Program	ATPL-5063(178)	267,169
Active Transportation Program	ATPL-5063(185)	87,743
Southern California Association of Government Grant	275-4823U3.01/4823E.01	32,671
		<u>2,700,293</u>
CA Office of Emergency Services Public Assistance Grant	CAL OES ID 059-69000	20,483
		<u>20,483</u>
Total Expenditures of State Awards		<u>\$ 7,139,253</u>

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 THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the year ended June 30, 2018

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, California (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, 2018. The information in these Schedules is presented in accordance with the requirements of Title 2 US *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, 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, 2018**

Line Item No.	Account Description	Family Self Sufficiency Program	Housing Choice Vouchers	Total
<u>Assets</u>				
Current Assets:				
111	Cash - Unrestricted	\$ (10,288)	\$ 357,462	\$ 347,174
113	Cash - Other Restricted	-	368,257	368,257
115	Cash - Restricted for Payment of Current Liabilities	-	122,775	122,775
100	Total Cash	<u>(10,288)</u>	<u>848,494</u>	<u>838,206</u>
Receivables:				
122	Accounts Receivable - HUD Other Projects	10,288	-	10,288
128	Fraud Recovery	-	36,297	36,297
128.1	Allowance for Doubtful Accounts - Fraud	-	(13,067)	(13,067)
129	Accrued Interest Receivable	-	1,572	1,572
120	Total Receivables, Net of Allowances for Doubtful Accounts	<u>10,288</u>	<u>24,802</u>	<u>35,090</u>
142	Prepaid Expenses and Other Assets	-	-	-
150	Total Current Assets	<u>-</u>	<u>873,296</u>	<u>873,296</u>
Noncurrent Assets:				
Fixed Assets:				
164	Furniture, Equipment & Machinery - Administration	-	-	-
166	Accumulated Depreciation	-	-	-
160	Total Fixed Assets, Net of Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
174	Other Assets	-	-	-
180	Total Non-Current Assets	<u>-</u>	<u>-</u>	<u>-</u>
290	Total Assets and Deferred Outflows of Resources	<u>-</u>	<u>873,296</u>	<u>873,296</u>
<u>Liabilities and Equity</u>				
Liabilities:				
312	Accounts Payable - HUD PHA Programs <=90 days	-	16,006	16,006
322	Accrued Compensated Absences - Current Portion	-	29,246	29,246
331	Accounts Payable - HUD PHA Programs	-	23	23
342	Deferred Revenues	-	23,890	23,890
345	Other Current Liabilities	-	122,775	122,775
346	Accrued Liabilities - Other	-	-	-
310	Total Current Liabilities	<u>-</u>	<u>191,940</u>	<u>191,940</u>
Noncurrent Liabilities:				
353	Noncurrent Liabilities - Other	-	368,327	368,327
354	Accrued Compensated Absences - Non Current	-	87,736	87,736
350	Total Noncurrent Liabilities	<u>-</u>	<u>456,063</u>	<u>456,063</u>
300	Total Liabilities	<u>-</u>	<u>648,003</u>	<u>648,003</u>
Equity:				
509.3	Restricted Fund Balance	-	-	-
511.3	Assigned Fund Balance	-	225,293	225,293
513	Total Equity - Net Assets/Position	<u>-</u>	<u>225,293</u>	<u>225,293</u>
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net Assets/Position	<u>\$ -</u>	<u>\$ 873,296</u>	<u>\$ 873,296</u>

CITY OF SANTA ANA, CALIFORNIA

**Housing Authority of the City of Santa Ana
Financial Data Schedule of Revenues, Expenses, and Changes in Equity
For the Fiscal Year Ended June 30, 2018**

Line Item No.	Account Description	Family Self Sufficiency Program	Housing Choice Vouchers	Total
Revenues				
70600	HUD PHA Operating Grants	\$ 162,402	\$ 32,858,237	\$ 33,020,639
71100	Investment Income - Unrestricted - ADMIN	-	6,777	6,777
71400	Fraud Recovery	-	31,912	31,912
71500	Other Revenue	-	521,704	521,704
72000	Investment Income - Restricted - HAP	-	-	-
70000	Total Revenue	<u>162,402</u>	<u>33,418,630</u>	<u>33,581,032</u>
Expenses				
Administrative:				
91100	Administrative Salaries	-	1,117,580	1,117,580
91200	Auditing Fees	-	22,482	22,482
91400	Advertising and Marketing	-	-	-
91500	Employee Benefit Contributions - Administrative	-	534,390	534,390
91600	Other Operating - Administrative	-	439,108	439,108
91800	Travel, Training & Transportation	-	3,911	3,911
91810	Allocated Overhead	-	219,370	219,370
	Total Operating - Administrative Expenses	<u>-</u>	<u>2,336,841</u>	<u>2,336,841</u>
Tenant Services:				
92100	Tenant Services - Salaries	105,341	-	105,341
92300	Employee Benefit Contributions - Tenant Services	57,061	-	57,061
92500	Total Tenant Services	<u>162,402</u>	<u>-</u>	<u>162,402</u>
General Expenses:				
96140	All Other Insurance	-	-	-
96200	Other General Expenses	-	756,469	756,469
96210	Compensated Absences	-	-	-
96000	Total Operating - General Expenses	<u>-</u>	<u>756,469</u>	<u>756,469</u>
96900	Total Operating Expenses	<u>162,402</u>	<u>3,093,310</u>	<u>3,255,712</u>
97000	Excess Operating Revenue over Operating Expenses	-	30,325,320	30,325,320
97300	Housing Assistance Payments	-	30,242,388	30,242,388
97350	HA Portability-In	-	450,301	450,301
90000	Total Expenses	<u>162,402</u>	<u>33,785,999</u>	<u>33,948,401</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>\$ (367,369)</u>	<u>\$ (367,369)</u>
Memo Account Information:				
11030	Beginning Equity	\$ -	\$ 592,662	\$ 592,662
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	-	30,456	30,456
11170	Administrative Fee Equity	-	225,293	225,293
11180	Housing Assistance Payments Equity	-	-	-
	Line 11170 & 11180	<u>-</u>	<u>225,293</u>	<u>\$ 225,293</u>
	Line 513	<u>-</u>	<u>225,293</u>	<u>\$ 225,293</u>
		<u>\$ -</u>	<u>\$ -</u>	

**SCHEDULE OF FINDINGS
AND QUESTIONED COSTS**

CITY OF SANTA ANA, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)

For the year ended June 30, 2018

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-YEAR AUDIT FINDINGS

For the year ended June 30, 2018

1. FINDINGS RELATING TO FINANCIAL STATEMENTS:

None noted.

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

Finding Number 2017-001 - Noncompliance: Equipment Management

Major Program

United States Department of Treasury, Direct Assistance, Equitable Sharing Program (Asset Forfeiture), Program Identification Not Available (CFDA No. 21.016).

Condition

The City purchased certain equipment using program funds during the year that were not included in the City's equipment listing.

Recommendation

We recommended that the City establish procedures to ensure that all equipment purchased using program funds are included in the equipment listing and is managed in accordance with Uniform Guidance Title 2, Subtitle A, Chapter II, Part 200, Subpart D, §200.313.

Current Status

This finding has been corrected.