

**SACRAMENTO EMPLOYMENT AND
TRAINING AGENCY - HEAD START**

**FEDERAL BLOCK GRANT CENTER
PROJECT NO. 34-2173-00-5**

**SUPPLEMENTAL SCHEDULES WITH
INDEPENDENT AUDITOR'S REPORT**

FISCAL YEAR ENDED JUNE 30, 2016

SACRAMENTO EMPLOYMENT AND TRAINING AGENCY - HEAD START

SUPPLEMENTAL SCHEDULES YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report on Supplemental Schedules	1
Schedule of California Department of Education Federal and State Awards	3
Combining Statement of Activities.....	4
Schedule of Expenditures by State Categories and Reconciliation to GAAP Expense Reporting	5
Schedule of Reimbursable Equipment Expenditures	6
Schedule of Reimbursable Expenditures for Renovations and Repairs	7
Schedule of Reimbursable Administrative Costs.....	8
Schedule of Reimbursable Budget Impasse Credit Expenses.....	9
Audited Attendance and Fiscal Report, Contract No. CSPP-5371	10
Audited Attendance and Fiscal Report, Contract No. CCTR-5191	12
Audited Reserve Account Activity Report	14

REPORT ON COMPLIANCE WITH APPLICABLE REQUIREMENTS IN ACCORDANCE WITH THE CDE AUDIT GUIDE

Independent Auditor's Report

**Governing Board
Sacramento Employment and Training Agency
Sacramento, California**

Report on Compliance

We have audited Sacramento Employment and Training Agency's (SETA) compliance with the types of compliance requirements described in the *CDE Audit Guide* issued by the California Department of Education as applicable to SETA's Federal Block Grant Center Project No. 34-2173-00-5 program for the year ended June 30, 2016.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on SETA's compliance with the *CDE Audit Guide* based on our audit of the 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 standards in the *CDE Audit Guide*, issued by the California Department of Education. Those standards and the *CDE Audit Guide* 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 material effect on the Federal Block Grant Center Project No. 34-2173-00-5 program occurred. An audit includes examining, on a test basis, evidence about SETA's compliance with those requirements and performing such other procedures as we considered necessary under the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination on SETA's compliance with those requirements.

Opinion on CDE Programs

In our opinion, SETA complied, in all material respects, with the compliance requirements referred to above for the year ended June 30, 2016.

Purpose of Report

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

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC
Sacramento, California

November 8, 2016

SACRAMENTO EMPLOYMENT AND TRAINING AGENCY - HEAD START
SCHEDULE OF CALIFORNIA DEPARTMENT OF EDUCATION FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>CFDA#</u>	<u>Grant Number</u>	<u>Award Amount</u>		<u>Expenditures</u>	
			<u>Federal</u>	<u>State</u>	<u>Federal</u>	<u>State</u>
U.S. DEPARTMENT OF AGRICULTURE						
Passed-Through California Department of Education:						
Program Name:						
Child Care Food Program	10.558	34-1826-1-J	\$ 1,482,109	\$ -	\$ 1,482,109	\$ -
Total U.S. Department of Agriculture			<u>1,482,109</u>	<u>-</u>	<u>1,482,109</u>	<u>-</u>
CALIFORNIA STATE GENERAL FUND						
Passed-Through California Department of Education:						
Program Name:						
General Child Care	93.575, 93.596	CSPP-5371	429,554	1,835,245	415,285	1,737,680
General Child Care	93.575, 93.596	CCTR-5191	<u>562,663</u>	<u>689,343</u>	<u>544,901</u>	<u>667,529</u>
Total General Child Care Awards			<u>992,217</u>	<u>2,524,588</u>	<u>960,186</u>	<u>2,405,209</u>
TOTAL CALIFORNIA DEPARTMENT OF EDUCATION AWARDS			<u>\$ 2,474,326</u>	<u>\$ 2,524,588</u>	<u>\$ 2,442,295</u>	<u>\$ 2,405,209</u>

SACRAMENTO EMPLOYMENT AND TRAINING AGENCY - HEAD START

COMBINING STATEMENT OF ACTIVITIES FOR THE YEAR ENED JUNE 30, 2016

	CSPP-5371	CCTR-5191	Total CDE Contracts	Non-CDE Programs	Total
Revenue and Support					
Grant Revenue	\$ 2,152,965	\$ 1,212,430	\$ 3,365,395	\$ 69,539,974	\$ 72,905,369
Child Care Food Reimbursements	309,910	101,712	411,622	1,070,487	1,482,109
Intergovernmental	-	-	-	6,855,725	6,855,725
Investment Income	-	-	-	17,266	17,266
Miscellaneous Income	-	-	-	339,151	339,151
In Kind Contributions	-	-	-	16,035,221	16,035,221
Family Fees	32,301	4,847	37,148	-	37,148
Total Revenue and Support	<u>2,495,176</u>	<u>1,318,989</u>	<u>3,814,165</u>	<u>93,857,824</u>	<u>97,671,989</u>
Expenses					
Salaries	1,333,544	647,660	1,981,204	22,291,001	24,272,205
Fringe Benefits	767,158	518,970	1,286,128	7,655,827	8,941,955
Books and Supplies	-	-	-	1,282,524	1,282,524
Services and Other Operating Expenses	394,474	152,359	546,833	41,813,255	42,360,088
Equipment Expense	-	-	-	319,539	319,539
Depreciation	-	-	-	422,105	422,105
In kind Contributions Expense	-	-	-	16,035,221	16,035,221
Total Expenses	<u>2,495,176</u>	<u>1,318,989</u>	<u>3,814,165</u>	<u>89,819,472</u>	<u>93,633,637</u>
Change in Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,038,352</u>	<u>\$ 4,038,352</u>

Note

Salaries for the CSPP-5371 contract have been reduced by \$9,339 due to an Intra-Cost Recovery Adjustment.

Salaries for the CCTR-5191 contract have been reduced by \$270,470 due to an Intra-Cost Recovery Adjustment.

SACRAMENTO EMPLOYMENT AND TRAINING AGENCY - HEAD START

SCHEDULE OF EXPENDITURES BY STATE CATEGORIES AND RECONCILIATION TO GAAP EXPENSE REPORTING YEAR ENDED JUNE 30, 2016

<u>Expenditures</u>	<u>CSPP-5371</u>	<u>CCTR-5191</u>	<u>Total CDE Contracts</u>
Direct payments to providers			
1000 Certified Salaries	\$ 1,174,875	\$ 820,641	\$ 1,995,516
2000 Classified Salaries	168,008	97,489	265,497
3000 Employee Benefits	767,158	518,970	1,286,128
4000 Books and Supplies	-	-	-
5000 Services and other Operating Expenses	394,474	152,359	546,833
6500 Replacement Equipment	<u>-</u>	<u>-</u>	<u>-</u>
 Total expenses claimed for reimbursement	 <u>2,504,515</u>	 <u>1,589,459</u>	 <u>4,093,974</u>
 Adjustments to Reconcile to GAAP Expense Reporting:			
Restricted Income: Child Nutrition Program	(309,910)	(101,712)	(411,622)
Restricted Income: Intra Cost Recovery	<u>(9,339)</u>	<u>(270,470)</u>	<u>(279,809)</u>
 Statement of Activities (GAAP)	 <u>\$ 2,185,266</u>	 <u>\$ 1,217,277</u>	 <u>\$ 3,402,543</u>

Additional Statement:

We have examined the claims filed for reimbursement and the original records supporting the transactions recorded under the contracts listed above to an extent considered necessary to assure ourselves that the amounts claimed by the contractor were eligible for reimbursement, reasonable, necessary, and adequately supported, according to governing laws, regulations, and contract provisions.

SACRAMENTO EMPLOYMENT AND TRAINING AGENCY - HEAD START

**SCHEDULE OF REIMBURSABLE EQUIPMENT EXPENDITURES
YEAR ENDED JUNE 30, 2016**

	<u>CSPP-5371</u>	<u>CCTR-5191</u>	<u>Total CDE Contracts</u>
Unit Cost Under \$7,500	\$ -	\$ -	\$ -
Unit Cost Over \$7,500, with prior written CDE approval	-	-	-
Unit Cost Over \$7,500, without prior CDE approval	-	-	-
Total Equipment Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SACRAMENTO EMPLOYMENT AND TRAINING AGENCY - HEAD START

**SCHEDULE OF REIMBURSABLE EXPENDITURES FOR RENOVATIONS AND REPAIRS
YEAR ENDED JUNE 30, 2016**

	<u>CSPP-5371</u>	<u>CCTR-5191</u>	<u>Total CDE Contracts</u>
Unit Cost Under \$10,000 per Item	\$ -	\$ -	\$ -
Unit Cost of \$10,000 or more per item with prior CDE written approval	-	-	-
Unit Cost of \$10,000 or more per item without prior CDE approval	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SACRAMENTO EMPLOYMENT AND TRAINING AGENCY - HEAD START

**SCHEDULE OF REIMBURSABLE ADMINISTRATIVE COSTS
YEAR ENDED JUNE 30, 2016**

<u>Expenditures</u>	<u>CSPP-5371</u>	<u>CCTR-5191</u>	<u>Total CDE Contracts</u>
Reimbursable Administrative Costs:			
Classified Salaries	\$ 168,008	\$ 97,489	\$ 265,497
Employee Benefits	83,818	48,490	132,308
Other Operating Expenses	<u>62,761</u>	<u>36,436</u>	<u>99,197</u>
Total	<u>\$ 314,587</u>	<u>\$ 182,415</u>	<u>\$ 497,002</u>

SACRAMENTO EMPLOYMENT AND TRAINING AGENCY - HEAD START

**SCHEDULE OF REIMBURSABLE BUDGET IMPASSE CREDIT EXPENSES
YEAR ENDED JUNE 30, 2016**

	<u>CSPP-5371</u>	<u>CCTR-5191</u>	<u>Total CDE Contracts</u>
1000 Certificated Salaries	\$ -	\$ -	\$ -
2000 Classified Salaries	-	-	-
3000 Employee Benefits	-	-	-
4000 Books and Supplies	-	-	-
5000 Services and other Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
6100/6200 Other Approved Capital Outlay	-	-	-
6400 New Equipment	-	-	-
6500 Replace Equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

AUDITED ATTENDANCE AND FISCAL REPORT

for California State Preschool Programs

Agency Name: Sacramento Employment and Training Agency Vendor No. 2173

Fiscal Year Ended: June 30, 2016 Contract No. CSPP-5371

Independent Auditor's Name: Gilbert Associates, Inc.

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Three and Four Year Olds</i>					
Full-time-plus			-	1.1800	-
Full-time	37,241	(128)	37,113	1.0000	37,113.000
Three-quarters-time	8,980	18	8,998	0.7500	6,748.500
One-half-time	20,613		20,613	0.6195	12,769.754
<i>Exceptional Needs</i>					
Full-time-plus			-	1.4160	-
Full-time			-	1.2000	-
Three-quarters-time			-	0.9000	-
One-half-time			-	0.6195	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus			-	1.2980	-
Full-time	77		77	1.1000	84.700
Three-quarters-time			-	0.8250	-
One-half-time			-	0.6195	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus			-	1.2980	-
Full-time			-	1.1000	-
Three-quarters-time			-	0.8250	-
One-half-time			-	0.6195	-
<i>Severely Disabled</i>					
Full-time-plus			-	1.7700	-
Full-time			-	1.5000	-
Three-quarters-time			-	1.1250	-
One-half-time			-	0.6195	-
TOTAL DAYS OF ENROLLMENT	66,911	(110)	66,801		56,715.954
DAYS OF OPERATION	245		245		
DAYS OF ATTENDANCE	65,323	(110)	65,213		

NO NONCERTIFIED CHILDREN - Check box, omit page 2 & continue to Section III if no noncertified children were enrolled in the program.

Comments - If necessary, attach additional sheets to explain adjustments:

**AUDITED ATTENDANCE AND FISCAL REPORT
for California State Preschool Programs**

Agency Name: Sacramento Employment and Training Agency Vendor No. 2173

Fiscal Year End: June 30, 2016 Contract No. CSPP-5371

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
SECTION III - REVENUE			
RESTRICTED INCOME			
Child Nutrition Programs	\$309,910		\$309,910
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify): Intra Cost Recovery	9,491	(152)	9,339
Other (Specify):			0
Subtotal	\$319,401	(\$152)	\$319,249
Transfer from Reserve - General			0
Transfer from Reserve - Professional Development			0
Subtotal	\$0	\$0	\$0
Family Fees for Certified Children	33,302	(1,001)	32,301
Interest Earned on Apportionments			0
UNRESTRICTED INCOME			
Family Fees for Noncertified Children			0
Head Start Program (EC § 8235(b))			0
Other (Specify):			0
Other (Specify):			0
TOTAL REVENUE	\$352,703	(\$1,153)	\$351,550

SECTION IV - REIMBURSABLE EXPENSES			
<i>Direct Payments to Providers (FCCH Only)</i>			\$0
1000 Certificated Salaries	1,178,894	(4,019)	1,174,875
2000 Classified Salaries	168,008		168,008
3000 Employee Benefits	767,702	(544)	767,158
4000 Books and Supplies			0
5000 Services and Other Operating Expenses	394,474		394,474
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Replacement Equipment (program-related)			0
Depreciation or Use Allowance			0
Start-Up Expenses (service level exemption)			0
Budget Impasse Credit			0
Indirect Costs Rate: 0.00% (Rate is Self-Calculating)			0
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$2,509,078	(\$4,563)	\$2,504,515
TOTAL ADMINISTRATIVE COSTS (included in section IV above)	\$314,587		\$314,587

FOR CDE-A&I USE ONLY:

Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Education and Support Division:

Eligibility, enrollment, and attendance records are being maintained as required (check YES or NO):

YES

NO - Explain any discrepancies.

Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

YES

NO - Explain any discrepancies.

COMMENTS - If necessary, attach additional sheets to explain adjustments:

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check box and omit page 4 if there are no supplemental revenues or expenses to report.

**AUDITED ATTENDANCE AND FISCAL REPORT
for General or Migrant Center-Based Programs**

Agency Name: Sacramento Employment and Training Agency Vendor No. 2173

Fiscal Year Ended: June 30, 2016 Contract No. CCTR-5191

Independent Auditor's Name: Gilbert Associates, Inc.

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Infants (up to 18 months)</i>					
Full-time-plus			-	2.006	-
Full-time			-	1.700	-
Three-quarters-time			-	1.275	-
One-half-time			-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus			-	1.652	-
Full-time			-	1.400	-
Three-quarters-time			-	1.050	-
One-half-time			-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus			-	1.652	-
Full-time	16,680		16,680	1.400	23,352.000
Three-quarters-time	7,889		7,889	1.050	8,283.450
On-half-time	202		202	0.770	155.540
<i>Three Years and Older</i>					
Full-time-plus			-	1.180	-
Full-time			-	1.000	-
Three-quarters-time			-	0.750	-
One-half-time			-	0.550	-
<i>Exceptional Needs</i>					
Full-time-plus			-	1.416	-
Full-time			-	1.200	-
Three-quarters-time			-	0.900	-
One-half-time			-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus			-	1.298	-
Full-time			-	1.100	-
Three-quarters-time			-	0.825	-
One-half-time			-	0.605	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus			-	1.298	-
Full-time			-	1.100	-
Three-quarters-time			-	0.825	-
One-half-time			-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus			-	1.770	-
Full-time			-	1.500	-
Three-quarters-time			-	1.125	-
One-half-time			-	0.825	-
TOTAL DAYS OF ENROLLMENT	24,771	-	24,771		31,790.990
DAYS OF OPERATION	245		245		
DAYS OF ATTENDANCE	24,542		24,542		

NO NONCERTIFIED CHILDREN - Check box, omit page 2 & continue to Section III if no noncertified children were enrolled in the program.

Comments - If necessary, attach additional sheets to explain adjustments:

**AUDITED ATTENDANCE AND FISCAL REPORT
for General or Migrant Center-Based Programs**

Agency Name: Sacramento Employment and Training Agency Vendor No. 2173

Fiscal Year End: June 30, 2016 Contract No. CCTR-5191

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
SECTION III - REVENUE			
RESTRICTED INCOME			
Child Nutrition Programs	\$101,712		\$101,712
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify): Intra Cost Recovery	270,470		270,470
Subtotal	\$372,182	\$0	\$372,182
Transfer from Reserve			0
Family Fees for Certified Children	4,794	53	4,847
Interest Earned on Apportionments			0
UNRESTRICTED INCOME			
Family Fees for Noncertified Children			0
Head Start Program (EC § 8235(b))			0
Other (Specify):			0
TOTAL REVENUE	\$376,976	\$53	\$377,029

SECTION IV - REIMBURSABLE EXPENSES

<i>Direct Payments to Providers (FCCH Only)</i>			\$0
1000 Certificated Salaries	820,641		820,641
2000 Classified Salaries	97,489		97,489
3000 Employee Benefits	518,971	(1)	518,970
4000 Books and Supplies			0
5000 Services and Other Operating Expenses	152,359		152,359
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Replacement Equipment (program-related)			0
Depreciation or Use Allowance			0
Start-Up Expenses (service level exemption)			0
Budget Impasse Credit			0
Indirect Costs Rate: 0.00% (Rate is Self-Calculating)			0
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$1,589,460	(\$1)	\$1,589,459
TOTAL ADMINISTRATIVE COSTS (included in section IV above)	\$182,415		\$182,415

FOR CDE-A&I USE ONLY:

Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Education and Support Division:

Eligibility, enrollment, and attendance records are being maintained as required (check YES or NO):

- YES
 NO - Explain any discrepancies.

Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

- YES
 NO - Explain any discrepancies.

COMMENTS - If necessary, attach additional sheets to explain adjustments:

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check box and omit page 4 if there are no supplemental revenues or expenses to report.

AUDITED RESERVE ACCOUNT ACTIVITY REPORT

Agency Name: Sacramento Employment and Training Agency

Fiscal Year End: June 30, 2016

Vendor No. 2173

Independent Auditor's Name: Gilbert Associates, Inc.

RESERVE ACCOUNT TYPE (Check One):	COLUMN A	COLUMN B	COLUMN C
<input checked="" type="checkbox"/> Center Based	PER AGENCY	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	PER AUDIT
<input type="checkbox"/> Resource and Referral			
<input type="checkbox"/> Alternative Payment			

LAST YEAR:

1. Beginning Balance (must equal ending balance from Last Year's AUD 9530-A)	\$151,146		\$151,146
2. Plus Transfers from Contracts to Reserve Account (based on last year's post-audit CDFS 9530, Section IV):			
Contract No. CSPP4379	\$2,439		\$2,439
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Total Transferred from Contracts to Reserve Account	\$2,439	\$0	\$2,439
3. Less Excess Reserve to be Billed (enter as a positive amount any excess amount calculated by CDFS on last year's post-audit CDFS 9530)			\$0
4. Ending Balance on Last Year's Post-Audit CDFS 9530	\$153,585	\$0	\$153,585

THIS YEAR:

5. Plus Interest Earned This Year on Reserve Funds (column A must agree with this year's CDFS 9530-A, Section II)	\$868		\$868
6. Less Transfers to Contracts from Reserve Account (column A amounts must agree with this year's CDFS 9530-A, Section III; and column C amounts must be reported on this year's AUD forms for respective contracts):			
CSPP - General			
Contract No.			\$0
Contract No.			0
CSPP - Professional Development			
Contract No.			\$0
Contract No.			0
Subtotal	\$0	\$0	\$0
Other Contracts			
Contract No.			\$0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Subtotal	\$0	\$0	\$0
Total Transferred to Contracts from Reserve Account	\$0	\$0	\$0
7. Ending Balance on June 30, 2016 (column A must agree with this year's CDFS 9530-A, Section IV)	\$154,453	\$0	\$154,453

COMMENTS - If necessary, attach additional sheets to explain adjustments: