

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
FEDERAL SINGLE AUDIT REPORT
YEAR ENDED DECEMBER 31, 2018



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**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
FEDERAL SINGLE AUDIT REPORT
YEAR ENDED DECEMBER 31, 2018**

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	1
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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 Members of the City Council, Housing Authority
of the City of Sacramento,
County Board of Supervisors, Housing Authority
of the County of Sacramento, and
Sacramento Housing and Redevelopment Commission
Sacramento, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Sacramento Housing and Redevelopment Agency (the Agency), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated June 27, 2019. Our report includes a reference to other auditors who audited the financial statements of the Shasta Hotel Corporation (Hotel) and the Norwood Avenue Housing Corporation (Corporation) (the discretely presented component units), as described in our report on the Agency's financial statements. The financial statements of the Hotel was not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with those component units.

Internal Control Over Financial Reporting

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

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Sacramento Housing and Redevelopment Commission

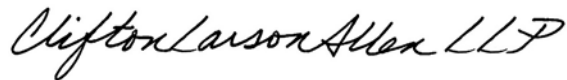
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Agency’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 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.



CliftonLarsonAllen LLP

Roseville, California
June 27, 2019



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Honorable Members of the City Council, Housing Authority
of the City of Sacramento,
County Board of Supervisors, Housing Authority
of the County of Sacramento, and
Sacramento Housing and Redevelopment Commission
Sacramento, California

Report on Compliance for Each Major Federal Program

We have audited the Sacramento Housing and Redevelopment Agency's (the Agency) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Agency's major federal programs for the year ended December 31, 2018. The Agency'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 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 Agency'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 Agency'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 Agency's compliance.

Honorable Members of the City Council, Housing Authority
of the City of Sacramento,
County Board of Supervisors, Housing Authority
of the County of Sacramento, and
Sacramento Housing and Redevelopment Commission

Opinion on Each Major Federal Program

In our opinion, the Agency 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 December 31, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2018-001, 2018-002 and 2018-003. Our opinion on each major federal program is not modified with respect to these matters.

The Agency's responses to the noncompliance findings identified in our audit are described in the accompanying Corrective Action Plan. The Agency's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the Agency 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 Agency'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 Agency'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 reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2018-001, 2018-002 and 2018-003 that we consider to be significant deficiencies.


Honorable Members of the City Council, Housing Authority
of the City of Sacramento,
County Board of Supervisors, Housing Authority
of the County of Sacramento, and
Sacramento Housing and Redevelopment Commission

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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

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 Agency as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements. We issued our report thereon dated June 27, 2019, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the Shasta Hotel Corporation and Norwood Avenue Housing Corporation discretely presented component units, as described in our report on the Agency's 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 is presented for purposes of additional analysis as required by the Uniform Guidance and is 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, based on the results of our audit and the reports of other auditors, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Roseville, California
July 25, 2019

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2018**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Expenditures	Amounts Provided to Subrecipients
Department of Housing and Urban Development Direct Programs			
Community Development Block Grants/Entitlement Grants:			
Community Development Block Grants/Entitlement Grants (Entitlements)	14.218	\$ 10,765,445	\$ 1,801,676
Community Development Block Grants/Entitlement Grants (Program Income)	14.218	377,641	-
Community Development Block Grants/Entitlement Grants (Beginning Loan Balance)	14.218	20,197,568	-
Community Development Block Grants - Neighborhood Stabilization Program:			
Neighborhood Stabilization Program 3 (Entitlements)	14.218	193,386	-
Neighborhood Stabilization Program 3 (Program Income)	14.218	62,955	-
Neighborhood Stabilization Program 3 (Beginning Loan Balance)	14.218	31,680	-
Neighborhood Stabilization Program 1 (Beginning Loan Balance)	14.218	7,963,988	-
Total Community Development Block Grants/Entitlement Grants		39,592,663	1,801,676
Emergency Solutions Grant Program	14.231	910,957	850,156
Home Investment Partnerships Program:			
Home Investment Partnerships Program (Entitlements)	14.239	6,175,862	-
Home Investment Partnerships Program (Program Income)	14.239	123,177	-
Home Investment Partnerships Program (Beginning Loan Balance)	14.239	112,004,814	-
Total Home Investment Partnerships Program		118,303,853	-
Housing Opportunities for Persons with AIDS			
Housing Opportunities for Persons with AIDS (Entitlements)	14.241	2,031,197	864,283
Housing Opportunities for Persons with AIDS (Program Income)	14.241	489,879	-
Total Housing Opportunities for Persons with AIDS		2,521,076	864,283
Continuum of Care Program	14.267	4,380,121	-
Public and Indian Housing	14.850	11,300,024	-
Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation	14.856	124,335	-
Resident Opportunity and Supportive Services - Service Coordinators	14.870	162,240	-
Section 8 Housing Choice Vouchers	14.871	110,127,423	-
Public Housing Capital Fund	14.872	5,109,621	-
Choice Neighborhoods Implementation Grants	14.889	2,635,954	-
Jobs-Plus Pilot Initiative	14.895	322,671	-
Family Self-Sufficiency Program	14.896	190,147	-
Total Expenditures of Federal Awards		\$ 295,681,085	\$ 3,516,115

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2018**

NOTE 1 BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards (SEFA) is prepared on the modified accrual basis of accounting for grants accounted for in governmental funds and the accrual basis of accounting for grants accounted for in proprietary funds, as described in Note I of the Sacramento Housing and Redevelopment Agency's (Agency) financial statements. The Agency has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 2 LOAN PROGRAMS WITH CONTINUING COMPLIANCE REQUIREMENTS

The Agency participates in the Home Investment Partnerships and Community Development Block Grants/Entitlement Grants federal loan programs. The balance of the loans from previous years and current year loan activity, as required under the Uniform Guidance, are presented in the Schedule of Expenditures of Federal Awards.

The following is a summary of changes in federal loan balances for the year ended December 31, 2018:

	Balance at January 1, 2018	Activity in Current Year	Balance at December 31, 2018
Community Development Block Grants/Entitlement Grants	\$ 28,193,236	\$ 491,424	\$ 28,684,660
Home Investment Partnerships Program	112,004,814	4,769,358	116,774,172
Totals	\$ 140,198,050	\$ 5,260,782	\$ 145,458,832

NOTE 3 INDIRECT COSTS

The Agency did not elect to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

2. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes _____ x _____ no
 - Significant deficiency(ies) identified? _____ yes _____ x _____ none reported

3. Noncompliance material to financial statements noted? _____ yes _____ x _____ no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes _____ x _____ no
 - Significant deficiency(ies) identified? _____ x _____ yes _____ none reported

2. Type of auditors’ report issued on compliance for major federal programs: Unmodified

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

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grants
14.267	Continuum of Care
14.850	Public and Indian Housing
14.872	Public Housing Capital Fund
14.239	HOME Investment Partnerships Program

- Dollar threshold used to distinguish between Type A and Type B programs: \$ 3,000,000
- Auditee qualified as low-risk auditee? _____ x _____ yes _____ no

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with Government Auditing Standards.

Section III – Federal Award Findings and Questioned Costs

2018 – 001

Federal Agency: U.S Department of Housing and Urban Development

Federal Program Title: Home Investment Partnerships Program and Community Development Block Grants/Entitlement Grants

CFDA Number: 14.239 & 14.218

Award Periods: January 1, 2018 – December 31, 2018

Type of Finding:

- Significant Deficiency in Internal Control over Compliance also reported as Other Noncompliance

Criteria or specific requirement: 2 CFR Subpart D 200.302 (1) and 200.303 (a) stipulates that the auditee must identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal programs and award identification shall include, as applicable, the CFDA title and number, Federal award identification number and year, name of Federal agency, and name of the pass-through entity; establish and maintain effective internal control over Federal award that provides reasonable assurance that the auditee is managing Federal awards in compliance with Federal statutes, regulation, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Controller General of the United State and the "Internal Control Integrated Framework", issued by the Committee on Sponsoring Organizations of the Treadway Commission (COSO).

In addition, 2 CFR 200.502(b) states that since the Federal Government is at risk for loans until the debt is repaid, the following guidelines must be used to calculate the value of Federal awards expended under loan programs, except as noted in paragraphs (c) and (d) of this section:

- (1) Value of new loans made or received during the audit period; plus
- (2) Beginning of the audit period balance of loans from previous years for which the Federal Government imposes continuing compliance requirements; plus
- (3) Any interest subsidy, cash, or administrative cost allowance received.

Condition: The Agency's schedule of expenditures of federal awards (SEFA) did not accurately report beginning loan balances on the SEFA as required by Uniform Guidance for federal programs 14.218 and 14.239. In addition, the Agency incorrectly under reported expenditures for federal program 14.218 on the preliminary SEFA, which caused an additional program to be tested.

Questioned costs: Not able to determine.

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

Context: The Agency did not report accurate amounts and beginning loan balances on the SEFA.

Cause: The Agency was not aware of the requirements to include beginning loan balances on the SEFA.

Effect: The SEFA contained incorrect expenditure amounts for federal program 14.239 and omitted beginning loan balances for federal programs 14.218 and 14.239. Therefore, it was not in compliance with 2 CFR Subpart D 200.302 (1), 200.303 (a) and 200.502(b). The Agency's program expenditures may be disallowed if the expenditures are not reported correctly on the SEFA. Additionally, misreporting the amounts on federal awards for federal program 14.239 resulted in the testing of an additional program that was not required.

Recommendation: We recommend that the Agency review current procedures for creating the SEFA to ensure that it is accurately reporting beginning loan balances and expenditures during the year under audit for all federal programs to ensure compliance with Uniform Guidance.

Views of responsible officials: There is no disagreement with the audit finding.

2018 – 002

Federal Agency: U.S Department of Housing and Urban Development

Federal Program Title: Public and Indian Housing

CFDA Number: 14.850

Award Period: January 1, 2018 – December 31, 2018

Type of Finding:

- Significant Deficiency in Internal Control over Compliance also reported as Other Noncompliance

Criteria or specific requirement: According to 24CFR sections 960.253, 960.257, and 960.259, the Agency must reexamine family income and composition at least once every 12 months and adjust the tenant rent and housing assistance payment as necessary using the documentation from third-party verification.

Condition: During our testing, we noted that the Agency did not review open casefiles when an employee left to ensure that the recertifications were completed timely.

Questioned costs: Unable to determine.

Context: During our testing of a statistically valid sample of 40 Public and Indian Housing tenant files for eligibility purposes, it was noted that the Agency did not reexamine family income and composition on an annual basis in 1 file.

Cause: The Agency did not sufficiently review open casefiles when an employee left to ensure all open recertifications were completed timely.

Effect: The Agency is not in compliance with federal regulations regarding eligibility. The amount of tenant rent could be incorrect based on missed or inaccurate information.

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

Recommendation: We recommend that the Agency review their controls for reviewing open casefiles when an employee leaves to establish a method that ensures compliance.

Views of responsible officials: There is no disagreement with the audit finding.

2018 – 003

Federal Agency: U.S Department of Housing and Urban Development

Federal Program Title: Public and Indian Housing, Public Housing Capital Fund, Community Development Block Grants/Entitlement Grants and HOME Investment Partnerships Program

CFDA Number: 14.850, 14.872, 14.218 and 14.239

Award Period: January 1, 2018 – December 31, 2018

Type of Finding:

- Significant Deficiency in Internal Control over Compliance also Reported as Other Noncompliance

Criteria or specific requirement: According to 24 CFR sections 135.3 (a)(1) and 135.90, each recipient that administers covered public and Indian housing assistance, regardless of the amount expended, and each recipient that administers covered housing and community development assistance in excess of \$200,000 in a program year, must submit HUD 60002 information using the automated Section 3 Performance Evaluation and Registry System (SPEARS) (24 CFR sections 135.3(a)(1) and 135.90). If the program providing covered HUD funding requires an annual performance report (i.e., CAPERs report, etc.), Form HUD 60002 is due and shall be submitted electronically at the same time the program performance report is due. If an annual performance report is not required, Form HUD 60002 shall be submitted electronically by January 10 of each year.

Condition: During our testing, we noted that the Agency did not submit the HUD 60002's timely.

Questioned costs: Unable to determine.

Context: During our testing, we noted that every HUD 60002 that was required to be submitted for the programs tested above were submitted after the deadline.

Cause: The Agency did not have a process in place to ensure they met the required deadlines for submission of reports.

Effect: The Agency is not in compliance with federal regulations regarding reporting. This could result in inaccurate reporting to HUD.

Recommendation: We recommend that the Agency review their process over submitting required reports to ensure a method that ensures compliance.

Views of responsible officials: There is no disagreement with the audit finding.



**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2018**

A Joint Powers Agency

MEMBERS

City of Sacramento

County of Sacramento

Housing Authority of the
City of Sacramento

Housing Authority of the
County of Sacramento

U.S. Department of Housing and Urban Development

The Sacramento Housing and Redevelopment Agency respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2018.

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

Audit period: January 1, 2018 – December 31, 2018

FINDINGS—FINANCIAL STATEMENT AUDIT

2017-001 Pension Expense

Condition: During the process of auditing the Agency's year end pension entries, it was noted that the Agency incorrectly recorded its year-end journal entry related to the impacts of GASB Statement No. 68, resulting in the understatement of the Agency's pension expense for the following opinion units:

Governmental Activities - \$1,355,274
Business-type Activities - \$951,510
Aggregate Discretely Presented Component Units - \$663,374
County Housing Choice Vouchers - \$28,885

Status: This finding has been corrected in the current year.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

There were no federal award findings in the prior year.





A Joint Powers Agency

MEMBERS

City of Sacramento

County of Sacramento

Housing Authority of the
City of Sacramento

Housing Authority of the
County of Sacramento

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2018**

U.S. Department of Housing and Urban Development

The Sacramento Housing and Redevelopment Agency respectfully submits the following corrective action plan for the year ended December 31, 2018.

Audit period: January 1, 2018 – December 31, 2018

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FEDERAL AWARD PROGRAMS AUDITS

U.S. Department of Housing and Urban Development

2018-001 Home Investment Partnerships Program and Community Development Block Grants/Entitlement Grants – CFDA Nos. 14.239 & 14.218

Recommendation: We recommend that the Agency review current procedures for creating the SEFA to ensure that it is accurately reporting beginning loan balances and expenditures during the year under audit for all federal programs to ensure compliance with Uniform Guidance.

Explanation of disagreement with audit finding: None.

Action taken in response to finding: The Agency will review current procedures for creating the SEFA to ensure that it is accurately reporting beginning loan balances going forward.

Name(s) of the contact person(s) responsible for corrective action:
Susana Jackson

Planned completion date for corrective action plan: 12/31/2019



**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2018**

2018-002 Public and Indian Housing – CFDA No. 14.850

Recommendation: We recommend that the Agency review their controls for reviewing open case files when an employee leaves to establish a method that ensures compliance.

Explanation of disagreement with audit finding: None.

Action taken in response to finding: The 2018 open case file was not completed on time due to material non-compliance of the lease and termination of the lease was not completed by management due to site management turn-over. Our Agency and Management staff have reviewed internal control measures to assure that accurate and timely reporting will be followed to ensure compliance.

Name(s) of the contact person(s) responsible for corrective action:
Robbie Folkes and La Tanna Jones

Planned completion date for corrective action plan: 5/16/19

2018-003 Public and Indian Housing, Public Housing Capital Fund, Community Development Block Grants/Entitlement Grants and HOME Investment Partnerships Program – CFDA Nos. 14.850, 14.872, 14.218 & 14.239

Recommendation: We recommend that the Agency review their process over submitting required reports to ensure a method that ensures compliance.

Explanation of disagreement with audit finding: None.

Action taken in response to finding: Agency will ensure that we will submit the HUD 60002 by the annual performance report due date of March 31st annually.

Name(s) of the contact person(s) responsible for corrective action:
James Shields

Planned completion date for corrective action plan: March 1, 2020.

If the U.S. Department of Housing and Urban Development has questions regarding this plan, please call Susana Jackson at (916) 440-1373.