

Attachment 5

**South Hayward/Hayward Promise Neighborhood
City of Hayward
Scope of Work and
Additional Terms & Conditions
January 1, 2018-December 31, 2022**

1. Background

The South Hayward/Hayward Promise Neighborhood (SH/HPN) Initiative is funded under the United States Department of Education's Promise Neighborhood Initiative. California State University, East Bay (CSUEB) is the grantee and lead agency for the SH/HPN Initiative, working to implement the initiative in collaboration with 10 partners as Sub-recipients. SH/HPN is a place-based collaborative partnership working to ensure educational success and a safe, healthy, thriving community for all living in Hayward

Following are the specific roles and responsibilities agreed to by CSU East Bay and City of Hayward.

2. Deliverables

In order for HPN to achieve its results and move the indicators, City of Hayward accepts and agrees that continued HPN funding is dependent on meeting the deliverables stated below for its solutions/strategies. In addition, CSUEB and all HPN partners, including City of Hayward, accept and agree that continued HPN funding is dependent on the solutions/strategies, identified as Deliverables, making the impact that will move the SH/HPN Indicators towards achieving the results as defined by the U.S. Department of Education.

a. Data Gathering/Analysis/Use

- i. **Appoint a Partner Project Manager and Partner Data Manager**
- ii. **Gather and submit all required SH/HPN data, working with CSU East Bay for the following SH/HPN data systems and requirements: Annual Performance Report (APR), Ad Hoc Report, Promise Neighborhood Score Card and Salesforce.**
- iii. **Work with Network Partners to analyze collected data and participate in the Results Based Accountability process to determine the impact of solutions/strategies on moving the indicators.**

b. SH/HPN Implementation Team

Partner Project Manager will attend all meetings of the Implementation Team. Designees are only to be sent in rare occasions when unforeseen circumstances prevent the Partner Project Manager. Minutes of these meetings will be distributed in a timely manner.

c. SH/HPN Networks

At least one representative from City of Hayward will attend meetings of the Early Learning Network, the Cradle to Career Education Reform Network (C2CERN) or the Neighborhood Health and Empowerment Network based on the solutions the Sub-recipient is delivering.

d. Other SH/HPN Meetings

Representatives from City of Hayward will attend other SH/HPN meetings as needed when invited by the SH/HPN Executive Director.

e. **Project Representation**

When pertaining to presentations/publication outside of the SH/HPN collective partnership, all deliverables shall be communicated and approved through CSUEB prior to public dissemination.

f. **Budgets and Invoicing**

Working with the SH/HPN Budget Analyst, the City of Hayward shall produce a budget that aligns their identified deliverables/partner specific programs/solutions with the requested funding. City of Hayward shall submit the pre-authorized invoice template to CSUEB quarterly during the fiscal year.

g. **Partner Specific Programs**

The City of Hayward's Library and Community Services Department will expand its Family Education Program to Glassbrook Elementary, Tyrell Elementary, and Ruus Elementary, providing children after-school homework support services, four days a week, two hours each day after-school and adults literacy support services, two days a week, for two hours for the benefit of the South Hayward Promise Neighborhoods community, as part of this collaborative.

3. **Matching**

The City of Hayward will provide \$1,039,067.34 in matching resources to the South Hayward Promise Neighborhoods initiative over the five-year federal grant period.

4. **Confidentiality of Data**

All financial, statistical, personal, technical and other data and information relating to CSUEB, and its operations which are designated confidential by CSUEB and made available to City of Hayward or which become available to City of Hayward in order to carry out this agreement, shall be protected City of Hayward from unauthorized use and disclosure by the observance of the same or more effective procedural requirements as are applicable to CSUEB.

CSUEB shall provide City of Hayward in writing the identification of all such confidential data and information, as well as CSUEB procedural requirements for protection of such data and information from unauthorized use and disclosure.

City of Hayward shall not be required by the above paragraph to keep confidential any data or information, which is or becomes publicly available, is already rightfully in City of Hayward possession, is independently developed by City of Hayward outside the scope of this agreement, or is rightfully obtained from third parties.

5. **Indemnification**

The CSUEB and City of Hayward agree to mutually indemnify one another. CSUEB shall indemnify, defend save harmless City of Hayward, its elected officials, officers, employees and agents against any and all loss, damage, or liability whatsoever, if any there be, because of accident or injury to persons or property of others occurring in connection with the operations of this contract as a result of the acts or omissions of CSUEB.

City of Hayward shall indemnify and save and keep harmless the State of California, the Trustees of the CSU, the CSU system, the CSUEB campus, and the officers, agents, volunteers and employees as well as

CSUEB, its officers, agents and employees against any and all loss, cost, damage, claim, expense, or liability whatsoever, if any there be, because of accident or injury to persons or property of others occurring in connection with the operations of this contract as a result of the acts or omissions of City of Hayward.

6. Examination and Audit

City of Hayward shall be subject to examination and audit by CSUEB and auditor for a period of three years after final payment under this agreement in accordance with Government Code Section 8546.7 and with Education Code Section 89045(c & d), respectively.

Examination and audit shall be confined to matters connected with the performance of this agreement, including, but not limited to, the costs of administering the agreement.

7. Insurance

City of Hayward agrees to procure, and thereafter maintain during the term of this Agreement, the following insurance policies:

- Comprehensive General Liability insurance providing coverage against claims for Bodily Injury or Death, and Property Damage. Such insurance shall provide protection to the limit of not less than \$1,000,000 combined single limit for Bodily Injury and Property Damage.
- Workers' Compensation insurance statutory coverage including Employers Liability with limits of not less than \$1,000,000.
- Comprehensive Automobile Liability with limits not less than \$1,000,000 each occurrence, combined single limit for Bodily Injury and Property Damage, including coverage for owned, non-owned and hired vehicles if automobile use will be required for performance of the Services.

Comprehensive General Liability and Comprehensive Automobile Liability insurance policies required by this Agreement shall name "California State University East Bay" as an additional insured with respect to work being performed. City of Hayward agrees to provide all required certificates of insurance to the CSUEB prior to the commencement of any work under this Contract. CSUEB and City of Hayward agree that the specified coverage or limits of insurance in no way limit the liability of the City of Hayward.

8. Discrimination

CSUEB has a zero tolerance policies regarding unlawful discrimination harassment and violence. City of Hayward found in violation of these policies may be terminated. Additionally, City of Hayward are responsible for the behavior of their employees and contractors. Please see Attachment 7 for more details.

9. Notice

Any notice requirement to be given under this agreement shall be deemed sufficient if deposited in the United States mail, with proper postage affixed, and addressed to the appropriate party.

SUBRECIPIENT COMMITMENT FORM

SECTION A: Prime Recipient Proposal Information

Principal Investigator: _____ Department: _____

Phone: _____ Email: _____

Prime Sponsor: _____ Prime Award No: _____

Project Title: _____

Period of Performance: From: _____ To: _____

Proposed Period of Performance of Subrecipient (if different): From: _____ To: _____

SECTION B: Subrecipient Eligibility

Dear (Potential) Subrecipient:

Any organization planning to enter into a collaborative subrecipient relationship with CSUEB must complete this form at the proposal stage. Please answer the following questions to determine if a formal subrecipient partnership can be established between your organization and CSUEB. This form will be considered valid for the duration of the project from the date of signature by your organization's Authorized Official.

Please answer the following questions **BEFORE** completing the rest of the form.

Yes No Is your organization, Principal Investigator, or any other employee presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any Federal assistance programs or activities?

Yes No Has your agency or any personnel within three (3) years preceding this offer, been convicted of or had a civil judgment rendered against them for commission of fraud or criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or Local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.

If you answered **YES** to either of the above questions it will not be possible to establish a subagreement with your organization and you need not complete the remaining sections of this form. Please notify the CSUEB Principal Investigator as soon as possible.

SECTION C: Subrecipient Information

Subrecipient Legal Name: City of Hayward Tax ID/FEIN No: 946000346

Organization's Address: Hayward City Hall - Office of the City Manager
777 B Street, Hayward, CA 94541-5007

SECTION C: Subrecipient Information (continued)

Name of Subrecipient's Project Director/PI: Kelly McAdoo, City Manager
Phone: 510-583-4300 Email: kelly.mcadoo@hayward-ca.gov
Amount of Funding Requested by Subrecipient (entire project period): \$876,875.29
Amount of Cost Sharing Provided by Subrecipient (if applicable): \$1,039,067.34

SECTION D: Proposal Documents

The following documents are included in our subaward proposal submission and covered by the certifications below:

- Statement of Work (required)
Budget and Budget Justification (required)
This Subrecipient Commitment Form completed and signed by Subrecipient's Authorized Official (required)
A-133 Audit Certification (if applicable)
Indirect Cost Rate Agreement (if applicable)
Biosketches of Key Personnel, in agency-required format (if required by agency)
Small/Small Disadvantaged Business Subcontracting Plan, in agency-required format (required for proposals over \$550,000)
Other

SECTION E: Certifications

- 1. Facilities and Administrative Rates included in this proposal have been calculated based on:
Our federally negotiated F&A rates for this type of work, or a reduced F&A rate that we hereby agree to accept.
Other rates (please attach a description of the basis on which the rate has been calculated)
Not applicable - Subrecipient is not requesting payment of F&A costs.
2. Fringe Benefit Rates included in this proposal have been calculated based on:
Rates consistent with or lower than our federally negotiated rates.
Based on actual rates.
Other rates (please specify the basis on which the rate has been calculated)
3. Affirmative Action Compliance:
Indicate in accordance with the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2) that your organization has:
A written affirmative action program has been developed and is on file
A written affirmative action program has not been developed and is not on file
Have not previously had contracts subject to the written affirmative action programs

SECTION E: Certifications (continued)

4. Human Subjects Compliance (IRB):

Yes No Human Subjects **will** be involved **in** the Subrecipient's portion of this project.

Exemption Number or IRB Approval Date: N/A IRB Number: N/A

If answer to the above is **YES**, copies of the determination of exemption or IRB approval must be provided before a subaward will be issued.

If **YES** and **NIH** funding is involved:

Have all key personnel involved completed human subjects training? Yes No

(Note: All key personnel engaged in human subjects research must take NIH human subjects training or other human subject research training: http://grants.nih.gov/grants/policy/hs_educ_faq.htm)

Does your organization have a Federalwide Assurance (FWA) Number? Yes No

If **YES**, FWA number: N/A

5. Animal Subjects Compliance (IACUC):

Yes No Animal Subjects **will** be involved in Subrecipient's portion of this project

Approval Date: N/A IACUC Number: N/A

If answer to the above is **YES**, copies of the IACUC approval must be provided before a subaward will be issued.

Does your organization have a PHS Animal Welfare Assurance Number? Yes No

If **YES**, AWA Number: N/A

Is your organization AAALAC accredited? Yes No If **YES**, AAALAC Number: N/A

6. Conflict of Interest:

As of August 24, 2012, the Public Health Service (PHS) FCOI policy is separate and distinct from that of the National Science Foundation (NSF).

Not applicable as this project is not funded by NSF, PHS, or other sponsors requiring federal financial disclosure.

NSF (or other sponsors that have adopted the NSF financial disclosure requirements):

- Subrecipient Organization/Institution certifies that it has an active and enforced conflict of interest policy that is consistent with the provision of 42 CFR Part 50, Subpart F "Responsibility of Applicants for Promoting Objectivity in Research." Subrecipient also certifies that, to the best of Institution's knowledge, (1) all financial disclosures have been made related to the activities that may be funded by or through a resulting agreement, and required by its conflict of interest policy; and, (2) all identified conflicts of interest have or will have been satisfactorily managed, reduced or eliminated in accordance with subrecipient's conflict of interest policy prior to the expenditure of any funds under any resultant agreement.

PHS (or other sponsors that have adopted the PHS financial disclosure requirements):

- My organization does have, (1) a PHS-compliant Financial Conflict of Interest (FCOI) policy; and, (2) my organization will rely on this policy and associated procedures to comply with PHS Conflict of Interest regulations.

Subrecipient does not have an active and/or enforced COI and/or FCOI policy and hereby agrees to abide by CSUEB's policy.

SECTION E: Certifications (continued)

7. **Responsible Conduct of Research (if applicable):**

The prime sponsor of this project is:

National Science Foundation

- **Statutory Requirement:** The Director shall require that each institution that applies for financial assistance from the Foundation for science and engineering research or education describe in its grant proposal a plan to provide appropriate training and oversight in the responsible and ethical conduct of research to undergraduate students, graduate students, and postdoctoral researchers participating in the proposed research project.
- **Certification Regarding Responsible Conduct of Research (RCR):** The AOR is required to complete a certification that the institution has a plan to provide appropriate training and oversight in the responsible and ethical conduct of research to undergraduates, graduate students, and postdoctoral researchers who will be supported by NSF to conduct research. Additional information on NSF's Responsible Conduct of Research (RCR) policy is available in the Award and Administration Guide (AAG), Chapter IV.B.
- **Institutional Responsibilities:**
 - A. An institution must have a plan in place to provide appropriate training and oversight in the responsible and ethical conduct of research to undergraduates, graduate students, and postdoctoral researchers who will be supported by NSF to conduct research. As noted in NSF Grant Proposal Guide (GPG) Chapter II.C.1e, institutional certification to this effect is required for each proposal.
 - B. While training plans are not required to be included in proposals submitted to NSF, institutions are advised that they are subject to review, upon request.
 - C. Institutions are responsible for verifying that undergraduate students, graduate students, and postdoctoral researchers supported by NSF to conduct research have received training in the responsible and ethical conduct of research.

National Institutes of Health

- **Policy:** NIH requires that all trainees, fellows, participants, and scholars receiving support through any NIH training, career development award (individual or institutional), research education grant, and dissertation research grant must receive instruction in responsible conduct of research. This policy will take effect with all new and renewal applications submitted on or after January 25, 2010, and for all continuation (Type 5) applications with deadlines on or after January 1, 2011. This Notice applies to the following programs: D43, D71, F05, F30, F31, F32, F33, F34, F37, F38, K01, K02, K05, K07, K08, K12, K18, K22, K23, K24, K25, K26, K30, K99/R00, KL1, KL2, R25, R36, T15, T32, T34, T35, T36, T37, T90/R90, TL1, TU2, and U2R. This policy also applies to any other NIH-funded programs supporting research training, career development, or research education that require instruction in responsible conduct of research.
- **Compliance:** NIH policy requires participation in and successful completion of instruction in responsible conduct of research by individuals supported by any NIH training/research education/fellowship/career award. It is expected that course attendance is monitored and that a certificate or documentation of participation is available upon course completion. NIH does not require certification of compliance or submission of documentation, but expects institutions to maintain records sufficient to demonstrate that NIH-supported trainees, fellows, and scholars have received the required instruction.
- **Resources:** The NIH Research Training website (<http://grants.nih.gov/training/extramural.htm>) includes additional information on instruction in responsible conduct of research and links to the Office of Research Integrity (<http://ori.hhs.gov/>), links to instructional materials, and examples of programs that have been regarded as good models for instruction in responsible conduct of research (<http://bioethics.od.nih.gov/researchethics.html>).

SECTION E: Certifications (continued)

8. Cost Sharing:

Yes No Amount: \$1,039,067.34
Yes No Mandatory?

(Note: Cost sharing amounts and details should be included in the Subrecipient's budget.)

9. Fiscal Responsibility:

The Subrecipient certifies that its financial system is in accordance with generally accepted accounting principles and is in conjunction with the below (check all that applies):

- Has the capability to identify, in its accounts, all Federal awards received and expended and the Federal programs under which they are received.
Maintains internal controls to assure that it is managing Federal awards in compliance with applicable laws, regulations, and the provision of contracts and grants.
Complies with applicable laws and regulations.
Can prepare appropriate financial statements, including the schedule of expenditures of Federal awards.

10. Additional Debarment, Suspension, and Proposed Debarment:

- Is the PI (or any other employee/student planning to participate in this project) debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs of activities? (If YES, attach explanation)
Is the organization presently indicted for, or otherwise criminally or civilly charged by a government entity? (If YES, attach explanation)
Has the organization within (3) years preceding this offer, had one or more contracts terminated for default by any federal agency? (If YES, attach explanation)

11. Subrecipient Business Status:

- Large Business Institution of Higher Education Foreign Owned
Small Business Nonprofit Organization For-Profit Organization
Other: Municipality

12. For-Profit Organizations (only):

- Subrecipient represents that it is a small business concern as defined in 13 CFR 124.1002
If YES, Subrecipient represents that it is a:
Small Disadvantaged Business Women-Owned Small Business
Veteran-Owned Small Business Service-Disabled Veteran-Owned Business
HUBZone Small Business Minority Serving Institution
Other: N/A

SECTION F: Audit Status

1. **A-133 Audit Status:**

Yes No Does your organization receive an annual audit in accordance with OMB Circular A-133?

If **NO**, please indicate why your organization is not subject to A-133 audit requirements:

- Organization received less than \$500,000 in federal funds per year.
- Organization is a for-profit entity that expends Federal or Sub-Federal funds and has a DCAA audited rate
- Organization is a for-profit entity that does not expend Federal funds or have annual audits
- Organization is a foreign entity.

Please Note: If Subrecipient has not received an A-133 Audit, CSUEB will require the Subrecipient to complete an OMB Letter of Audit Certification prior to the establishment of a subaward.

If **YES**, please respond to the following:

Yes No Has your organization's A-133 audit been completed for the most recent fiscal year?
(if you responded **YES** to this question, please provide a copy for us)

If **NO**, when is it expected to be completed (mm/dd/yy): _____

Yes No Were there any findings reported? If **YES**, please attach an explanation.

2. **Federal Funding Accountability and Transparency Act (FFATA):**

DUNS Number of Subrecipient: 040010175 Congressional District: CA-15

Location of Subrecipient (City/State/County): Hayward, CA - Alameda County

Note: If place of performance is different than location stated, provide location where project will be performed.

N/A

Yes No Is Subrecipient owned or controlled by a parent entity?

If **YES**, provide DUNS Number, Location, and Congressional District of parent entity.

N/A

Yes No Is Subrecipient currently registered in System for Award Management (www.sam.gov)?

SECTION G: Comments (or please attach additional pages)

SECTION H: Authorized Representative Approval

APPROVED FOR SUBRECIPIENT

The information, certifications, and representations above have been read, signed, and made by an authorized official of the Subrecipient named herein. The appropriate programmatic and administrative personnel involved in this application are aware of agency policies regarding subawards and are prepared to establish the necessary inter-institutional agreements consistent with those policies.

By their signatures below, Subrecipient and its Principal Investigator certify (1) that the information submitted within the application is true, complete and accurate to the best of the Subrecipient's and PI's knowledge; (2) that any false, fictitious, or fraudulent statements or claims may subject the Institution and PI to criminal, civil, and/or administrative penalties; and (3) that the PI agrees to accept responsibility for the scientific conduct of the project and to provide the required progress and other administrative reports as required if an award is made as a result of the prime recipient's application.

Any work begun and/or expenses incurred prior to execution of a subaward agreement are at the Subrecipient's own risk. No work involving human subjects and/or animals may begin until the Subrecipient has obtained registered IRB and/or IACUC review and approval.

SUBRECIPIENT	PRIME RECIPIENT
<p>Kelly McAdoo, City Manager</p>	<p><i>Carolyn Nelson, PI</i></p>
<p>Name and Title of Subrecipient's Authorized Official</p>	<p>Name and Title of Prime Recipient's Authorized Official</p>
<p><i>K McAdoo</i></p>	<p><i>Carolyn Nelson</i></p>
<p>Signature of Subrecipient's Authorized Official</p>	<p>Signature of Prime Recipient's Authorized Official</p>
<p><i>July 6, 2018</i></p>	<p><i>7/16/18</i></p>
<p>Date</p>	<p>Date</p>

Approved as to Form: *Michael S. Lawson* *July 5, 2018*
 Michael Lawson, City Attorney DATE

Attest: *Miriam Lens* *July 6, 2018*
 Miriam Lens, City Clerk DATE

Mailing Address	ORSP Internal Use Only
<p>Please e-mail or fax document(s) to: E-mail: contracts_orsp@csueastbay.edu Fax: (510) 885-4618</p> <p>Or mail document(s) to the below address: Office of Research & Sponsored Programs California State University, East Bay 25800 Carlos Bee Blvd., LI 2300 Hayward, CA 94542</p>	<p>Proposal Deadline: _____</p> <p>ORSP No: _____</p> <p>Award No: _____</p>

CITY OF HAYWARD
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2016

CITY OF HAYWARD
SINGLE AUDIT REPORT
For The Year Ended JUNE 30, 2016

TABLE OF CONTENTS

	<u>Page</u>
Schedule of Findings and Questioned Costs	1
Section I - Summary of Auditor's Results	1
Section II – Financial Statement Findings	2
Section III – Federal Award Findings and Questioned Costs	2
Schedule of Expenditures of Federal Awards	3
Notes to Schedule of Expenditures of Federal Awards.....	5
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	7
Independent Auditor's 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	9

CITY OF HAYWARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended JUNE 30, 2016

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? X Yes None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? X Yes None Reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X Yes No

Identification of major programs:

<u>CFDA#(s)</u>	<u>Name of Federal Program or Cluster</u>
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research
20.205	Highway Planning and Construction
97.044	Assistance to Firefighters Grant
16.710	Public Safety Partnership and Community Policing Grants

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes X No

CITY OF HAYWARD
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Fiscal Year Ended June 30, 2016

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Identifying Number	Pass-Through To Subrecipients	Federal Expenditures
Department of Housing and Urban Development Direct Programs:				
Community Development Block Grant Program	14.218		\$214,204	32,278,351
Housing Development Action Grant	14.174			15,607
Programs Subtotal				<u>2,293,958</u>
Department of Housing and Urban Development Pass-Through Programs From:				
Alameda County				
Home Investment Partnerships Program	14.239	M14-DC060201	124,312	143,740
Alameda County				
Emergency Solutions Grant Program	14.231	14-ESG-10275	197,000	159,160
Program Subtotal			<u>321,312</u>	<u>342,900</u>
Total Department of Housing and Urban Development Programs				<u>2,636,858</u>
Department of Justice, Direct Program:				
Public Safety Partnership and Community Policing Grants				
COPS Hiring Program 2012 (CHP)	16.710			646,525
Department of Justice Pass-Through Program From:				
Alameda County				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0209		62,957
Total Department of Justice Programs				<u>709,482</u>
Department of Education Direct Program				
Fund For the Improvement of Education				
Promise Neighborhood Implementation Grant	84.215N		73,500	384,791
Department of Education Pass-Through Program From:				
Fund for the Improvement of Education				
Chabot College				
HPN (Chabot College Tutors)	84.215N	U215N110037		10,000
Total Department of Education Programs				<u>394,791</u>
Department of Homeland Security - Federal Emergency Management Agency Direct Program:				
Assistance to Firefighters Grant - Self-Contained Breathing Apparatus	97.044			614,453
USDA Forest Services Direct Program				
Cooperative Forestry Assistance				
Hayward-Fairview Defensible Space Chipper and Resident Assistance Program	10.664			34,720
Environmental Protection Agency Pass-Through Program From:				
San Francisco Bay Area Water Quality Improvement Fund				
City of Hayward's Youth-Based Trash Capture, Reduction and Watershed Education Project	66.126	99T25301		14,281
Department of Health and Human Services Pass-Through Program From:				
Alameda County Probation Department				
Medical Assistance Program				
Medical Administrative Activities	93.778	08-85116		341,029
Department of Transportation, Direct Program:				
Airport Improvement Program				
Federal Aviation Administration Sulphur Creek Environmental Assessment	20.105			19,742
Department of Transportation, Highway Safety Pass-Through Programs From:				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research				
State of California Department of Transportation				
Industrial Area Region Transit Alternatives Study	20.505	74A0772		139,657
Cannery Area Region Transit Alternatives Study	20.505	74A0848		104,755
State of California Department of Transportation				<u>244,412</u>
Highway Planning and Construction				
West A Street - Hathaway Ave to S Garden Ave	20.205	HSIFL-5050(040)		14,348
Industrial Blvd. - Clawiter Rd to 659 ft So. Of Depot Rd	20.205	STPL-5050(041)		997,062
Program Subtotal				<u>1,012,310</u>
Total Department of Transportation Programs				<u>1,256,722</u>
Total Expenditures of Federal Awards			<u>\$716,124</u>	<u>\$6,022,078</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

CITY OF HAYWARD

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended JUNE 30, 2016

NOTE 1 - REPORTING ENTITY

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the City of Hayward, California, and its component units as disclosed in the notes to the Basic Financial Statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. All proprietary funds are accounted for using the accrual basis of accounting. Expenditures of Federal Awards reported on the Schedule are recognized when incurred.

NOTE 3 - INDIRECT COST ELECTION

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

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

To the Honorable Members of the City Council
of the City of Hayward, 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 basic financial statements of the City of Hayward as of and for the year ended June 30, 2016, and the related notes to the financial statements, and have issued our report thereon dated December 5, 2016. Our report included emphasis of a matter paragraphs disclosing the implementation of new accounting principles and the restatement of beginning fund balance.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We identified certain deficiencies in internal control, we consider to be significant deficiencies as listed on the Schedule of Significant Deficiencies included as part of our separately issued Memorandum on Internal Control dated December 5, 2016, which is an integral part of our audits and should be read in conjunction with this report.

**INDEPENDENT AUDITOR'S 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**

To the Honorable Members of the City Council
City of Hayward, California

Report on Compliance for Each Major Federal Program

We have audited the City of Hayward's 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 auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's 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 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, each major fund, and the aggregate remaining fund information of 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. We issued our report thereon dated December 5, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 financial statements or to the 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

Maze & Associates

Pleasant Hill, California
March 29, 2017