

CITY OF LOS ANGELES, CALIFORNIA

Single Audit Reports

For the Fiscal Year Ended June 30, 2018

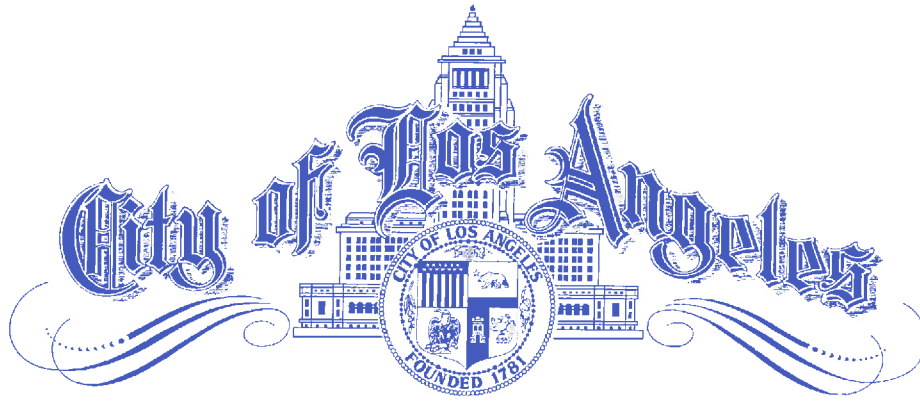


Certified
Public
Accountants

CITY OF LOS ANGELES, CALIFORNIA
Single Audit Reports
For the Fiscal Year Ended June 30, 2018

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RON GALPERIN
CONTROLLER

March 29, 2019

INTRODUCTION TO THE ORGANIZATION OF THE CITY OF LOS ANGELES

The City of Los Angeles (City) was incorporated in 1850 under the provisions of a City Charter. The current Charter was approved by the electorate on June 8, 1999 and became effective on July 1, 2000. The City's organizational structure provides for a decentralized operation. For single audit purposes in accordance with the amended Single Audit Act, the City reports as five separate entities to reflect this structure. These entities include: (1) General Government; (2) Department of Airports; (3) Harbor Department; (4) Department of Water and Power; and (5) Housing Authority of the City of Los Angeles. All five entities are responsible for arranging an annual financial audit. If they receive Federal assistance, they also arrange for single audits and submit the resulting reports to the U.S. Bureau of the Census.

The General Government entity is under the control and management of the Mayor and City Council. Services provided by this entity are delineated in the City Charter and Administrative Code. The remaining four entities are independent of direct Mayor and City Council control and management.

The Department of Airports, Harbor Department, and Department of Water and Power are independent Charter departments headed by citizen commissions appointed by the Mayor and confirmed by the City Council. These departments have control of their own funds and revenue. They establish their own budgets, set their rates subject to City Council review and approval, sell revenue bonds, and have required audits performed.

The Housing Authority of the City of Los Angeles is an entity established as a result of Federal/State law provisions and is headed by a City commission.

INTRODUCTION TO THE ORGANIZATION OF THE CITY OF LOS ANGELES

March 29, 2019

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The City prepares and issues a Comprehensive Annual Financial Report (CAFR) that contains the Basic Financial Statements. The CAFR is prepared in conformity with generally accepted accounting principles (GAAP) for State and local governments. For GAAP reporting purposes, the City's reporting entity includes three of the four independent entities. The Housing Authority is fiscally independent of the City and therefore excluded from the City's reporting entity.

The General Government's auditor performs financial and single audits of the General Government, while the financial and any required single audits of the other entities are performed by their respective auditors.

The City's CAFR (which includes the basic financial statements) and the Schedule of Expenditures of Federal Awards (SEFA) with required single audit reports for the fiscal year ended June 30, 2018 are issued as separate documents. Copies of both the CAFR and the SEFA, with the required single audit reports, are submitted to the Federal Audit Clearinghouse, U.S. Bureau of the Census, and the State Controller.

The attachment provides summary information on each of the five Single Audit reporting entities of the City. A brief description of the functions of each of these entities is included.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Galperin", with a stylized flourish at the end.

RON GALPERIN
City Controller

Attachment

STATUS OF THE FISCAL YEAR 2017-2018 SINGLE AUDIT

1. GENERAL GOVERNMENT

- Responsible for providing for the health, welfare and public safety of the City including police, fire, public works, building inspections and issuance of permits, City planning, libraries and recreation and parks under the authority of the City Charter.
- Fiscal Year: July 1 to June 30
- Fiscal Year 2017-2018 Budget: \$9,292,126,000
- Fiscal Year 2017-2018 Federal Award Expenditures: \$521,437,000
- Fiscal Year 2017-2018 Balance of Outstanding Loans of Federal Funds under Loan Guarantee Program: \$ 119,425,000
- Fiscal Year 2017-2018 Financial Audit: Completed
- Fiscal Year 2017-2018 Single Audit: Completed
- Federal Cognizant Agency for Audit: Department of Housing and Urban Development
- Auditor: Macias Gini & O'Connell LLP

2. DEPARTMENT OF AIRPORTS

- Responsible for the management, supervision and control of the City's airports and airport facilities. Controls its own funds, establishes its own budget and sets rates subject to City Council review. Governed by a Board of Commissioners appointed by the Mayor and confirmed by the City Council.
- Fiscal Year: July 1 to June 30
- Fiscal Year 2017-2018 Budget: \$6,091,427,000
- Fiscal Year 2017-2018 Federal Award Expenditures: \$43,333,000
- Fiscal Year 2017-2018 Financial Audit: Completed
- Fiscal Year 2017-2018 Single Audit: Completed
- Federal Cognizant Agency for Audit: Department of Transportation
- Auditor: Moss Adams LLP

**STATUS OF THE FISCAL YEAR 2017-2018 SINGLE AUDIT
(Continued)**

3. HARBOR DEPARTMENT

- Responsible for the management, supervision, and control of the Port of Los Angeles. Provides for the needs of maritime commerce, navigation, and marine recreations for the citizens of California. Constructs and maintains its own facilities and controls its own funds in accordance with the Charter and State of California Tidelands Trust. Governed by a Board of Commissioners appointed by the Mayor and confirmed by the City Council.
- Fiscal Year: July 1 to June 30
- Fiscal Year 2017-2018 Budget: \$1,174,952,000
- Fiscal Year 2017-2018 Federal Award Expenditures: \$4,424,000
- Fiscal Year 2017-2018 Financial Audit: Completed
- Fiscal Year 2017-2018 Single Audit: Completed
- Federal Oversight Agency for Audit: Department of Transportation
- Auditor: Macias Gini & O'Connell LLP

**STATUS OF THE FISCAL YEAR 2017-2018 SINGLE AUDIT
(Continued)**

4. HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

- Responsible for the elimination of unsafe and unsanitary dwelling units in the City to protect the health and safety of the inhabitants and to develop and administer low-rent housing projects within the City limits. Established by the City Council in accordance with the California Health and Safety Code (Section 34200 et seq.) and Section 8 of the Federal Housing Act of 1937. Prepares its own budget for the approval by the Board of Housing Authority Commissioners and forwards it to the U.S. Department of Housing and Urban Development for approval in accordance with Federal guidelines. Employs personnel not included in the classified Civil Service established by the Charter and participates in the State Public Employees Retirement System.
- Fiscal Year: January 1 to December 31
- Fiscal Year 2017 Budget: \$1,271,839,000
- Fiscal Year 2018 Budget: \$1,323,050,000
- Fiscal Year 2017 Federal Award Expenditures: \$1,179,789,000
- Fiscal Year 2018 Federal Award Expenditures: \$1,227,335,000 (Unaudited)
- Fiscal Year 2017 Financial and Single Audits: Completed
- Fiscal Year 2018 Financial and Single Audits: In Process
- Federal Cognizant Agency for Audit: Department of Housing and Urban Development
- Auditor: Macias Gini & O'Connell LLP

**STATUS OF THE FISCAL YEAR 2017-2018 SINGLE AUDIT
(Continued)**

5. DEPARTMENT OF WATER AND POWER

- Responsible for supplying the City and its inhabitants with water and electric energy by constructing, operating, and maintaining facilities located throughout the City and Inyo and Mono counties. Governed by a Board of Commissioners appointed by the Mayor and confirmed by the City Council. Controls its own funds, establishes its own budget and sets rates, subject to Council approval.
- Fiscal Year: July 1 to June 30
- Fiscal Year 2017-2018 Budget:
 - \$2,459,005,000 (Water System)
 - \$5,505,167,000 (Power System)
- Fiscal Year 2017-2018 Federal Award Expenditures:
 - \$2,919,000 (Water System - Unaudited)
 - \$1,807,000 (Power System - Unaudited)
- Fiscal Year 2017-2018 Financial Audit: Completed
- Fiscal Year 2017-2018 Single Audit:
 - Water System (In Process)
 - Power System (In Process)
- Federal Oversight Agencies for Audit:
 - Environmental Protection Agency (Water System)
- Auditor: KPMG LLP

**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***

The Honorable Members of the City Council
City of Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Los Angeles, California (City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 31, 2019. Our report includes an emphasis of matter paragraph for the City's adoption of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2017. Our report includes a reference to other auditors who audited the financial statements of the following City departments/funds: Department of Water and Power (DWP) Water System and Power System, Los Angeles Fire and Police Pension System (Pensions), Los Angeles City Employees' Retirement System (LACERS), and Water and Power Employees' Retirement, Disability and Death Benefit Insurance Plans (DWP Plans) as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the DWP Plans were not audited in accordance with *Government Auditing Standards*.

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 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in black ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

Los Angeles, California
January 31, 2019

**Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and Report on Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance, the
Supplementary Schedule of Expenditures of Federal and State Awards Granted
by the California Department of Aging, the Community Services Block Grant
Supplementary Schedules of Revenue and Expenditures, and the Supplementary
Schedule of Expenditures of Selected State Financial Assistance**

The Honorable Members of the City Council
City of Los Angeles, California

Report on Compliance for Each Major Federal Program

We have audited the City of Los Angeles, California's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the City's major federal programs for the year ended June 30, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Department of Airports (Airports), Harbor Department (Harbor), and the Department of Water and Power (DWP), which expended \$43,333,000, \$4,424,000, and \$4,726,000, respectively, in federal awards, which are not included in the schedule of expenditures of federal awards for the year ended June 30, 2018. Our audit, described below, did not include the operations of these departments. We were engaged to perform an audit in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and report on the results separately to the Harbor. The Airports and DWP engaged other auditors to perform an audit in accordance with the Uniform Guidance.

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.

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 the 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 qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the City's compliance.

Basis for Qualified Opinion on the Crime Victim Assistance Program

As described in finding number 2018-009 in the accompanying schedule of findings and questioned costs, the City did not comply with the requirement regarding the following:

Finding No.	CFDA No.	Program Name	Compliance Requirement
2018-009	16.575	Crime Victim Assistance	Subrecipient Monitoring

Compliance with such requirement is necessary, in our opinion, for the City to comply with the requirement applicable to that program.

Qualified Opinion on Crime Victim Assistance

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 CFDA No. 16.575 Crime Victim Assistance for the year ended June 30, 2018.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed other 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, 2018-003, 2018-004, 2018-005, 2018-006, 2018-007, 2018-008, and 2018-010. Our opinion on each major federal program is not modified with respect to these matters.

The City's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City'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 City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2018-003, 2018-004, and 2018-009 to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2018-002, 2018-005, 2018-006, 2018-007, 2018-008, and 2018-010 to be significant deficiencies.

The City's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City'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, the Supplementary Schedule of Expenditures of Federal and State Awards Granted by the California Department of Aging, the Community Services Block Grant Supplementary Schedules of Revenue and Expenditures, and the Supplementary Schedule of Expenditures of Selected State Financial Assistance

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 fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 31, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards, the supplementary schedule of expenditures of federal and state awards granted by the California Department of Aging, the community services block grant supplementary schedules of revenue and expenditures, and the supplementary schedule of expenditures of selected state financial assistance (Schedules) are presented for purposes of additional analysis as required by the Uniform Guidance, the California Department of Aging, the California Department of Community Services and Development, and the California Department of Alcoholic Beverage Control, respectively, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Macias Gini & O'Connell LLP

Los Angeles, California
March 29, 2019

CITY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE 30, 2018

<u>FEDERAL GRANTOR/ CITY DEPARTMENT</u>	<u>PASS THROUGH GRANTOR</u>	<u>PROGRAM TITLE</u>	<u>CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER</u>	<u>GRANT/PASS THROUGH NUMBER</u>	<u>EXPENDITURES</u>	<u>SUBRECIPIENTS</u>
<u>DEPARTMENT OF AGRICULTURE</u>						
Recreation and Parks	State of California - Department of Education	Summer Food Service Program for Children	10.559	19-81909V	\$ 723,000	\$ --
Aging	California Department of Food and Agriculture	Senior Farmers Market Nutrition Program	10.576	7CA810CA4	98,000	98,000
TOTAL FOR DEPARTMENT OF AGRICULTURE					821,000	98,000
<u>DEPARTMENT OF DEFENSE</u>						
Police	Direct	Donations/Loans of Obsolete DOD Property	12.700	Unknown	576,000	--
TOTAL FOR DEPARTMENT OF DEFENSE					576,000	--
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>						
Housing and Community Investment	Direct	Community Development Block Grants/Entitlement Grants (Note 7)	14.218	B-18-MC-06-0523 and Prior Awards B-08-MN-06-0512 B-11-MN-06-0512	62,342,000 1,138,000 31,000	20,541,000 148,000 --
<i>Subtotal 14.218</i>					<u>63,511,000</u>	<u>20,689,000</u>
Housing and Community Investment	Direct	Emergency Solutions Grant Program	14.231	E-18-MC-06-0523 and Prior Awards	<u>6,175,000</u>	<u>4,946,000</u>
Housing and Community Investment	Direct	HOME Investment Partnerships Program (Notes 7)	14.239	M-18-MC-06-0519 and Prior Awards	<u>30,836,000</u>	<u>--</u>
Housing and Community Investment	Direct	Housing Opportunities for Persons with AIDS (Note 7)	14.241	CA-H15-0003 CA-H18-F005 and Prior Awards	191,000 <u>18,849,000</u>	177,000 <u>13,827,000</u>
<i>Subtotal 14.241</i>					<u>19,040,000</u>	<u>14,004,000</u>
Economic and Workforce Development	Direct	Community Development Block Grants - Section 108 Loan Guarantees (Note7)	14.248	B-11-MC-06-0523-B and Prior Awards	<u>138,836,000</u>	<u>5,000</u>
Housing and Community Investment	Direct	ARRA - Neighborhood Stabilization Program (Note 7)	14.256	B-09-LN-CA-0046	<u>593,000</u>	<u>216,000</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2018

<u>FEDERAL GRANTOR/ CITY DEPARTMENT</u>	<u>PASS THROUGH GRANTOR</u>	<u>PROGRAM TITLE</u>	<u>CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER</u>	<u>GRANT/PASS THROUGH NUMBER</u>	<u>EXPENDITURES</u>	<u>SUBRECIPIENTS</u>
Housing and Community Investment	Direct	McKinney Act Savings (Note7)	14.unknown	Unknown	\$ 23,000	\$ --
Housing and Community Investment	Direct	Lead Hazard Reduction Demonstration Grant Program	14.905	CALHD0262-14	512,000	--
TOTAL FOR DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					259,526,000	39,860,000
<u>DEPARTMENT OF THE INTERIOR</u>						
City Planning	State Department of Parks & Recreation	Historic Preservation Fund Grants-In-Aid	15.904	P16AP00018 P16AF00025 P17AF00014	34,000 8,000 18,000	-- -- --
		<i>Subtotal 15.904</i>			60,000	--
Recreation and Parks	State Department of Parks & Recreation	Outdoor Recreation Acquisition, Development and Planning	15.916	C8960005	1,793,000	--
TOTAL FOR DEPARTMENT OF THE INTERIOR					1,853,000	--
<u>DEPARTMENT OF JUSTICE</u>						
Police	Direct	Law Enforcement Assistance - Narcotics and Dangerous Drugs Training	16.004	SW-CAC-1275 SW-CAC-1300 SW-CAC-1338 SW-CAC-1342H SW-CAC-1351H SW-CAC-1356 SW-CAC-1357 SW-CAC-1360 SW-CAS-685H 92R31600 Unknown	1,000 13,000 8,000 4,000 11,000 9,000 55,000 19,000 6,000 461,000 77,000	-- -- -- -- -- -- -- -- -- -- --
		<i>Subtotal 16.004</i>			664,000	--
Mayor	Direct	Community-Based Violence Prevention Program	16.123	2012-PB-FX-K0003 2016-MU-MU-K003	356,000 99,000	120,000 83,000
		<i>Subtotal 16.123</i>			455,000	203,000
Police	Direct	Law Enforcement Assistance - FBI Advanced Police Training	16.300	415-LA-A1509676-R 305A-LA-C247329-CE-1 305A-LA-C247329 Unknown 166E-LA-140751-CRA 281E-LA-A2472302	121,000 2,000 14,000 29,000 441,000 32,000	-- -- -- -- -- --
		<i>Subtotal 16.300</i>			639,000	--

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2018

<u>FEDERAL GRANTOR/ CITY DEPARTMENT</u>	<u>PASS THROUGH GRANTOR</u>	<u>PROGRAM TITLE</u>	<u>CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER</u>	<u>GRANT/PASS THROUGH NUMBER</u>	<u>EXPENDITURES</u>	<u>SUBRECIPIENTS</u>
Police	Direct	Services for Trafficking Victims	16.320	2015-VT-BX-K058	\$ 126,000	\$ --
Mayor	Direct	OVW Technical Assistance Initiative	16.526	2013-EW-AX-K005	152,000	80,000
Mayor	Direct	Education, Training, and Enhanced Services to End Violence Against and Abuse of Women with Disabilities	16.529	2016-FW-AX-K002	65,000	36,000
Police	Direct	Missing Children's Assistance	16.543	2015-MC-FX-K007	859,000	--
Police	State of California - Office of Emergency Services	Missing Children's Assistance	16.543	IC16 08 7250 IC17 09 7250	9,000 69,000	-- -
		<i>Subtotal 16.543</i>			937,000	--
Police	Direct	National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	334D-LA-259761	100,000	--
City Attorney	County of Los Angeles	Crime Victim Assistance	16.575	VW16340190 VW16350190	343,000 892,000	-- --
City Attorney	State of California - Office of Emergency Services	Crime Victim Assistance	16.575	XC16 01 7250 UV16 02 7250	1,666,000 162,000	769,000 --
		<i>Subtotal 16.575</i>			3,063,000	769,000
Mayor	Direct	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2014-WE-AX-0051 2016-SI-AX-K005	350,000 137,000	309,000 --
		<i>Subtotal 16.590</i>			487,000	309,000
Police	Direct	Corrections -Technical Assistance/ Clearinghouse	16.603	JLEO-18-0045	129,000	--
Police	Direct	Project Safe Neighborhoods	16.609	US15-02-7250	316,000	22,000
Police	Direct	Public Safety Partnership and Community Policing Grants	16.710	2014CKWX0004 2016ULWX0051	30,000 2,019,000	-- --
		<i>Subtotal 16.710</i>			2,049,000	--

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2018

FEDERAL GRANTOR/ CITY DEPARTMENT	PASS THROUGH GRANTOR	PROGRAM TITLE	CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER	GRANT/PASS THROUGH NUMBER	EXPENDITURES	SUBRECIPIENTS
Police	Direct	Special Data Collections and Statistical Studies	16.734	2016-FU-CX-K058	\$ 11,000	\$ --
Police	Direct	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-MU-BX-K039	124,000	--
				2016-DG-BX-0013	216,000	--
				2016-DG-BX-K051	159,000	--
Mayor	Direct	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-1149	17,000	--
				2014-DJ-BX-0235	435,000	420,000
				2015-DJ-BX-0302	1,086,000	979,000
				2016-DJ-BX-0246	523,000	517,000
		<i>Subtotal 16.738</i>			<u>2,560,000</u>	<u>1,916,000</u>
Police	Direct	DNA Backlog Reduction Program	16.741	2015-DN-BX-0115	492,000	--
				2016-DN-BX-0136	322,000	--
		<i>Subtotal 16.741</i>			<u>814,000</u>	<u>--</u>
Police	State of California - Office of Emergency Services	Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	CQ16 13 7250	101,000	--
Police	Direct	Edward Byrne Memorial Competitive Grant Program	16.751	2009-DG-BX-0118	94,000	--
Police	Direct	Economic High-Tech and Cyber Crime Prevention	16.752	2016-ZP-BX-0006	156,000	--
				2017-ZP-BX-0005	94,000	--
		<i>Subtotal 16.752</i>			<u>250,000</u>	<u>--</u>
Economic and Workforce Development	Direct	Second Chance Act Reentry Initiative	16.812	2017-CZ-BX-0029	176,000	--
City Attorney	County of Los Angeles	Innovations in Community-Based Crime Reduction	16.817	BSCC 656-17	48,000	--
City Attorney	Direct	Equitable Sharing Program	16.922	Unknown	6,000	--
Police	Direct	Equitable Sharing Program	16.922	Unknown	4,067,000	--
		<i>Subtotal 16.922</i>			<u>4,073,000</u>	<u>--</u>
TOTAL FOR DEPARTMENT OF JUSTICE					<u>17,309,000</u>	<u>3,335,000</u>
<u>DEPARTMENT OF LABOR</u>						
Aging	State of California- Department of Aging	Senior Community Service Employment Program	17.235	TV-1617-25	1,389,000	--

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2018

FEDERAL GRANTOR/ CITY DEPARTMENT	PASS THROUGH GRANTOR	PROGRAM TITLE	CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER	GRANT/PASS THROUGH NUMBER	EXPENDITURES	SUBRECIPIENTS
Economic and Workforce Development	State of California- Employment Development Department	WIOA Adult Program Cluster with CFDA Nos. 17.259 and 17.278	17.258	K698365 K7102035 K8100639	\$ 11,000 4,726,000 11,127,000 125,000	\$ 4,000 117,000 10,606,000 116,000
		<i>Subtotal 17.258</i>			<u>15,989,000</u>	<u>10,843,000</u>
Economic and Workforce Development	State of California- Employment Development Department	WIOA Youth Activities Cluster with CFDA Nos. 17.258 and 17.278	17.259	K7102035 K8106639 K9110016	312,000 13,058,000 1,474,000 21,000	43,000 8,226,000 -- 21,000
		<i>Subtotal 17.259</i>			<u>14,865,000</u>	<u>8,290,000</u>
Economic and Workforce Development	State of California- Employment Development Department	WIOA Dislocated Worker Formula Grants Cluster with CFDA Nos. 17.258, 17.259	17.278	K698365 K7102035 K8100639	334,000 4,309,000 7,961,000 69,000	7,000 542,000 6,698,000 63,000
		<i>Subtotal 17.278</i>			<u>12,673,000</u>	<u>7,310,000</u>
		<i>Subtotal WIA Cluster (17.258, 17.259, 17.278)</i>			<u>43,527,000</u>	<u>26,443,000</u>
Economic and Workforce Development	Direct	Reentry Employment Opportunities	17.270	YF-30746-17-60-A-37	<u>284,000</u>	<u>120,000</u>
Economic and Workforce Development	State of California- Employment Development Department	WIOA National Dislocated Worker Grants/ WIA National Emergency Grants	17.277	K698365	<u>323,000</u>	<u>125,000</u>
Economic and Workforce Development	Los Angeles Community College District	Trade Adjustment Assistance Community College and Career Training (TAACCCT)	17.282	4500212201	<u>1,000</u>	<u>--</u>
Economic and Workforce Development	Direct	Workforce Innovation Fund	17.283	IF-26348-14-60-A-6	<u>1,808,000</u>	<u>962,000</u>
	TOTAL FOR DEPARTMENT OF LABOR				<u>47,332,000</u>	<u>27,650,000</u>
<u>DEPARTMENT OF TRANSPORTATION</u>						
Public Works	State of California - Department of Transportation	Highway Planning and Construction	20.205	Various	68,865,000	--
Transportation	State of California - Department of Transportation	Highway Planning and Construction	20.205	Various	<u>15,984,000</u>	<u>--</u>
		<i>Subtotal 20.205</i>			<u>84,849,000</u>	<u>--</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2018

FEDERAL GRANTOR/ CITY DEPARTMENT	PASS THROUGH GRANTOR	PROGRAM TITLE	CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER	GRANT/PASS THROUGH NUMBER	EXPENDITURES	SUBRECIPIENTS
Transportation	State of California - California High-Speed Rail Authority	High-Speed Rail Corridors and Intercity Passenger Rail Service Capital Assistance Grants	20.319	HSR 16-20	\$ 23,000	\$ --
Transportation	Los Angeles County Metropolitan Transportation Authority (LACMTA)	Federal Transit - Capital Investment Grants Cluster with CFDA No. 20.507	20.500	CA-03-0815/ MOU-WBRTLADOT CA-04-0208-01	1,300,000	--
					186,000	--
		<i>Subtotal 20.500</i>			1,486,000	--
Public Works	Los Angeles County Metropolitan Transportation Authority (LACMTA)	Federal Transit - Formula Grants Cluster with CFDA No. 20.500	20.507	CA-2016-025-00	196,000	--
Transportation	State of California - Department of Transportation	Federal Transit - Formula Grants Cluster with CFDA No. 20.500	20.507	CA-90-Y505-00	349,000	--
Transportation	Direct	Federal Transit - Formula Grants Cluster with CFDA No. 20.500	20.507	CA-90-Y675-00	592,000	--
				CA-90-Y304-00	610,000	--
				CA-90-Z131-00	5,363,000	--
		<i>Subtotal 20.507</i>			7,110,000	--
		<i>Subtotal Federal Transit Cluster (20.500, 20.507)</i>			8,596,000	--
Housing and Community Investment	State of California - Office of Traffic Safety	State and Community Highway Safety Cluster with CFDA No. 20.616	20.600	PS18017	139,000	7,000
Transportation	State of California - Office of Traffic Safety	State and Community Highway Safety Cluster with CFDA No. 20.616	20.600	PS1726	462,000	--
Police	State of California - Office of Traffic Safety	State and Community Highway Safety Cluster with CFDA No. 20.616	20.600	PT1765 PT18063	390,000 803,000	-- --
		<i>Subtotal 20.600</i>			1,794,000	7,000
Housing and Community Investment	State of California- Office of Traffic Safety	National Priority Safety Programs Cluster with CFDA No. 20.600	20.616	OP1705 OP18012	95,000 113,000	-- --
Police	State of California- Office of Traffic Safety	National Priority Safety Programs Cluster with CFDA No. 20.600	20.616	PT1765 PT18063 TR1615	12,000 224,000 3,000,000	-- -- --
City Attorney	State of California - Office of Traffic Safety	State and Community Highway Safety Cluster with CFDA No. 20.600	20.616	DI1703 DI18016	66,000 249,000	-- --
		<i>Subtotal 20.616</i>			3,759,000	--
		<i>Subtotal Highway Safety Cluster (20.600, 20.616)</i>			5,553,000	7,000

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2018

FEDERAL GRANTOR/ CITY DEPARTMENT	PASS THROUGH GRANTOR	PROGRAM TITLE	CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER	GRANT/PASS THROUGH NUMBER	EXPENDITURES	SUBRECIPIENTS
Police	State of California- Office of Traffic Safety	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT1765 PT18063	\$ 986,000 2,051,000	\$ -- --
		<i>Subtotal 20.608</i>			3,037,000	--
TOTAL FOR DEPARTMENT OF TRANSPORTATION					102,058,000	7,000
<u>DEPARTMENT OF THE TREASURY</u>						
Police	Direct	Equitable Sharing Program	21.000	Unknown	167,000	--
Police	Direct	Taxpayer Service	21.003	Unknown Unknown	45,000 29,000	-- --
		<i>Subtotal 21.003</i>			74,000	--
TOTAL FOR DEPARTMENT OF THE TREASURY					241,000	--
<u>NATIONAL ENDOWMENT FOR THE ARTS</u>						
Cultural Affairs	Direct	Promotion of the Arts - Grants to Organizations and Individuals	45.024	16-19875 15-6200-7057 17-6200-7013 15-4292-7100 16-4292-7119 19875	16,000 35,000 50,000 70,000 100,000 12,000	16,000 35,000 -- 41,000 100,000 --
		<i>Subtotal 45.024</i>			283,000	192,000
TOTAL FOR NATIONAL ENDOWMENT FOR THE ARTS					283,000	192,000
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>						
Library	Direct	Grants to States	45.310	RE-00-17-0129-17	10,000	--
TOTAL FOR INSTITUTE OF MUSEUM AND LIBRARY SERVICES					10,000	--
<u>ENVIRONMENTAL PROTECTION AGENCY</u>						
Public Works	Direct	Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-00T51701-0 BF-99T09601-0	4,000 22,000	-- --
		<i>Subtotal 66.818</i>			26,000	--
TOTAL FOR ENVIRONMENTAL PROTECTION AGENCY					26,000	--

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2018

<u>FEDERAL GRANTOR/ CITY DEPARTMENT</u>	<u>PASS THROUGH GRANTOR</u>	<u>PROGRAM TITLE</u>	<u>CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER</u>	<u>GRANT/PASS THROUGH NUMBER</u>	<u>EXPENDITURES</u>	<u>SUBRECIPIENTS</u>
<u>DEPARTMENT OF ENERGY</u>						
Public Works	Direct	Conservation Research and Development	81.086	DE-EE0007430	\$ 45,000	\$ --
TOTAL FOR DEPARTMENT OF ENERGY					45,000	--
<u>DEPARTMENT OF EDUCATION</u>						
Economic and Workforce Development	Direct	Performance Partnership Pilots for Disconnected Youth	84.420	V420A150023	355,000	--
TOTAL FOR DEPARTMENT OF EDUCATION					355,000	--
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
Aging	State of California - Department of Aging	Special Programs for the Aging Title VII, Chapter 3_ Programs for Prevention of Elder Abuse, Neglect, and Exploitation Cluster with CFDA Nos. 93.042, 93.043, 93.044, 93.045, 93.052 and 93.053	93.041	AP-1718-25	51,000	51,000
Aging	State of California - Department of Aging	Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals Cluster with CFDA Nos. 93.041, 93.043, 93.044, 93.045, 93.052 and 93.053	93.042	AP-1718-25	88,000	88,000
Aging	State of California - Department of Aging	Special Programs for the Aging Title III, Part D Disease Prevention PART F-Disease Prevention and Health Promotion Services Cluster with CFDA Nos. 93.041, 93.042, 93.044, 93.045, 93.052 and 93.053	93.043	AP-1718-25	218,000	218,000
Aging	State of California - Department of Aging	Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers. Cluster with CFDA Nos. 93.041, 93.042, 93.043, 93.045, 93.052 and 93.053	93.044	AP-1718-25	3,013,000	2,389,000
Aging	State of California - Department of Aging	Special Programs for the Aging_ Title III, Part C Nutrition Services. Cluster with CFDA Nos. 93.041, 93.042, 93.043, 93.044, 93.052 and 93.053	93.045	AP-1718-25	6,873,000	6,349,000

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2018

FEDERAL GRANTOR/ CITY DEPARTMENT	PASS THROUGH GRANTOR	PROGRAM TITLE	CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER	GRANT/PASS THROUGH NUMBER	EXPENDITURES	SUBRECIPIENTS
Aging	State of California - Department of Aging	National Family Caregiver Support Title III, Part E Cluster with CFDA Nos. 93.041, 93.042, 93.043, 93.044, 93.045 and 93.053	93.052	AP-1718-25	\$ 1,117,000	\$ 712,000
Aging	State of California - Department of Aging	Nutrition Services Incentive Program Cluster with CFDA Nos. 93.041, 93.042, 93.043, 93.044, 93.045 and 93.052	93.053	AP-1718-25	1,079,000	1,079,000
		<i>Subtotal Aging Cluster (93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053)</i>			12,439,000	10,886,000
Emergency Management	County of Los Angeles - Department of Public Health	Public Health Emergency Preparedness	93.069	C-126913	30,000	--
Aging	State of California - Department of Aging	State Health Insurance Assistance Program	93.324	HI-1718-25	185,000	185,000
Economic and Workforce Development	County of Los Angeles - Community and Senior Services Department	Temporary Assistance for Needy Families	93.558	IA-0114	2,590,000	2,126,000
Housing and Community Investment	State of California - Department of Community Services and Development	Community Services Block Grant	93.569	18F-5022 17F-2022	818,000 5,321,000	469,000 4,017,000
		<i>Subtotal 93.569</i>			6,139,000	4,486,000
Recreation and Parks	State of California - Department of Education	Child Care and Development Block Grant Cluster with CFDA No. 93.596	93.575	CSPP-7167 CCTR-7078	50,000 3,000	-- --
		<i>Subtotal 93.575</i>			53,000	--
Recreation and Parks	State of California - Department of Education	Child Care Mandatory and Matching Funds of the Child Care and Development Fund Cluster with CFDA No. 93.575	93.596	CSPP-7167 CCTR-7078	109,000 7,000	-- --
		<i>Subtotal 93.596</i>			116,000	--
		<i>Subtotal CCDF Cluster (93.575, 93.596)</i>			169,000	--
Aging	State of California - Department of Aging	Affordable Care Act State Health Insurance Assistance Program (SHIP) and Aging and Disability Resource Center (ADRC) Options Counseling for Medicare-Medicaid Individuals in States with Approved Financial Alignment Models	93.626	FA-1718-25	57,000	40,000

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF LOS ANGELES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2018

FEDERAL GRANTOR/ CITY DEPARTMENT	PASS THROUGH GRANTOR	PROGRAM TITLE	CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER	GRANT/PASS THROUGH NUMBER	EXPENDITURES	SUBRECIPIENTS
Housing and Community Investment	Impact Assessment, Inc. (IAI)	Child Lead Poisoning Prevention Surveillance financed in part by Prevention and Public Health (PPHF) Program	93.753	5 NUE1EH001261-03-00	\$ 16,000	\$ --
TOTAL FOR DEPARTMENT OF HEALTH AND HUMAN SERVICES					21,625,000	17,723,000
<u>DEPARTMENT OF HOMELAND SECURITY</u>						
Fire	Direct	National Urban Search and Rescue (US&R) Response System	97.025	EMW-2015-CA-00037-S01 EMW-2016-CA-00031-S01	158,000 324,000	-- --
		<i>Subtotal 97.025</i>			<u>482,000</u>	<u>--</u>
City Administrative Officer	State of California- Office of Emergency Services	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Unknown	<u>2,102,000</u>	<u>--</u>
Emergency Management	County of Los Angeles - Office of Emergency Management	Emergency Management Performance Grants	97.042	C-131293	<u>641,000</u>	<u>--</u>
Public Works	State of California- Office of Emergency Services	Pre-Disaster Mitigation	97.047	EMF-2010-PD-0001	<u>38,000</u>	<u>--</u>
Police	Direct	Port Security Grant Program	97.056	EMW2015PU00255501	<u>21,000</u>	<u>--</u>
Mayor	State of California- Office of Emergency Services	Homeland Security Grant Program	97.067	2013-0110 2014-00093 2015-0078 2015-0078 2016-0102	15,117,000 236,000 34,589,000 191,000 13,108,000	13,729,000 32,000 28,582,000 -- 5,237,000
		<i>Subtotal 97.067</i>			<u>63,241,000</u>	<u>47,580,000</u>
Fire	Direct	Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2016-FH-00301	<u>1,404,000</u>	<u>--</u>
Police	Direct	Law Enforcement Officer Reimbursement Agreement Program	97.090	CA0194200	<u>126,000</u>	<u>--</u>
Mayor	Direct	Securing the Cities Program	97.106	2012-DN-106-000001-05 and Prior Awards	<u>1,322,000</u>	<u>110,000</u>
TOTAL FOR DEPARTMENT OF HOMELAND SECURITY					69,377,000	47,690,000
TOTAL FEDERAL AWARDS					\$ 521,437,000	\$ 136,555,000

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF LOS ANGELES, CALIFORNIA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

1. Reporting Entity for Single Audit

The City of Los Angeles, California (City) has defined its single audit reporting entity for the purpose of this report, in accordance with the Single Audit Act, as:

"Those Departments and Offices over which the Mayor and the City Council have direct legislative, executive and budgetary control."

The Housing Authority of the City of Los Angeles is fiscally independent of the City and therefore excluded from the City's reporting entity under generally accepted accounting principles and, accordingly, from its Single Audit reporting entity.

For the purpose of the Schedule of Expenditures of Federal Awards, the reporting entity consists of the following City Departments and Offices:

Aging	Office of Finance
Animal Services	Fire
Building and Safety	General Services
Cannabis Regulation	Housing and Community Investment
City Administrative Officer	Information Technology Agency
City Attorney	Library
City Clerk	Mayor
City Ethics Commission	Neighborhood Empowerment
Controller	Personnel
Convention and Tourism Development	Planning
Council	Police
Cultural Affairs	Public Accountability
Disability	Public Works
Economic and Workforce Development	Recreation and Parks
El Pueblo de Los Angeles	Transportation
Emergency Management	Zoo
Employee Relations Board	

The Federal award programs administered by the following City Departments and related organization are not included in the Schedule of Expenditures of Federal Awards but have separate independent single audits:

<u>Department/Agencies</u>	<u>Federal Single Audit Cognizant/Oversight Agencies</u>	<u>Auditors</u>
Airports	Department of Transportation	Moss Adams LLP
Harbor	Department of Transportation	Macias Gini & O'Connell LLP
Housing Authority of the City of Los Angeles	Department of Housing and Urban Development	Macias Gini & O'Connell LLP

CITY OF LOS ANGELES, CALIFORNIA
Notes to Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2018

1. Reporting Entity for Single Audit (Continued)

Water and Power	Environmental Protection Agency (Water System)	KPMG LLP
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2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Award (SEFA) presents the activity of all federal award programs of the City. All federal awards from the federal government and pass-through agencies are included in the SEFA. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

3. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Office of Management and Budget Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The City has elected not to use the ten (10) percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. Relationship to Federal Financial Reports

Amounts reported in the accompanying SEFA agree with the amounts reported in the related federal financial reports.

5. Changes in Catalog of Federal Domestic Assistance (CFDA) Numbers (No.) and Other Reclassifications

- a. CFDA Nos. 14.256, 21.003 and 97.090 are archived programs that are being retained to report expenditures incurred or to show outstanding loans of these programs.
- b. Expenditures for grant number DI1703 were reported under CFDA number 20.600, State and Community Highway Safety, in prior year. Current expenditures for this grant are reported under CFDA number 20.616, National Priority Safety Programs

CITY OF LOS ANGELES, CALIFORNIA
Notes to Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2018

6. Major Federal Programs

Under the risk based approach to determine major programs under the Uniform Guidance, major programs of the City may have expenditures as low as \$750,000 if the program is considered to be of high risk. Level of risk is determined by the auditor's judgment and guidelines contained in the Uniform Guidance.

7. Outstanding Loans of Federal Funds

The following is a summary of outstanding loans at cost by CFDA No. as of June 30, 2018. The outstanding loan balances do not reflect an allowance for uncollectibles of \$538,017,000. The FY 2017 outstanding balance of CFDA No. 14.248 in the amount of \$122,682,000, for which the Federal Government imposed continuing compliance, was included in the total expenditures in the accompanying SEFA.

<u>CFDA No.</u>	<u>Federal Grantor</u>	<u>Administering City Departments</u>	<u>Outstanding Balance as of June 30, 2018</u>
14.218	HUD	Economic & Workforce Development	\$ 25,827,000
		Housing	325,001,000
		Subtotal for CFDA No. 14.218	<u>350,828,000</u>
14.228	HUD	Housing	4,500,000
14.239	HUD	Housing	731,136,000
14.241	HUD	Housing	18,569,000
14.248	HUD	Economic & Workforce Development	119,425,000
14.256	HUD	Housing	42,456,000
		Housing (previously reported under	
14.Unknown	HUD	CFDA No. 14.871)	12,202,000
81.128	DOE	Housing	3,649,000
			<u>\$ 1,282,765,000</u>

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CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

Section I - Summary of Auditor's Results

(a) Financial Statements

Type of report issued on whether the financial statements audited were prepared in accordance with GAAP:

**Unmodified
Opinion**

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

No

None reported

Noncompliance material to the financial statements noted?

No

(b) Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

Yes

Yes

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

Unmodified for all major programs except for the following, which was qualified:

- CFDA No. 16.575 Crime Victim Assistance

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?

Yes

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
16.575	Crime Victim Assistance
16.922	Equitable Sharing Program
17.258/17.259/17.278	Workforce Innovation and Opportunity Act (WIOA) Cluster
17.283	Workforce Innovation Fund
20.205	Highway Planning and Construction Cluster
20.500/20.507	Federal Transit Cluster
20.600/20.616	Highway Safety Cluster
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated
93.041/93.042/93.043/ 93.044/93.045/93.052/ 93.053	Aging Cluster
93.558	Temporary Assistance for Needy Families (TANF) Cluster
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between type A and type B programs:

\$3,000,000

Auditee qualified as a low-risk auditee?

No

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

Reference Number:	2018-001
Federal Program Title:	Aging Cluster
Federal Catalog Number:	93.041, 93.042, 93.043, 93.044, 93.045, 93.052 and 93.053
Federal Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	California Department of Aging
Federal Award Number and Year:	AP-1718-25; 2018
City Department:	City of Los Angeles Department of Aging
Category of Finding:	Procurement

Criteria

In accordance with Title 45 Code of Federal Regulations (CFR) §92.36(b)(9), grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

Condition

To document the basis for subcontractor selection, the City's Department of Aging (DOA) utilizes a rating instrument form to rate bidders based on a program budget and the organization's history and administration. During our review of nine (9) contract files, DOA was unable to provide the rating instrument form for one (1) contract.

Cause

Due to an office fire at the DOA, the rating instrument was lost.

Effect

Lack of documentation to support the basis of contractor selection results in noncompliance with 45 CFR §92.36(b)(9).

Questioned Costs

\$70,010 (known questioned costs based on sample items tested)

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Context

For nine (9) contractors selected from a total of seventeen (17) contractors, which totaled \$8,101,442 from a population of \$10,886,256, DOA was not able to provide documentation for one (1) contractor, totaling \$70,010, to support the basis for contractor selection.

The sample was not a statistically valid sample.

Recommendation

We recommend that DOA maintains documentation to support the basis of contractor selection.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible:
Jennifer Ware, Planning Director
Department of Aging
Telephone No. (213) 202-9985
2. Corrective action plan:
LADOA reviewed, scanned and maintains electronic copies of the Rating Instruments for all of the proposals received during its most recent RFP process for contracts that will commence on July 1, 2019. The electronic copies are stored on multiple hard drives in the LADOA computer network. Furthermore, LADOA will file all of the rating instruments together within the Planning Division to lessen the chances that documents could be misplaced or lost.
3. Anticipated implementation date:
The documentation procedures were implemented on January 18, 2019.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Reference Number: 2018-002
Federal Program Title: Aging Cluster
Federal Catalog Number: 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, and 93.053
Federal Agency: U.S. Department of Health and Human Services
Pass-Through Entity: California Department of Aging
Federal Award Number and Year: AP-1718-25; 2018
City Department: City of Los Angeles Department of Aging
Category of Finding: Reporting

Criteria

The grant agreement AP-1718-25, *Exhibit B, Article VI: Closeout* states that the Area Plan Financial Closeout Report shall be submitted annually to the California Department of Aging (CDA) Fiscal Team. All contractors must submit to CDA, Closeout Reports as instructed by CDA. The Area Plan Financial Closeout Report was due July 31, 2018, as communicated by the CDA to the City's Department of Aging (DOA).

Condition

During our review of one (1) Area Plan Financial Closeout Report, we noted the report was submitted on August 8, 2018, which was nine (9) days after the due date, and there is no evidence of an extension to submit the report.

Report Type	Period Covered	Due Date	Date Submitted	Number of Days Late
The Area Plan Financial – Closeout Report	FY 17-18	7/31/2018	8/9/2018	9

Cause

Due to an oversight, the closeout report was not submitted on time.

Effect

Failure to submit the Area Plan Financial Closeout Report timely results in noncompliance with the reporting requirements in the grant agreement.

Questioned Cost

Questioned costs were not identified.

Context

For thirteen (13) reports selected from a total population of thirty-three (33) reports for testing, one report was submitted nine (9) days after the due date.

The sample was not a statistically valid sample.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Recommendation

We recommend that DOA strengthens its report submission process to ensure all reports are submitted timely. When a report cannot be submitted by the due date, DOA should request an extension from the funding agency and maintain a record of the approval.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible:
Clara Kim, Principal Accountant II
Department of Aging
Telephone No. (213) 202-5630
2. Corrective action plan:
A significant factor for the late report was the unavailability of accounting staff at the time to process all of the year end expenditure reports. The Fiscal accounting unit was experiencing a 60% vacancy which included the Senior Accountant II position that heads the unit. The department had been trying to fill the vacancies for over a year but had not yet due to a combination of not having candidate lists to hire from or limited candidate pools. The department continues to fill its vacancies and have succeeded in hiring a Senior Accountant II and has been interviewing from the newly established list of Accountants. Recently, the Personnel Department had designated a number of critical job classifications for continuous hiring. The accountant job classification exam is now continuously open so that there will be more frequent hiring lists established and the department will have improved opportunities to fill its vacant positions.

The other factor resulting in the late report was to accommodate a number of contractors who had to resubmit their year-end expenditure results at the last minute. These changes required that the department's report be constantly revised. The department accepted those changes and late submissions to not cause financial harm to the nonprofit agencies that it contracts with to provide direct services to seniors. This fiscal year starting in May, the department contract monitors will remind those agencies that had difficulties last time to not make the same oversights and will review with them what is required in the closeout report. They will also monitor them to ensure they meet their due dates.

3. Anticipated implementation date:
Addressing the accountant vacancies has already begun. The vacant Senior Accountant II position and one Accountant vacancy has been filled and interviews are being scheduled for the remaining vacant Accountant position. On May 1, 2019, the department's program monitors will be contacting those contractors who had problems with their year-end reporting to ensure they take proactive steps to avoid last minute changes.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Reference Number:	2018-003
Federal Program Title:	Temporary Assistance for Needy Families
Federal Catalog Number:	93.558
Federal Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	County of Los Angeles Workforce Development, Aging and Community Services
Federal Award Number and Year:	IA-0114 Amendments 3 and 5; 2018
City Department:	Economic and Workforce Development Department
Category of Finding:	Cash Management

Criteria

1) Cash Management

Pursuant to the grant agreement between the County of Los Angeles Department of Workforce Development, Aging and Community Services (County) and the City of Los Angeles Economic and Workforce Development Department (EWDD), the Los Angeles County Youth Jobs program is on a cost reimbursement basis. However, the County also allows EWDD to request advances.

In accordance with Title 2 Code of Federal Regulations (CFR) §200.305(b), non-Federal entities' payment methods must minimize the time elapsing between the transfer of funds from the pass-through entity and the disbursement by the non-Federal entity.

In addition, 2 CFR §200.305(b)(1) states that advance payments to a non-Federal entity must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the non-Federal entity in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the non-Federal entity for direct program or project costs and the proportionate share of any allowable indirect costs.

Per the City of Los Angeles Controller Manual, 1.5.1 Policy and Internal Controls for Expenditures, it is the City's policy to pay vendors within 30 days of invoice receipt.

2) Interest Earned on Advances

The grant agreement between the County and EWDD defines interest income earned on funds as program income and indicates as follows:

Paragraph 13.3 Program Income Statement Report

13.3.2.1 – The use of Program Income requires prior written approval from County's Contract Manager.

13.3.2.2 – Contractor shall prepare an annual Program Income Statement Report ("Report") on contract revenues versus expenditures, to identify the amount of Program Income.

13.3.2.3. – The Report shall be submitted along with the Closeout Report in the form, manner and timeline as designated by County.

Paragraph 13.4 Plan for Disposition of Program Income

13.4.1 – If Contractor Program Income Statement Report identifies Program Income, Contractor shall prepare and submit a Plan for Disposition of Program Income ("Plan"). The Plan shall be completed and submitted in the form and manner as designated by

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

County within thirty (30) days after the Program Income Statement Report is due, as specified in Paragraph 13.3.

Condition

- 1) Per review of subrecipient invoices paid by EWDD, the time lapse between the receipt of funds from the County and the disbursement of funds to subrecipients exceeded the City's payment policy of 30 days for twenty-six (26) invoices reviewed. Delaying payments to subrecipients when funds are available also indicates a failure to ensure that the timing and amounts of advance payments are minimized to meet the immediate cash requirements of the program.
- 2) Per review of the Program Income Statement Report submitted to the County as part of the closeout for FY 2017 and FY 2018, EWDD reported \$8,338 and \$10,835, respectively, as interest earned on advances of program funds.

The Plan for Disposition of Program Income for FY 2017 and FY 2018 were not completed and not submitted to the County within thirty (30) days after the Program Income Statement Report was due. In addition, interest income for both fiscal years was not remitted to the County until February 11, 2019.

Cause

- 1) As part of EWDD's fiscal monitoring procedures, staff accountants review subrecipient invoices to verify allowability of costs and ensure costs conform to the provisions of the contract agreement and approved budget before payment of the invoices. Payments can be withheld due to a number of issues noted during the invoice review, such as pending approval of the contract agreement, budget, and/or indirect cost rates.

To minimize the time lapse between subrecipient's invoice submission and payment of the invoice, EWDD reports subrecipient expenditures on their cash requests to the County based on the invoice amounts prior to the review of invoices. Due to this practice, EWDD can receive funds from the County and fail to disburse funds to the subrecipient timely due to withholding payments for the various reasons mentioned above that are noted during the invoice review.

In addition, EWDD makes their best effort to pay multiple subrecipient invoices at a time versus paying individual invoices. Therefore, when payments are withheld for an earlier invoice and additional invoices are received before the initial invoice is approved, EWDD will consolidate payments until the most recent invoice has been reviewed and approved. This practice further delays the disbursement of funds to subrecipients.

- 2) The preparation of refund of interest income earned requires multiple steps and coordination with the City's Office of the Controller. Due to these procedures, EWDD was unable to remit interest income to the County in a timely manner.

Effect

- 1) Failure to minimize the time elapsing between receiving funds from the County and paying subrecipient invoices within 30 days of receipt of the invoice results in noncompliance with the City's vendor payment policy and the cash management requirements per 2 CFR §200.305.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

- 2) Failure to submit a Plan for Disposition of Program Income and remit interest income to the County timely results in noncompliance with Paragraphs 13.3 and 13.4 of the grant agreement between EWDD and the County.

Questioned Costs

Questioned costs were not identified.

Context

- 1) Of the five (5) cash requests reviewed out of a population of ten (10) cash requests submitted to the County during FY 2017-18, forty-five (45) subrecipient invoices were selected for review. Of the selected invoices, twenty-six (26) were not paid within 30 days of receipt of funds from the County.
- 2) The Plan for Disposition of Program Income for total interest earned on advances in the amount of \$8,338 and \$10,835 for FY 2017 and FY 2018, respectively, was not submitted to the County within thirty (30) days after the Program Income Statement Report was due.

The sample was not a statistically valid sample.

Recommendation

To ensure that EWDD minimizes the timing and amount of advances to the immediate cash requirements of the program, we recommend that EWDD report subrecipient expenditures on the cash requests to the County only when subrecipient invoices have been reviewed and approved for payment.

To ensure that EWDD complies with the County's program income requirements, we recommend that EWDD submit the Plan for Disposition of Program Income or obtain documented approval from the County for the timing of remitting interest income that is reported on the Program Income Statement Report. In addition, we recommend that EWDD initiates the process of remitting interest income to the County at the time the closeout reports are submitted.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible:
Catherine Bondoc, Director
Financial Management Division
Economic and Workforce Development Department
(213) 744-7294
2. Corrective action plan:
 - a. Effective immediately, all County billings will be duly verified as ready for processing with no outstanding hold issues prior to being billed to the County. If any sub-recipient is in lapse from having all requirements in place, EWDD will not bill the County until all outstanding issues are rectified. This will eliminate cash sitting idle while resolution of outstanding issues is in progress. Ultimately, we will only invoice the County for all billings that have zero issues and release payments within 30 days after the receipt of County funds.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

- b. Program Income is determined by the City Office of Finance and reported in the City's Financial Management System (FMS). Upon closeout of a grant, EWDD will remit interest income earned within 30 days to the LA County Workforce Development Aging Community Services (WDACS).
 - c. The finding outlined above for Program Income was remitted by check on February 11, 2019 to Los Angeles County WDACS.
3. Anticipated implementation date:
All recommendations outlined above have been implemented as of February 2019.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Reference Number: 2018-004
Federal Program Title: Temporary Assistance for Needy Families
Federal Catalog Number: 93.558
Federal Agency: Department of Health and Human Services
Pass-Through Entity: County of Los Angeles Workforce Development, Aging and Community Services
Federal Award Number and Year: IA-0114 Amendments 3 and 5; 2018
City Department: Economic and Workforce Development Department
Category of Finding: Subrecipient Monitoring

Criteria

In accordance with Title 2 Code of Federal Regulations (CFR) §200.331(a) *Requirements for pass-through entities*, all pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification:

- (1) Federal Award Identification:
 - (xii) Identification of whether the award is Research and Development (R&D)

Pursuant to 2 CFR §200.331(d), the pass-through entity must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

- 1) Reviewing financial and programmatic reports required by the pass-through entity.
- 2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.
- 3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity.

Pursuant to 2 CFR §200.331(e), depending upon the pass-through entity's assessment of risk posed by the subrecipient, the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

- 1) Providing subrecipients with training and technical assistance on program-related matters; and
- 2) Performing on-site reviews of the subrecipient's program operations;
- 3) Arranging for agreed-upon-procedures engagements as described in § 200.425 Audit services.

Per the Economic and Workforce Development Department's (EWDD) policy, upon completion of the monitoring reviews performed by EWDD, a transmittal letter and accompanying final review report is issued to the subrecipient summarizing the results of the review including the findings noted and recommended corrective action plans. The Division Director is required to review and approve the transmittal letter prior to communicating it to the subrecipient.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Condition

During our review of fourteen (14) subrecipient samples with active contracts during FY 17-18, we noted that EWDD did not perform the following:

- 1) Identification of whether the award is Research and Development (R&D) for fourteen (14) subrecipients.
- 2) Based on the risk assessment, EWDD assessed seven (7) subrecipients as high risk, which required on-site monitoring in accordance with their monitoring tool; however, on-site monitoring was not scheduled during FY 17-18.
- 3) Although EWDD program staff communicated findings and followed up on issues for the program monitoring review of one (1) subrecipient, the transmittal letter formally communicating the results of the review to the subrecipient and requesting the subrecipient to submit a corrective action plan was not approved by the Division Director.

Cause

- 1) EWDD was not aware that the identification of whether the award is R&D is required to be communicated to all subrecipients.
- 2) A shortage of staff resulted in the delay in scheduling the on-site monitoring reviews for seven (7) subrecipients.
- 3) Transmittal letter communicating the results of the program monitoring review for one (1) subrecipient was not approved by the appropriate personnel due to lack of oversight.

Effect

Failure to provide the required subaward information, timely perform on-site monitoring, and review the program monitoring report results in noncompliance with 2 CFR §200.331(a), (d), (e) and EWDD's policy.

Questioned Costs

Questioned costs were not identified.

Context

Of the fourteen (14) subrecipients out of a population of twenty (20) subrecipients selected for testing, totaling \$1,856,312 from a population of \$2,126,415, the number of subrecipients noted with exceptions are as follows for each condition:

- 1) Identification of whether the award is Research and Development (R&D) pursuant to 2 CFR §200.331(a) was not communicated to fourteen (14) subrecipients.
- 2) On-site fiscal monitoring reviews were not scheduled within the fiscal year ended June 30, 2018 for seven (7) subrecipients.
- 3) The transmittal letter communicating the results of the program monitoring review was not approved for one (1) subrecipient.

The sample was not a statistically valid sample. In addition, condition number 1 is a repeat finding as indicated in the Schedule of Prior Audit Findings as finding number 2017-004.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Recommendation

We recommend that EWDD performs the following procedures:

- 1) Communicate whether the award is Research and Development (R&D) to all subrecipients.
- 2) Ensure all subrecipients assessed as high risk are scheduled for on-site fiscal monitoring within the fiscal year.
- 3) Ensure that program monitoring results are reviewed and approved by the appropriate personnel before they are communicated to subrecipients.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible:
 - a. Paul Nakama, Senior Management Analyst II
Economic and Workforce Development Department
(213) 744-9001
 - b. Catherine Bondoc, Director
Financial Management Division
Economic and Workforce Development Department
(213) 744-7294
 - c. Kenyatta Weaver, Program Analyst
Economic and Workforce Development Department
(213) 744-7068
2. Corrective action plan:
 - a. EWDD will ensure that all future contracts will contain the required information as to whether the award is Research and Development or not. Current sub-recipients will be notified in writing.
 - b. EWDD does not agree with this finding. Performance of desk reviews for the identified subrecipients is a critical component of our fiscal monitoring process. This involves verifying reported expenditures against subrecipients' general ledger, reviewing supporting documentation for selected samples, and ensuring adherence to approved budget, expenditure caps, required cost classifications, indirect cost rates, and other reporting requirements. This phase enables us to complete a significant part of the review before we are able to schedule an on-site visit which can be delayed due to on-going audit staff vacancies. The on-site fiscal reviews for the TANF subrecipients have been scheduled for FY 18-19.
 - c. EWDD YouthSource Division will provide the Youth Employment Specialist (YES) staff with training on the process writing and submitting monitoring reports. The training will include the usage of the correct report document. In addition, EWDD YouthSource Division monitoring reports will be a topic covered at subsequent YES monitor's meetings to ensure that staff uses the correct report document.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

3. Anticipated implementation date:
 - a. Immediately for all current contracts and starting July 2019 for all new contracts.
 - b. Implemented per response to corrective action plan.
 - c. EWDD YouthSource Division Program Analyst staff provided YES staff with training in August 2018. The training included eligibility, program monitoring duties and responsibilities, including the process writing and submissions of monitoring reports. Monitoring report process has been a standing topic item on the YES monitor's meeting agenda beginning in July 2018.

Auditor's Response

As noted in corrective action plan 2(b) above, while EWDD indicated that desk reviews were performed as part of the fiscal monitoring process, on-site monitoring was not conducted in FY 17-18 for subrecipients assessed as high risk as stated in EWDD's monitoring policies. The purpose of a risk assessment of subrecipients as set forth in CFR §200.331(b) is to evaluate the timing and scope of monitoring activities set forth in CFR §200.331(d),(e), which may vary based on the risk assessment. Since EWDD's policies are to perform on-site reviews for subrecipients that are assessed as high risk, EWDD should follow their fiscal monitoring procedures to conduct the appropriate monitoring activities based on the risk assessment performed.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Reference Number: 2018-005
Federal Program Title: Workforce Innovation and Opportunity Act Cluster
Federal Catalog Number: 17.258 / 17.259 / 17.278
Federal Agency: Department of Labor
Pass-Through Entity: California Employment Development Department
Federal Award Number and Year: K698365, K7102035, K8106639, K9110016 – 2017, 2018
City Department: Economic and Workforce Development Department
Category of Finding: Subrecipient Monitoring

Criteria

In accordance with Title 2 Code of Federal Regulations (CFR) §200.331(a) *Requirements for pass-through entities*, all pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification.

(1) Federal Award Identification:

(xii) Identification of whether the award is Research and Development (R&D)

Condition

During our review of the Workforce Innovation and Opportunity Act Cluster, for eleven (11) subrecipients the Economic & Workforce Development Department (EWDD) did not communicate whether the award is Research and Development (R&D) to the subrecipients.

Cause

EWDD was not aware that identification of whether the award is R&D is required to be communicated to all subrecipients.

Effect

Failure to provide the required subaward information results in noncompliance with 2 CFR §200.331(a).

Questioned Costs

Questioned costs were not identified.

Context

Of the eleven (11) subrecipients selected for testing, totaling \$14,444,307 from a population of thirty-nine (39) subrecipients, totaling \$26,443,578, identification of whether the award is R&D was not communicated to subrecipients.

The sample was not a statistically valid sample. In addition, this is a repeat finding as indicated in the Schedule of Prior Audit Findings as finding number 2017-006.

Recommendation

We recommend that EWDD communicate whether the award is R&D to all subrecipients.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Views of Responsible Officials and Planned Corrective Action

1. Person responsible:
Paul Nakama, Senior Management Analyst II
Economic and Workforce Development Department
(213) 744-9001
2. Corrective action plan:
EWDD will ensure that future contracts executed will contain the required information as to whether the award is Research and Development or not. Current sub-recipients will be notified in writing.
3. Anticipated implementation date:
Immediately for all current contracts and starting July 2019 for all new contracts.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Reference Number: 2018-006
Federal Program Title: Workforce Innovation and Opportunity Act Youth Activities
Federal Catalog Number: 17.259
Federal Agency: Department of Labor
Pass-Through Entity: California Employment Development Department
Federal Award Number and Year: K698365, K7102035, K8106639, K9110016 – 2017, 2018
City Department: Economic and Workforce Development Department
Category of Finding: Eligibility

Criteria

The Economic & Workforce Development Department (EWDD) operates the Workforce Innovation and Opportunity Act (WIOA) Youth Program at the City of Los Angeles YouthSource Centers.

In accordance with EWDD's eligibility determination policies and procedures for the WIOA Youth Program, participants must complete the WIOA application form and provide all required eligibility determination documentation, to determine eligibility by the YouthSource Center staff.

Pursuant to the California Employment Development Department (EDD) Directive WSD13-11, all WIOA grant recipients are required to report individual participant data via the CalJOBS system, which is the State's system of record.

Condition

During our review of the WIOA Youth Program case files, we noted the following:

- 1) One participant met the WIOA Youth Program eligibility requirements and received stipends from WIOA Youth funds, however the application information in the CalJOBS system incorrectly indicated that the participant was qualified for the WIOA Adult Program, and the completed application from the CalJOBS system was certified by both the applicant and the YouthSource Center staff.
- 2) One participant met the In-School Youth Program eligibility requirements, however the application information in the CalJOBS system incorrectly indicated the participant's education status as Out-of-School Youth, and the completed application from the CalJOBS system was certified by both the applicant and the YouthSource Center staff.

Cause

Inaccurate application information in the CalJOBS system was due to data entry errors.

Effect

Reporting incorrect participant data in the CalJOBS system can lead to inaccurate reporting of the number of program participants enrolled and the amount of program expenditures incurred for each WIOA program and/or service provided. Furthermore, inaccurate reporting of In-School Youth and Out-of-School Youth expenditures can lead to noncompliance with the Federal earmarking requirements for the WIOA Youth Program.

Questioned Cost

Questioned costs were not identified.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Context

Of the forty (40) participants tested, who received stipends totaling \$44,946 from a population of one hundred and seventy-four (174) participants receiving stipends totaling \$195,399, there were data entry errors for two (2) participants in the WIOA CalJOBS system.

The sample was not a statistically valid sample.

Recommendation

We recommend that EWDD strengthens its review process to ensure that information entered into the CalJOBS system is accurate.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible:
Frank Mier, Management Analyst II
Economic and Workforce Development Department
(213) 744-9319
2. Corrective action plan:
 - a. It is standard practice for EWDD's Management Information System (MIS) unit to provide CalJobs training to contractors that allows for data entry and the generation of various reports which are extracted data entered into the system. All WIOA contractors are required to submit program data into the CalJobs system in accordance to their contractual agreement. When an error occurs MIS provides technical support to contractors by providing a form requesting a technical correction along with procedure for contractors to request corrections to CalJobs system.

EWDD's MIS unit processes in excess 150 Youth Source CalJobs Correction Forms in PY 2017-2018, with the majority handled in-house by MIS staff. MIS also handles State identified errors that need necessary updates into the CalJobs system. The EDD Program Reporting and Analysis Unit will request that agency staff review and verify WIOA application data and make corrections on a required base. MIS coordinates this reconciliation with funded agencies and notifies the EDD Program Reporting and Analysis Unit once corrections are made.

- b. Proposed Monitoring Improvements
 - i. At the end of each quarter, the Program Analysts will generate from CalJobs the report titled Executive-Program Management-WIOA Participant Summary for the program year to-date.
 - ii. The Program Analyst must send this report to contractor staff and instruct the contractor to provide self-reported figures for the following five data fields: a) Total Participants; b) Participants Carried In; c) New participants; d) In School Youth; e) Out of School Youth.
 - iii. The contractor must use CalJobs data and its own self-reported data to identify discrepancies.
 - iv. If any discrepancies are identified, the contractor must contact MIS and follow the procedures for requesting corrections to CalJobs data.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

- v. The Program Analyst will include the data from the Executive-Program Management-WIOA Participant Summary within the site visit report and any discussion on performance or discrepancies identified.
 - vi. These processes will be added to the monitoring manual.
- 3. Anticipated implementation date:
 - a. April 1, 2019.
 - b. June 30, 2019 – Monitoring Manual.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Reference Number: 2018-007
Federal Program Title: Workforce Innovation and Opportunity Act Cluster
Federal Catalog Number: 17.258 / 17.259 / 17.278
Federal Agency: Department of Labor
Pass-Through Entity: California Employment Development Department
Federal Award Number and Year: K698365, K7102035, K8106639, K9110016 – 2017, 2018
City Department: Economic and Workforce Development Department
Category of Finding: Procurement and Suspension and Debarment

Criteria

Procurement Records

In accordance with the Title 2 Code of Federal Regulations (CFR) §200.318(i), the non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but not necessarily limited to the following: rationale for method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

Pursuant to 2 CFR §200.319(d), the non-Federal entity must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition.

The *Guidelines for the Procurement of Services for the City Economic & Workforce Development Department* (EWDD), which is EWDD's procurement policy, included in the Program Year 2017-18 Annual Plan, indicates the requirements for the following procurement methods:

- 1) Competitive Proposals (Request for Proposal (RFP)) – Proper documentation for a competitive proposal purchase includes:
 - a. The reason for selecting the competitive proposal method
 - b. An estimate of the potential purchase price
 - c. A copy of the RFP
 - d. Bidders' conference questions and answers
 - e. Bids received
 - f. The scoring criteria and the evaluation/scoring sheets for each proposal, including determination of the responsibility of the bidder and the cost analysis
 - g. Why the provider was selected
 - h. The public notice of intent to award
 - i. Copy of the award document
- 2) Request for Qualifications – This method of procurement may be used when EWDD is seeking to establish a list of qualified organizations that provide highly specialized or technical services. Examples include but are not limited to, grant writers or trainers. By establishing the list of qualified organizations, EWDD or its contractors may select to contract with one or more of the organizations on an "as needed" basis.

Cost or Price Analysis

In accordance with 2 CFR § 200.323(a), the non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Suspension and Debarment

In accordance with 2 CFR §180.300, when the City enters into a covered transaction with another person at the next lower tier, the City must verify that the person is not excluded or disqualified. The City can do this by:

- (a) Checking the Excluded Parties List System (EPLS) (i.e. System for Award Management Exclusions); or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person.

Per 2 CFR §180.985 Person, person means any individual, corporation, partnership, association, unit of government, or legal entity, however organized.

Condition

During our review of contract files for the Workforce Innovation and Opportunity Act (WIOA) Cluster, we noted the following:

- 1) The documentation of the basis for contractor selection was not provided for one (1) contractor.
- 2) One (1) contractor was procured from a list of qualified organizations established through requests for qualifications that was not current for FY 17-18.
- 3) No documentation was provided to support that a cost or price analysis was performed for the procurement of one (1) contractor.
- 4) No documentation was provided for one (1) contractor to support that EWDD verified the contractor was not debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

Cause

Lack of proper documentation for procurement transactions, verification that the contractor was not debarred or suspended, and the delay in preparing a list of qualified organizations established through the request for qualifications was due to oversight.

Effect

Not maintaining the proper documentation for the procurement of contractors results in noncompliance with 2 CFR §200.318(i) and the *Guidelines for the Procurement of Services for the City Economic & Workforce Development Department*.

Not maintaining a current list of prequalified organizations from which to acquire goods and services results in noncompliance with 2 CFR §200.319(d).

Not performing a cost or price analysis for each procurement action results in noncompliance with 2 CFR § 200.323(a).

Not verifying whether a contractor is suspended or debarred before entering into a covered transaction results in noncompliance with 2 CFR §180.300.

Questioned Cost

\$226,799 (known questioned costs based on payments made to contractors for FY 17-18)

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Context

Of the nine (9) contractors selected for testing, which totaled \$799,603 from a population of \$2,359,002, the number of contractors noted with exceptions are as follows for each condition:

- 1) One (1) contract file, totaling \$26,316, did not have documentation for the basis of contractor selection.
- 2) One (1) contractor, totaling \$154,733, was not procured through an active list of qualified organizations.
- 3) One (1) file, totaling \$154,733, did not have documentation to indicate that a cost or price analysis was performed.
- 4) Verification that one (1) contractor, totaling \$45,750, was not debarred or suspended was not performed prior to entering into a covered transaction.

The sample was not a statistically valid sample.

Recommendation

We recommend that EWDD performs the following procedures:

- 1) Maintain documentation for the significant history of the procurement, including the basis for contractor selection.
- 2) Maintain a current list of qualified organizations established through requests for qualifications.
- 3) Maintain documentation to support a cost or price analysis was performed.
- 4) Verify a contractor is not suspended or debarred prior to entering into a covered transaction and maintain the evidence with the date of verification on file.
- 5) Provide training to employees to ensure they follow the compliance requirements for procurement and suspension and debarment.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible:
Paul Nakama, Senior Management Analyst II
Economic and Workforce Development Department
(213) 744-9001
2. Corrective action plan:
Maintain documentation for the significant history of the procurement, including the basis for contractor selection.
 - a. EWDD will update and reissue internal policy and procedures manual to ensure staff is aware of procurement procedures, including documentation requirements.
 - b. EWDD will provide training for all EWDD program and procurement staff on Guidelines for the Procurement of Services for the City Economic & Workforce Development Department.
 - c. Anticipated completion is June 30, 2019.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Maintain a current list of qualified organizations established through requests for qualifications.

- a. As previously reported, the Youth System Support Request for Qualifications was issued in May 2018 and a current list of qualified organizations was approved by the Workforce Development Board on February 28, 2019.
- b. In addition, EWDD will review all existing programs and/or contracts to ensure current procurements are in place.
- c. This item has been completed.

Maintain documentation to support a cost or price analysis was performed.

- a. EWDD will update and reissue internal policy and procedures manual to ensure staff is aware of procurement procedures, including Cost/Price Analysis requirements.
- b. EWDD will provide training for all EWDD program and procurement staff on *Guidelines for the Procurement of Services for the City Economic & Workforce Development Department*.
- c. Anticipated Completion is June 30, 2019.

Verify a contractor is not suspended or debarred prior to entering into a covered transaction and maintain the evidence with the date of verification on file.

- a. EWDD will update its current policy and procedures to review contractors for suspension or debarment for all contracts, including those mandated by the State and/or other grantors prior to contract execution.
- b. EWDD will provide training to contract staff to ensure compliance with this requirement.
- c. Training will be completed by June 30, 2019.

3. Anticipated implementation date:

See Corrective Action Plan above for target completion dates.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Reference Number: 2018-008
Federal Program Title: Homeland Security Grant Program
Federal Catalog Number: 97.067
Federal Agency: Department of Homeland Security
Pass-Through Entity: California Governor's Office of Emergency Services
Federal Award Number and Year: 2013-00110, 2014-00093, 2015-0078, 2016-0102
City Department: Mayor's Office of Public Safety
Category of Finding: Subrecipient Monitoring

Criteria

In accordance with Title 2 Code of Federal Regulations (CFR) §200.331(a) Requirements for pass-through entities, all pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification.

(1) Federal Award Identification:

- (xii) Identification of whether the award is Research and Development (R&D)
- (xiii) Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs)

Condition

During our review of the Homeland Security Grant Program, for six (6) subrecipients the Mayor's Office of Public Safety (MOPS) did not communicate whether the award is Research and Development (R&D) and the indirect cost rate to the subrecipients.

Cause

MOPS was not aware that identification of whether the award is R&D and the indirect cost rate are required to be communicated to all subrecipients.

Effect

Failure to provide the required subaward information results in noncompliance with 2 CFR §200.331(a).

Questioned Costs

Questioned costs were not identified.

Context

Of the six (6) subrecipients selected for testing, totaling \$45,801,012 from a population of eighteen (18) subrecipients, totaling \$47,579,137, identification of whether the award is R&D and the indirect cost rate was not communicated to subrecipients.

The sample was not a statistically valid sample.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Recommendation

We recommend that MOPS communicate whether the award is R&D and the indirect cost rate to all subrecipients.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible:
Gabriela V. Jasso
Director of Grants and Finance
Mayor's Office of Public Safety
(213) 978-0756
Gabriela.jasso@lacity.org
2. Corrective action plan:
On February 27, 2019, the Mayor's Office of Public Safety (Mayor's Office) issued a memorandum to its UASI subrecipients advising them that the UASI grant program is not a Research & Development (R&D) award as defined in 2 CFR section 200.87 and 200.331. Additionally, the Mayor's Office advised the UASI subrecipients that there is no indirect cost rate applicable to the UASI grant Program award or the subaward as defined by 2 CFR section 200.56 and 200.331.
3. Anticipated implementation date:
February 27, 2019.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Reference Number: 2018-009
Federal Program Title: Crime Victim Assistance
Federal Catalog Number: 16.575
Federal Agency: U.S. Department of Justice
Pass-Through Entity: California Office of Emergency Services
Federal Award Number and Year: XC16017250 – 2016
City Department: City Attorney's Office
Category of Exception: Subrecipient Monitoring

Criteria

In accordance with Title 2 Code of Federal Regulations (CFR) §200.331, all pass-through entities must:

- (b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:
 - (1) The subrecipient's prior experience with the same or similar subawards;
 - (2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F—Audit Requirements of this part, and the extent to which the same or similar subaward has been audited as a major program;
 - (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
 - (4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).
- (d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorize purposes in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:
 - (1) Reviewing financial and programmatic reports required by the pass-through entity.
 - (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.
 - (3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity.
- (e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient, the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:
 - (1) Providing subrecipients with training and technical assistance on program-related matters; and
 - (2) Performing on-site reviews of the subrecipient's program operations;
 - (3) Arranging for agreed-upon-procedures engagements.
- (f) All pass-through entities must verify that every subrecipient is audited as required by Subpart F-Audit Requirements when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit Requirements.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

- (g) All pass-through entities must consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.

Condition

During our review of three (3) subrecipients with active contracts during FY 17-18, we noted the following:

1. The City Attorney's Office indicated that they evaluated each subrecipient's risk of noncompliance, but did not document their evaluations. A request for proposal and a contract between the City and the subrecipient were provided as examples of the information that the City requires from a subrecipient prior to entering into a contract. However, those documents are related to procurement requirements and did not address the requirements for a risk assessment. In the absence of a documented evaluation of the risk of non-compliance for the program's subrecipients, we are unable to determine if one was performed for the three (3) subrecipients.
2. On-site monitoring was not conducted for two (2) subrecipients during the fiscal year.
3. The City Attorney's Office requested the FY 16-17 Single Audit reports for two (2) subrecipients in February 2019 which is subsequent to June 30, 2018, and did not document their consideration whether the results from the Single Audit reports indicate conditions that require adjustments to the records of the City Attorney's Office.

Cause

1. The City Attorney's Office was not aware that they need to document their risk assessment for subrecipients in order to demonstrate that it was performed.
2. The City Attorney's Office reviewed the 2018 Subrecipient Handbook issued by the State of California, Office of Emergency Services (Cal OES) and interpreted that Cal OES requires an on-site monitoring at least once during each grant period instead of each fiscal year. Since an on-site monitoring was performed for the two (2) subrecipients in FY 16-17, the City Attorney's Office determined that it was not necessary to perform in FY 17-18.
3. The City Attorney's Office was not aware that they need to request and review the subrecipients' most recent Single Audit reports and document their consideration whether the results from the Single Audit reports indicate conditions that require adjustments to the City Attorney's records.

Effect

The lack of written evidence of a documented risk assessment, performing on-site monitoring, and reviewing subrecipients' Single Audit reports timely results in noncompliance with 2 CFR §200.331.

Questioned Costs

\$245,781 (known questioned costs based on sample items testing)

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Context

For three (3) subrecipients selected from a total of eleven (11) subrecipients for testing, which totaled \$254,155 from a population of \$768,679, the number of samples noted with exceptions are as follows for each condition:

1. Three (3) samples did not have written documentation as evidence that a risk assessment was performed.
2. Two (2) samples did not have an on-site monitoring performing.
3. Two (2) samples' Single Audit reports for FY 16-17 were not requested and reviewed until February 2019, and no documentation on whether the results from the Single Audit reports indicate conditions that require adjustments to the records of the City Attorney's Office.

The sample was not a statistically valid sample.

Recommendation

We recommend that the City Attorney's Office performs the following:

1. Document their risk assessment for each subrecipient.
2. Conduct on-site monitoring during each fiscal year.
3. Review subrecipients' most recent Single Audit reports during each fiscal year, maintain documentation as evidence that the Single Audit reports were reviewed, and document whether the results from the Single Audit reports indicate conditions that require adjustments to the records of the City Attorney's Office.

Views of Responsible Officials and Planned Corrective Action

1. Person responsible:
Derek Tennell, Victim Assistance Program Director
City Attorney's Office
(213) 978-4518
2. Corrective action plan:
 - a. **(Document risk assessment for each subrecipient)** – Although the City Attorney's Office did not require the subrecipients to complete a traditional risk assessment checklist, we did go through a process to determine the risk of each subrecipient. The subrecipients' were selected because of their expertise as a skilled victim service provider that met the grant objective to address gaps in victim services. We also assessed each subrecipient's contractor integrity, record of past performance, financial and technical resources. Following the guidelines set forth in the California Office of Emergency Services (CalOES), Section 3413.1, a bidder is considered responsible when it has been established that the bidder has the technical capability, sufficient staff, as satisfactory record of past performance, and is otherwise qualified and eligible. We also determined that each subrecipient or their principals were not suspended or debarred, and verified they were eligible to participate in federal awards via the federal Excluded Parties List System (EPLS) per section 2155.1 of the CalOES

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Subrecipient Handbook. Also, every subrecipient had an existing contract agreement with the City of Los Angeles and or the City Attorney's Office Victim Assistance Program through a Memorandum of Understanding (MOU) or a Letter of Agreement (LOA). All the subrecipients were in good standing prior to entering a separate contract agreement with the City Attorney's Office for the XC grant.

Corrective Action Plan:

The City Attorney's Office will meet with each subrecipient once every fiscal year and conduct a risk assessment evaluation. The subrecipient will be required to provide answers to the questions on the Risk Assessment Checklist form presented by Victim Assistance Program management.

- b. **(Conduct on-site monitoring during each fiscal year)** – The City Attorney's Office followed the requirement set forth in the California Office of Emergency Services (CalOES) Subrecipient Handbook on conducting Site Visits. This appears in the handbook in section 10320 *Timeframe* *Newly funded grant projects will normally receive a Site Visit within the first six months of the performance period. In addition, projects will normally receive a Site Visit at least once every two years.* Although this was not a requirement of Cal OES for our subrecipients, the City Attorney's Office decided to establish this requirement. The Program Director and the XC Grant Supervisor conducted a Site Visit with each of the subrecipients during the 24-month grant period as outlined in the CalOES Subrecipient Handbook.

Corrective Action Plan:

In the future, the City Attorney's Office Victim Assistance Program management will conduct a Site Visit for all subrecipients every fiscal year. This requirement will be added to their contract agreement.

- c. **(Review subrecipients' most recent Single Audit Report during each fiscal year, maintain documentation evidence that the Single Audit reports were reviewed, and document whether the results from the Single Audit reports indicate conditions that require adjustments to the City Attorney's records)** – The City Attorney's Office Victim Assistance Program management will request the Single Audit from each subrecipient every fiscal year. A checklist will be created to document 1) when the request was made to the subrecipient to submit their Single Audit; 2) when the Single Audit was received; 3) who received the Single Audit; 4) when the Single Audit was reviewed; 5) who reviewed the Single Audit; 6) if there is evidence in a subrecipient's Single Audits that requires adjustments to the City Attorney's records; and 7) what action would be taken if there was evidence that an adjustment needed to be made.
3. Anticipated implementation date:
The City's Attorney's Office has created Risk Assessment Checklist. The City Attorney's Office has also created a Single Audit Checklist. The City Attorneys' Office will conduct a Site Visit with each subrecipient before May 30, 2019 where the Risk Assessment will be done using the Risk Assessment Checklist. The City Attorney's Office will also review and discuss each subrecipient's Single Audit and make any necessary recommendations.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Auditor's Response

As noted in corrective action plan 2(a) above, while the City Attorney's Office indicated that a risk assessment was performed prior to entering into a contract with the subrecipient, the purpose of the risk assessment procedures set forth in CFR §200.331(b) is to evaluate the timing and scope of monitoring activities set forth in CFR §200.331(d),(e), which may vary based on the risk assessment performed after the contract has been entered into with subrecipients. Currently the City Attorney's Office does not have a risk assessment procedure for assessing the risk of noncompliance after a subrecipient was awarded the contract.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Reference Number: 2018-010
Federal Program Title: Highway Planning and Construction
Federal Catalog Number: 20.205
Federal Agency: U.S. Department of Transportation
Pass-Through Entity: California Department of Transportation
Federal Award Number and Year: HPLUL-5006(635) – 2010
City Department: Department of Transportation
Category of Finding: Special Tests and Provisions – Administration of Engineering and Design-Related Service Contracts

Criteria

In accordance with Title 23 Code of Federal Regulation (CFR) §172.11(b)(1)(ii), contracting agencies shall accept a consultant's or sub-consultant's indirect cost rate(s) established for a 1-year applicable accounting period by a cognizant agency.

Condition

During our review of contract files between the City of Los Angeles Department of Transportation (LADOT) and the consultants, we noted that the LADOT did not maintain written documentation to support that the City accepted one (1) consultant's indirect cost rate.

Cause

The LADOT's contract with the consultant is a lump sum contract that contains three phrases and did not specify the actual direct or indirect cost for each phrase. This type of contract is acceptable to the City's grantor, California Department of Transportation (Caltrans), and the consultant submitted a certificate of indirect costs; therefore, LADOT considered no written documentation was necessary to address the acceptability of the indirect cost rate submitted by the consultant.

Effect

Failure to accept the appropriate indirect cost rate submitted by the consultant results in noncompliance with 23 CFR 172.11(b)(1)(ii).

Questioned Costs

Questioned costs were not identified.

Context

Of the three (3) consultants selected for testing from a total of five (5) consultants, the LADOT did not provide written documentation as evidence that the indirect cost rate for one (1) consultant was accepted.

The sample was not a statistically valid sample.

Recommendation

We recommend that LADOT document their acceptance of the consultants' indirect costs rates.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2018

Views of Responsible Officials and Planned Corrective Action

1. Person responsible:
Carlos Rios, Principal Transportation Engineer
City of Los Angeles Department of Transportation
(213) 972-4963
2. Corrective action plan:
Memo will be released to all LADOT project managers that have projects subject to Title 23 Code of Federal Regulation (CFR) §172.11(b)(1)(ii) requiring formal acceptance of the appropriate indirect cost rate submitted by the consultant at time of contract award.
3. Anticipated implementation date:
Effective immediately.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2018

FINANCIAL STATEMENT FINDINGS:

2016-001 Financial Reporting - Consolidation

Condition

The City has seven component units, which issue separate audits reports. These reports are consolidated for inclusion in the City's Comprehensive Annual Financial Report (CAFR). Our review identified inconsistencies in financial reporting amongst the various component reports within the CAFR. Inconsistencies noted pertained to note disclosures, accounting treatment, and naming conventions used.

Recommendation

We recommend that the City develop and implement procedures over financial reporting in order to properly consolidate its component reports into the City's CAFR.

Current Year Management Response

Controller staff have provided the audit findings and adjustments to the various component units so that they may evaluate their policies, procedures, treatments, and presentations in relation to those in the CAFR. However, as mentioned before, the Controller does not have a direct line of authority over the component units' financial reporting, so specific changes cannot be guaranteed.

Current Status as of June 30, 2018

In process.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Prior Audit Findings (Continued)
For the Fiscal Year Ended June 30, 2018

2014-001 Risk Assessment over Financial Reporting

1. Control Environment and Risk Assessment

Condition

The City does not have a comprehensive risk assessment process over external financial reporting.

Due to the risks associated with the decentralized nature of the City, in 2008, the City Controller identified and issued a report titled "Evaluation of Citywide Risk Management Functions" related to the lack of risk assessment within the City.

The report recommended that the City establish an organizational and governance structure for an enterprise risk management model (ERM). The report further recommended that the City be responsible for implementing a risk assessment framework similar to that mentioned in the Green Book.

As of fiscal year 2014, an ERM or risk assessment framework over external financial reporting has not yet been implemented.

Recommendation

We recommend that the City adopt a process for financial statement risk assessment to ensure that adequate controls over external financial reporting exist.

2. Control Activities and Monitoring

Condition

The City has not established a comprehensive assessment of risks over external financial reporting. In the absence of a risk assessment, the City has not identified the critical controls to ensure compliance with external financial reporting requirements nor have these critical controls been monitored on a regular basis.

The City's current control activities, while necessary, emphasize risks primarily at the transaction level rather than at the external financial reporting level. The transaction level reporting and monitoring includes Demand Audit for payments, Funds and Appropriations for budgetary controls, and the Audit Division for departmental controls. As the City is decentralized, individual City departments' internal control processes are significantly relied upon for accurate external financial reporting.

The lack of controls over external financial reporting resulted in certain inconsistencies by various departments in the preparation of financial information used in preparing the City's basic financial statements included in its CAFR resulting in misstatements, such as misclassifications of financial statement elements, and misapplications of GAAP. As an example, the reversion worksheets prepared at the department level to reclassify expenditures initially recorded in the General Fund to the proper funds add an extra element of complexity to the financial reporting process. Since these reversion worksheets are based on both budgeted and actual expenditures, there is an increased risk that the consolidation process for external financial reporting may contain errors.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Prior Audit Findings (Continued)
For the Fiscal Year Ended June 30, 2018

This is further complicated by the City's multiple proprietary IT systems (PaySR, LATAX, and SMS) that interface with the City's Financial Management System (FMS), which is then summarized in a Microsoft Access database used by the Controller's Office to prepare the City's CAFR.

Recommendation

The City should design and implement a system of internal controls over external financial reporting. The system of internal controls should include: 1) implementation of a risk assessment over external financial reporting; 2) design and implementation of controls over critical risk areas identified; 3) monitoring of stated controls; and 4) periodic re-evaluations of risks and controls.

Current Year Management Response

The City developed a framework for internal controls over external financial reporting, and introduced and explained the framework in a Citywide departmental training session in September 2016. Since that time, the City has made a number of process improvements designed, in part, to improve internal controls over external financial reporting, including updating the GAAP manual and automating system reconciliations.

During the current year, the Controller's Office is taking steps to broaden and strengthen our oversight of internal controls across the organization through an update and redesign of the previously-used Internal Controls Certification Program (ICCP), which will be rebranded as the Fiscal Control Leadership Assessment (FCLA). The new FCLA will review controls in all areas, but will include an expanded focus on financial reporting. The broad focus of the new model includes facilitation, teaching, and coaching as preventive measures, and audits and assessments for oversight.

Current Status as of June 30, 2018

In process.

2014-02 Information Technology – General Controls Review

1. Lack of Adequate Fire Protection at Server Room

Condition

The City's server room does not have an automatic non-water fire suppression system. We note that the City has plans to build a new data center adjacent to its current center, and install adequate fire protection.

Recommendation

The City should ensure that the new data center contains a dry fire suppression system.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Prior Audit Findings (Continued)
For the Fiscal Year Ended June 30, 2018

Current Year Management Response

The notice to proceed for the data center renovation project started on October 2, 2017. The work will be conducted in three phases, with a precursor stage consisting of relocation of staff, meeting rooms, and storage to clear the way for demolition. This relocation work, as well as Phase I Demolition, has been completed and the server room is now under construction. The latest revised completion date for the entire project is June 3, 2020.

The Bureau of Engineering has elected to install a double interlocked pre-action sprinkler system for the computer room to replace the existing single interlock pre-action sprinkler valve system. This design is in accordance with rules, regulations and standards as required by the authorities having jurisdiction.

Current Status as of June 30, 2018

Construction is in progress.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Prior Audit Findings (Continued)
For the Fiscal Year Ended June 30, 2018

FEDERAL AWARD FINDINGS:

**2017-001 Noncompliance with Equipment and Real Property Management –
Noncompliance**

CFDA No. 16.922 – Equitable Sharing Program

Condition

During our review of the documentation for the physical inventory of equipment, we noted that the last physical inventory was completed in September 2017, and the previous one was performed in June 2015. Therefore, the last physical inventory was not performed within the two-year period.

Recommendation

We recommend that the LAPD performs a physical inventory of equipment at least once every two years and document the actual completion date of the physical inventory in their records

Current Year Management Response

The Department will perform the inventory at least once every two years and will document the actual completion date (not the date the report was signed) of the physical inventory. There is nothing further to report as the error with the date was already corrected.

Current Status as of June 30, 2018

Implemented.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Prior Audit Findings (Continued)
For the Fiscal Year Ended June 30, 2018

**2017-002 Noncompliance with Procurement and Suspension and Debarment –
Noncompliance and Material Weakness**

CFDA No. 16.922 – Equitable Sharing Program

Condition

The Los Angeles Police Department (LAPD) utilizes their own Contracts Division and the City of Los Angeles' General Services Division (GSD) to procure goods and services under the Equitable Sharing Program. During our review of the ten (10) contractors, we noted that LAPD and GSD were not able to provide evidence to demonstrate that they verified the ten (10) contractors were not suspended or debarred prior to entering into covered transactions.

This finding was identified in the prior year and LAPD established a new procedure to maintain documentation to comply with the requirement for suspension and debarment in accordance with 2 CFR section 180.300. The new procedure was implemented in July 2017.

Recommendation

We recommend that LAPD ensure adherence to policies and procedures, whether the procurement is performed by LAPD's contract division or the city's GSD, by ensuring that the suspension and debarment verification is performed prior to entering into covered transactions, and adding documentation to the contract files as evidence that the verification was performed.

Current Year Management Response

The Department continues to check SAM.gov before entering into any contracts.

The Department has executed 28 new contracts between the period of July 1, 2017 and June 30, 2018, and found no suspended or debarred contractors.

Current Status as of June 30, 2018

Implemented.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Prior Audit Findings (Continued)
For the Fiscal Year Ended June 30, 2018

**2017-003 Noncompliance with Activities Allowed or Unallowed and Eligibility –
Noncompliance and Significant Deficiency**

CFDA No. 93.558 – Temporary Assistance for Needy Families

Condition

The City's Economic and Workforce Development Department (EWDD) is responsible for determining the eligibility of youth enrolling in the LACYJ Program.

During our review of the LACYJ Program, one participant was enrolled in the LACYJ program at age 19, however he was not enrolled in the Cal-Learn program.

Recommendation

We recommend that EWDD reinforce eligibility determination procedures for LACYJ program participants to ensure that they are in accordance with the Technical Assistance Guide requirements.

Current Year Management Response

EWDD meetings with subrecipients were convened on March 22, 2018, April 4, 2018, and August 1, 2018. Included in the agenda items discussed were the audit findings, subrecipient monitoring, and eligibility documentation. The importance of reviewing documentation submitted to establish program eligibility was reiterated with reference to the specific audit issue.

Current Status as of June 30, 2018

Implemented.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Prior Audit Findings (Continued)
For the Fiscal Year Ended June 30, 2018

2017-004 Noncompliance with Subrecipient Monitoring – Noncompliance and Material Weakness

CFDA No. 93.558 – Temporary Assistance for Needy Families

Condition

During our review of the Temporary Assistance for Needy Families program, we selected six (6) subrecipient samples with active contracts during FY 16-17 and noted that the Economic and Workforce Development Department (EWDD) was not able to provide complete documentation to indicate the following required federal award information was communicated to the six (6) subrecipients.

1. Federal Award Identification Number (FAIN)
2. Federal Award Date
3. Identification of whether the award is Research and Development (R&D)

Recommendation

We recommend that EWDD complies with requirements specified in 2 CFR §200.331.

Current Year Management Response

Moving forward, EWDD must ensure that these information will be secured from the grantor and will in turn be reflected on all contracts with subrecipients.

Current Status as of June 30, 2018

In process. FAIN and federal award date were communicated to the subrecipients; however, identification of whether the award is R&D was not communicated in FY 17-18 (see current year finding 2018-004).

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Prior Audit Findings (Continued)
For the Fiscal Year Ended June 30, 2018

2017-005 Noncompliance with Reporting – Noncompliance and Significant Deficiency

CFDA No. 93.558 – Temporary Assistance for Needy Families

Condition

During our review of the reports submitted to the County, two DERs were submitted after the due date, and no record of a County-approved extension was provided.

Report Period	Due Date	Submission Date	Number of Days Late
August 2016	September 10, 2016	November 28, 2016	79
March 2017	April 10, 2017	April 24, 2017	14

Recommendation

We recommend that EWDD maintains a record of the County's approval for an extension to submit the reports.

Current Year Management Response

August 2016 Report: This report was delinquent due to the delay in the submission of the EWDD grant budget to the County. EWDD submitted the budget on November 17, 2016 and the August 2016 report on November 28, 2016.

March 2017 Report: This report was delinquent due to staff vacancy. The report was submitted on April 24, 2017.

We will ensure that the LA County monthly billings are submitted on or before the due date or that verbal approvals from the County to extend reporting deadlines be followed up with written communication.

Current Status as of June 30, 2018

Implemented.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Prior Audit Findings (Continued)
For the Fiscal Year Ended June 30, 2018

2017-006 Noncompliance with Subrecipient Monitoring – Noncompliance and Material Weakness

CFDA No. 17.258 / 17.259 / 17.278 – Workforce Innovation and Opportunity Act Cluster

Condition

During our review of the Workforce Innovation and Opportunity Act Cluster, we selected nine (9) subrecipient samples and noted that the Economic Workforce and Development Department (EWDD) did not perform the following:

1. The following required federal award information was not communicated to the nine (9) subrecipients.
 - a. Federal Award Identification Number (FAIN)
 - b. Federal Award Date
 - c. Identification of whether the award is Research and Development (R&D)
2. A risk assessment was not performed for one (1) subrecipient.
3. One (1) subrecipient's Single Audit Report was not obtained

Recommendation

We recommend that EWDD performs the following procedures:

1. Comply with requirements specified in 2 CFR §200.331.
2. Retain records of the risk assessments performed as part of the monitoring process for all subrecipients.
3. Verify all subrecipients whose federal expenditures exceed \$750,000 for a year conduct a Single Audit for that year and review their Single Audit reports to ensure that the subrecipients take timely and appropriate action on deficiencies noted for the federal awards passed through EWDD

Current Year Management Response

Recommendation No. 1: Implemented

Recommendation No. 2: As stated in our response, risk assessment was not performed due to the special circumstances surrounding this contract. However, EWDD imposed additional restrictions on the service provider by releasing payments on a cost reimbursement basis and requiring additional supporting documentation for expenditures charged to the City contract.

Recommendation No. 3: The subrecipient's Single Audit Report for the year ended December 31, 2017 has not been submitted to the Federal Clearing House (FAC). This Single Audit Report is due on September 30, 2018.

Current Status as of June 30, 2018

In process. Corrective actions are implemented except for condition no. 1(c) (see current year finding 2018-005).

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Prior Audit Findings (Continued)
For the Fiscal Year Ended June 30, 2018

**2017-007 Noncompliance with Activities Allowed or Unallowed and Eligibility –
Noncompliance and Significant Deficiency**

CFDA No. 17.258 / 17.259 / 17.278 – Workforce Innovation and Opportunity Act Cluster

Condition

During review of the WIOA Youth Program case files, we noted one participant's application form is missing the approval signature, which is evidence that the form was reviewed and approved.

Recommendation

We recommend that EWDD strengthens its review process to ensure that all participant application forms are properly approved by the YouthSource Center employees.

Current Year Management Response

EWDD staff met to review and discuss the issue, stressing the importance of fully completing documentation which includes staff completion of approval process via signatures and dates where required. Although the participant's eligibility was not in question as the file contained qualifying documentation, presence of staff signature was still required as part of the process. Additionally, a review of single audit issues as an agenda item in the April 4, 2018. YouthSource Directors meeting with specific reference to full completion of all documentation, including required signatures and dates. This information was reiterated at the August 1, 2018 County Youth Jobs program subrecipients' meeting.

Current Status as of June 30, 2018

Implemented.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Prior Audit Findings (Continued)
For the Fiscal Year Ended June 30, 2018

2017-008 Noncompliance with Subrecipient Monitoring – Noncompliance and Significant Deficiency

CFDA No. 14.218 – Community Development Block Grants/Entitlement Grants

Condition

During our review of the Community Development Block Grants/Entitlement Grants (CDBG) program, we selected twenty-five (25) subrecipient samples with active contracts during FY 16-17 and noted that the Housing and Community Investment Department (HCID) was not able to provide complete documentation to indicate that CFDA number and name was communicated to three (3) subrecipients.

Recommendation

We recommend that HCID complies with the requirements specified in 2 CFR §200.331 by providing the required information to their subrecipients.

Current Year Management Response

EWDD issued Information Bulletin no. 18-02 dated April 5, 2018 indicating the CFDA numbers and FAIN of all Federal awards administered by the department. Furthermore, CFDA numbers and FAIN are also reflected in all contracts executed by the department.

Current Status as of June 30, 2018

Implemented.

CITY OF LOS ANGELES, CALIFORNIA
Schedule of Prior Audit Findings (Continued)
For the Fiscal Year Ended June 30, 2018

2016-002 Noncompliance with Procurement and Suspension and Debarment Requirement – Noncompliance and Material Weakness

CFDA No. 16.922 – Equitable Sharing Program

Condition

The Los Angeles Police Department (LAPD) utilizes their own Contracts Division and the City of Los Angeles' General Services Division (GSD) to procure goods and services under the Equitable Sharing Program. During our review, we noted that out of the seven (7) contractors tested, two (2) contracts executed by the LAPD and two (2) contracts executed by the GSD, were subject to the suspension and debarment verification. However, the LAPD and GSD were not able to provide evidence to demonstrate that they verified the four (4) contractors were not suspended or debarred prior to entering into covered transactions. These contractors were subsequently verified in the SAM and were not suspended or debarred.

Recommendation

We recommend that the LAPD ensure adherence to existing policies and procedures, whether the procurement is performed by the LAPD's contract division or the city's GSD, by ensuring that the suspension and debarment verification is performed prior to entering into covered transactions, and adding documentation to the contract files as evidence that the verification was performed.

Current Year Management Response

For all Supply Orders using Federal Funds, the Department continues to:

- check SAM.GOV to verify the status of vendors and attach vendor summary to Supply Order Form 15.11;
- mark "Federal Funded Program" on Form 15.11 to remind the Department's Fiscal Operations Division Supply Section and the Department of General Services to verify the status of new vendor on SAM.GOV, should there be any changes in vendor selection;
- inform the end user division if the vendor is invalid and the end user division advises vendor to register online;

The Department has executed 28 new contracts between the period of July 1, 2017 and June 30, 2018 and found no suspended or debarred contractors.

Current Status as of June 30, 2018

Implemented.

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CITY OF LOS ANGELES, CALIFORNIA
DEPARTMENT OF AGING
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL
AND STATE AWARDS
GRANTED BY THE CALIFORNIA DEPARTMENT OF AGING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor Pass-through Grantor Program Title	Grant/ Contract No.	CFDA No.	Expenditures	
			State	Federal
U.S. Department of Labor				
Passed through State of California, Department of Aging				
Title V	TV-1718-25	17.235	\$ -	\$ 1,388,908
U.S. Department of Health and Human Services				
Passed through State of California, Department of Aging:				
Title III B	AP-1718-25	93.044	\$ 78,682	\$ 3,012,945
Title III C1 Congregate Nutrition	AP-1718-25	93.045	368,324	4,383,209
Title III C2 Home Delivered Nutrition	AP-1718-25	93.045	441,676	2,490,091
Title III D	AP-1718-25	93.043		218,106
Title III E	AP-1718-25	93.052		1,117,389
NSIP C1	AP-1718-25	93.053		534,283
NSIP C2	AP-1718-25	93.053		544,703
Title VII A	AP-1718-25	93.042		87,876
Title VII B	AP-1718-25	93.041		51,086
Ombudsman - Public Health L & C			31,473	-
Ombudsman - State Health Facilities/Citation Penalties			256,193	-
Ombudsman Volunteer Recruitment Initiative- Skilled Nursing				
Facility (SNF) Quality and Accountability Fund (QAF)			149,495	-
Health Insurance Counseling and Advocacy Program (HICAP)	HI-1718-25	93.324	398,269	184,839
Total Human and Health Services			1,724,112	12,624,527
Total			\$ 1,724,112	\$ 14,013,435

CITY OF LOS ANGELES, CALIFORNIA
HOUSING AND COMMUNITY INVESTMENT DEPARTMENT
STATE OF CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT
COMMUNITY SERVICES BLOCK GRANT
SUPPLEMENTARY SCHEDULES OF REVENUE AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Community Services Block Grant - CFDA No. 93.569
Contract No. 18F-5022, Project No. CAA-2017

	January 1, 2018 through June 30, 2018	Total Budget
Revenue		
Grant Revenue	\$ 1,733,147	\$ 6,686,837
Interest Income/ Program Income		-
Deferred Interest Income		-
Deferred Grant Revenue	(915,384)	-
Total Revenue	<u>817,763</u>	<u>6,686,837</u>
Expenditures		
Administrative Costs		
Salaries and Wages	204,561	1,095,571
Fringe Benefits	100,499	521,922
Operating Expenses and Equipment	19,903	208,750
Contractor/ Consultant Services	1,142	37,231
Other Costs	22,484	124,261
Total Administrative Costs	<u>348,589</u>	<u>1,987,735</u>
Program Costs		
Salaries and Wages	-	-
Fringe Benefits	-	-
Operating Expenses and Equipment		12,800.00
Subcontractor Services	469,174	4,686,302
Total Program Costs	<u>469,174</u>	<u>4,699,102</u>
Total Expenditures	<u>817,763</u>	<u>6,686,837</u>
Excess of Revenue Over Expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF LOS ANGELES, CALIFORNIA
HOUSING AND COMMUNITY INVESTMENT DEPARTMENT
STATE OF CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT
COMMUNITY SERVICES BLOCK GRANT
SUPPLEMENTARY SCHEDULES OF REVENUE AND EXPENDITURES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Community Services Block Grant - CFDA No. 93.569
Contract No. 17F-2022, Project No. CAA-2016

	January 1, 2017 through June 30, 2017	July 1, 2017 through June 30, 2018	Total Reported	Total Budget
Revenue				
Grant Revenue	\$ 2,862,840	\$ 3,681,609	\$ 6,544,449	\$ 6,544,449
Interest Income/ Program Income	-	3,607	3,607	-
Deferred Interest Income	-	-	-	-
Deferred Grant Revenue	(1,636,112)	1,636,112	-	-
Total Revenue	<u>1,226,728</u>	<u>5,321,328</u>	<u>6,548,056</u>	<u>6,544,449</u>
Expenditures				
Administrative Costs				
Salaries and Wages	330,453	807,012	1,137,465	1,174,002
Fringe Benefits	135,588	326,443	462,031	420,065
Operating Expenses and Equipment	31,636	92,703	124,339	114,180
Contractor/ Consultant Services	1,131	4,659	5,790	10,744
Other Costs	37,544	73,887	111,431	118,458
Total Administrative Costs	<u>536,352</u>	<u>1,304,704</u>	<u>1,841,056</u>	<u>1,837,449</u>
Program Costs				
Salaries and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Subcontractor Services	690,376	4,016,624	4,707,000	4,707,000
Total Program Costs	<u>690,376</u>	<u>4,016,624</u>	<u>4,707,000</u>	<u>4,707,000</u>
Total Expenditures	<u>1,226,728</u>	<u>5,321,328</u>	<u>6,548,056</u>	<u>6,544,449</u>
Excess of Revenue Over Expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF LOS ANGELES, CALIFORNIA
 POLICE DEPARTMENT
 STATE OF CALIFORNIA DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF SELECTED
 STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<u>State Grantor</u>	<u>Program Title</u>	<u>Agreement Number</u>	<u>Expenditures</u>
State of California Department of Alcoholic Beverage Control	Operation Alcoholic Beverage Control	17G-LA23	\$ <u><u>100,000</u></u>