

**CITY OF LOS ANGELES, CALIFORNIA**

Single Audit Reports

For the Fiscal Year Ended June 30, 2020



Certified  
Public  
Accountants



**CITY OF LOS ANGELES, CALIFORNIA**

Single Audit Reports

Fiscal Year Ended June 30, 2020

***Table of Contents***

	<b><i>Page</i></b>
Introduction to the Organization of the City of Los Angeles .....	1
Status of the Fiscal Year 2019-2020 Single Audit .....	3
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	7
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on 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 State of California Department of Community Services and Development Community Services Block Grant Supplementary Schedules of Revenue and Expenditures, and the State of California Department of Alcoholic Beverage Control Supplementary Schedule of Expenditures of Selected State Financial Assistance .....	9
Schedule of Expenditures of Federal Awards .....	13
Notes to Schedule of Expenditures of Federal Awards .....	25
Schedule of Findings and Questioned Costs .....	29
Schedule of Prior Audit Findings .....	45
Supplementary Information:	
Supplementary Schedule of Expenditures of Federal and State Awards Granted by the California Department of Aging .....	63
State of California Department of Community Services and Development Community Services Block Grant Supplementary Schedules of Revenue and Expenditures .....	64
State of California Department of Alcoholic Beverage Control Supplementary Schedule of Expenditures of Selected State Financial Assistance .....	67





RON GALPERIN  
CONTROLLER

September 30, 2021

## **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 Uniform Guidance, 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 Federal Audit Clearinghouse of the U.S. Census Bureau.

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**

September 30, 2021

Page 2

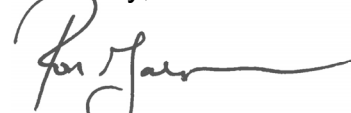
The City prepares and issues an Annual Financial Report that contains the Basic Financial Statements. The Annual Financial Report is prepared in conformity with generally accepted accounting principles (GAAP) for State and local governments. For GAAP reporting purposes, the City's reporting entity includes 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 Annual Financial Report (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, 2020 are issued as separate documents. Copies of both the Annual Financial Report and the SEFA, with the required single audit reports, are submitted to the Federal Audit Clearinghouse of the U.S. Census Bureau, 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,



**RON GALPERIN**  
L.A. Controller

Attachment

**STATUS OF THE FISCAL YEAR 2019-2020 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 2019-2020 Budget: \$10,710,078,000
- Fiscal Year 2019-2020 Federal Award Expenditures: \$558,970,000
- Fiscal Year 2019-2020 Balance of Outstanding Loans of Federal Funds under Loan Guarantee Program: \$98,771,000
- Fiscal Year 2019-2020 Financial Audit: Completed
- Fiscal Year 2019-2020 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 2019-2020 Budget: \$8,260,911,000
- Fiscal Year 2019-2020 Federal Award Expenditures: \$94,694,000
- Fiscal Year 2019-2020 Financial Audit: Completed
- Fiscal Year 2019-2020 Single Audit: Completed
- Federal Cognizant Agency for Audit: Department of Transportation
- Auditor: Moss Adams LLP

**STATUS OF THE FISCAL YEAR 2019-2020 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 2019-2020 Budget: \$1,608,922,000
- Fiscal Year 2019-2020 Federal Award Expenditures: \$2,048,000
- Fiscal Year 2019-2020 Financial Audit: Completed
- Fiscal Year 2019-2020 Single Audit: Completed
- Federal Oversight Agency for Audit: Department of Transportation
- Auditor: Macias Gini & O'Connell LLP



**STATUS OF THE FISCAL YEAR 2019-2020 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 2019 Budget: \$1,380,560,000
- Fiscal Year 2020 Budget: \$1,556,209,000
- Fiscal Year 2019 Federal Award Expenditures: \$1,314,671,000
- Fiscal Year 2020 Federal Award Expenditures: \$1,551,129,000
- Fiscal Year 2019 Financial and Single Audits: Completed
- Fiscal Year 2020 Financial and Single Audits: In Process
- Federal Cognizant Agency for Audit: Department of Housing and Urban Development
- Auditor: Macias Gini & O'Connell LLP (Fiscal Year 2019)  
Berman Hopkins, CPAs & Associates, LLP (Fiscal Year 2020)

**STATUS OF THE FISCAL YEAR 2019-2020 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 2019-2020 Budget:
  - \$2,794,057,000 (Water System)
  - \$6,551,115,000 (Power System)
- Fiscal Year 2019-2020 Federal Award Expenditures:
  - \$27,980,000 (Water System)
  - \$0 (Power System)
- Fiscal Year 2019-2020 Financial Audit: Completed
- Fiscal Year 2019-2020 Single Audit:
  - Water System: Completed
  - Power System: Not subject to Single Audit in Fiscal Year 2019-20
- 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 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 fiscal year ended June 30, 2020, 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 28, 2021. Our report includes emphasis of matters paragraphs for the City’s receipt in funding from the Coronavirus Aid, Relief, and Economic Security Act Coronavirus Relief Fund, potentially available funding from the Federal Emergency Management Agency for emergency costs, and the City’s adoption of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, and GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective July 1, 2019. Our report includes a reference to other auditors who audited the financial statements of the following City departments/funds: Los Angeles World Airports (Airports), 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. The financial statements of the DWP Plans were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the DWP Plans or that are reported on separately by those auditors who audited the financial statements of Airports, DWP Water System and Power System, Pensions, and LACERS. We were separately engaged to audit the financial statements of the Harbor Department (Harbor), which are included in the financial statements of the business-type activities and as a major fund in the City’s basic financial statements. This report does not include our reporting on internal control over financial reporting or compliance and other matters associated with Harbor.

***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) as a basis for designing 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

### ***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 financial statements. 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*.

### **City's Response to Finding**

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.

*Macias Gini & O'Connell LLP*

Los Angeles, California  
January 28, 2021



**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 State of California  
Department of Community Services and Development Community  
Services Block Grant Supplementary Schedules of Revenue and  
Expenditures, and the State of California Department of Alcoholic  
Beverage Control 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 a direct and material effect on each of the City’s major federal programs for the fiscal year ended June 30, 2020. 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 \$94,694,000, \$2,048,000, and \$27,980,000, respectively, in federal awards, which are not included in the schedule of expenditures of federal awards during the fiscal year ended June 30, 2020. 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 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 opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2020.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2020-002, 2020-003, 2020-004, 2020-005, and 2020-006. 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 a 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 2020-005 and 2020-006 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 2020-002, 2020-003, and 2020-004 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 State of California Department of Community Services and Development Community Services Block Grant Supplementary Schedules of Revenue and Expenditures, and the State of California Department of Alcoholic Beverage Control 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 28, 2021, 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 State of California Department of Community Services and Development community services block grant supplementary schedules of revenue and expenditures, and the State of California Department of Alcoholic Beverage Control supplementary schedule of expenditures of selected state financial assistance (collectively, the 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 basic 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  
September 30, 2021



**CITY OF LOS ANGELES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FISCAL YEAR ENDED JUNE 30, 2020**  
(Amounts rounded to nearest thousand)

<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>
<b><u>DEPARTMENT OF AGRICULTURE</u></b>						
Recreation and Parks	State of California - Department of Education	Summer Food Service Program for Children	10.559	19-81909V	\$ 451,000	\$ -
Aging	State of California - Department of Aging	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CF-1920-25	28,000	--
<b>TOTAL FOR DEPARTMENT OF AGRICULTURE</b>					<b>479,000</b>	<b>--</b>
<b><u>DEPARTMENT OF DEFENSE</u></b>						
Police	Direct	Donations/Loans of Obsolete DOD Property	12.700	Unknown	241,000	--
<b>TOTAL FOR DEPARTMENT OF DEFENSE</b>					<b>241,000</b>	<b>--</b>
<b><u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>						
Housing and Community Investment	Direct	Community Development Block Grants/Entitlement Grants (Note 7)	14.218	B-19-MC-06-0523 and Prior Awards B-08-MN-06-0512	59,001,000	22,776,000
					35,000	35,000
<i>Subtotal 14.218</i>					59,036,000	22,811,000
Housing and Community Investment	Direct	Emergency Solutions Grant Program	14.231	E-19-MC-06-0523 and Prior Awards	3,992,000	3,857,000
Housing and Community Investment	Direct	Home Investment Partnerships Program (Notes 7)	14.239	M-19-MC-06-0519 and Prior Awards	21,580,000	--
Housing and Community Investment	Direct	Housing Opportunities for Persons with AIDS (Note 7)	14.241	CA-H15-0003 CA-H19-F005 and Prior Awards	238,000	238,000
					13,325,000	12,712,000
<i>Subtotal 14.241</i>					13,563,000	12,950,000
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	125,267,000	--
Housing and Community Investment	Direct	ARRA - Neighborhood Stabilization Program (Note 7)	14.256	B-09-LN-CA-0046	497,000	25,000

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, 2020**  
(Amounts rounded to nearest thousand)

<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	Lead Hazard Reduction Demonstration Grant Program	14.905	CALHD0419-19	\$ 4,000	\$ --
<b>TOTAL FOR DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					<b>223,939,000</b>	<b>39,643,000</b>
<b><u>DEPARTMENT OF THE INTERIOR</u></b>						
City Planning	State Department of Parks & Recreation	Historic Preservation Fund Grants-In-Aid	15.904	P18AF00112 P18AF00112	11,000 5,000	-- --
<i>Subtotal 15.904</i>					<u>16,000</u>	<u>--</u>
<b>TOTAL FOR DEPARTMENT OF THE INTERIOR</b>					<b>16,000</b>	<b>--</b>
<b><u>DEPARTMENT OF JUSTICE</u></b>						
Police	Direct	Law Enforcement Assistance - Narcotics and Dangerous Drugs Training	16.004	SW-CAC-1233 SW-CAC-1298 SW-CAC-1365 SW-CAC-1391 SW-CAC-1393 92R31600	2,000 1,000 1,000 2,000 3,000 252,000	-- -- -- -- -- --
<i>Subtotal 16.004</i>					<u>261,000</u>	<u>--</u>
Police	Direct	Law Enforcement Assistance - FBI Advanced Police Training	16.300	415-LA-A1509676-R Unknown 166E-LA-140751-CRA 281E-LA-A2472302 28IN-LA-229465	80,000 26,000 491,000 23,000 5,000	-- -- -- -- --
<i>Subtotal 16.300</i>					<u>625,000</u>	<u>--</u>
Mayor	Direct	Education, Training, and Enhanced Services to End Violence Against and Abuse of Women with Disabilities	16.529	2016-FW-AX-K002	134,000	60,000
Mayor	Direct	Juvenile Justice and Delinquency Prevention	16.540	BSCC 302-19	18,000	--
Police	Direct	Missing Children's Assistance	16.543	2018-MC-FX-K037	821,000	--
Police	State of California - Office of Emergency Services	Missing Children's Assistance	16.543	IC18 10 7250	668,000	--
<i>Subtotal 16.543</i>					<u>1,489,000</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, 2020**  
(Amounts rounded to nearest thousand)

<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	National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	334D-LA-259761	\$ 82,000	\$ --
City Attorney	County of Los Angeles	Crime Victim Assistance	16.575	VW18370190 VW19380190	656,000 1,272,000	-- --
City Attorney	State of California - Office of Emergency Services	Crime Victim Assistance	16.575	XC16 01 7250 XC19 02 7250 UV18 03 7250 UV19 04 7250	1,502,000 280,000 77,000 108,000	751,000 -- -- --
Mayor	State of California - Office of Emergency Services	Crime Victim Assistance	16.575	KU18 01 7250	118,000	90,000
		<i>Subtotal 16.575</i>			<u>4,013,000</u>	<u>841,000</u>
Mayor	Direct	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2017-WE-AX-0003	448,000	369,000
Police	Direct	Corrections -Technical Assistance/ Clearinghouse	16.603	JLEO-19-0045	101,000	--
Police	Direct	Bulletproof Vest Partnership Program	16.607	Unknown	451,000	--
Police	Direct	Public Safety Partnership and Community Policing Grants	16.710	2016ULWX0051	32,000	--
Police	Direct	Special Data Collections and Statistical Studies	16.734	2016-FU-CX-K058	150,000	95,000
Police	Direct	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DG-BX-0013 2018-WY-BX-0002	264,000 112,000	96,000 33,000
Mayor	Direct	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0302 2016-DJ-BX-0246	76,000 700,000	-- 433,000
		<i>Subtotal 16.738</i>			<u>1,152,000</u>	<u>562,000</u>
Police	Direct	DNA Backlog Reduction Program	16.741	2017-DN BX-0126 2018-DN-BX-0078	699,000 306,000	-- --
		<i>Subtotal 16.741</i>			<u>1,005,000</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, 2020**  
(Amounts rounded to nearest thousand)

<u>FEDERAL GRANTOR/ CITY DEPARTMENT</u>	<u>PASS-THROUGH GRANTOR</u>	<u>PROGRAM TITLE</u>	<b>CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER</b>	<b>GRANT/PASS- THROUGH NUMBER</b>	<u>EXPENDITURES</u>	<u>SUBRECIPIENTS</u>
Police	State of California - Office of Emergency Services	Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	CQ18 15 7250	\$ 154,000	\$ --
Police	Direct	Economic High-Tech and Cyber Crime Prevention	16.752	2017-ZP-BX-0005 2018-IP-BX-0008	113,000 <u>250,000</u>	-- <u>--</u>
		<i>Subtotal 16.752</i>			<u>363,000</u>	<u>--</u>
Economic and Workforce Development	Direct	Second Chance Act Reentry Initiative	16.812	2017-CZ-BX-0029	<u>153,000</u>	<u>33,000</u>
Police	Direct	Equitable Sharing Program	16.922	Unknown	<u>1,029,000</u>	<u>--</u>
<b>TOTAL FOR DEPARTMENT OF JUSTICE</b>					<u><b>11,660,000</b></u>	<u><b>1,960,000</b></u>
<b><u>DEPARTMENT OF LABOR</u></b>						
Aging	State of California- Department of Aging	Senior Community Service Employment Program	17.235	TV-1920-25	<u>1,511,000</u>	<u>--</u>
Economic and Workforce Development	State of California- Employment Development Department	WIOA Adult Program Cluster with CFDA Nos. 17.259 and 17.278	17.258	K8100639 K9110016 AA011011	361,000 2,019,000 9,772,000	-- -- 7,490,000
Economic and Workforce Development	County of Los Angeles - Workforce Development, Aging and Community Services Department (WDACS)	WIOA Adult Program Cluster with CFDA Nos. 17.259 and 17.278	17.258	IA-0114	<u>41,000</u>	<u>33,000</u>
		<i>Subtotal 17.258</i>			<u>12,193,000</u>	<u>7,523,000</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	K9110016 AA011011 AA111011	1,196,000 7,720,000 3,600,000	-- 7,720,000 834,000
Economic and Workforce Development	County of Los Angeles - Workforce Development, Aging and Community Services Department (WDACS)	WIOA Youth Activities Cluster with CFDA Nos. 17.258 and 17.278	17.259	IA-0114	<u>8,000</u>	<u>7,000</u>
		<i>Subtotal 17.259</i>			<u>12,524,000</u>	<u>8,561,000</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, 2020**  
(Amounts rounded to nearest thousand)

<u>FEDERAL GRANTOR/ CITY DEPARTMENT</u>	<u>PASS-THROUGH GRANTOR</u>	<u>PROGRAM TITLE</u>	<b>CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER</b>	<b>GRANT/PASS- THROUGH NUMBER</b>	<u>EXPENDITURES</u>	<u>SUBRECIPIENTS</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	K8100639 K9110016 AA011011	\$ 163,000 3,231,000 9,149,000	\$ 163,000 1,275,000 6,063,000
Economic and Workforce Development	County of Los Angeles - Workforce Development, Aging and Community Services Department (WDACS)	WIOA Dislocated Worker Formula Grants Cluster with CFDA Nos. 17.258, 17.259	17.278	IA-0114	<u>33,000</u>	<u>23,000</u>
		<i>Subtotal 17.278</i>			<u>12,576,000</u>	<u>7,524,000</u>
		<i>Subtotal WIOA Cluster (17.258, 17.259, 17.278)</i>			<u>37,293,000</u>	<u>23,608,000</u>
Economic and Workforce Development	Direct	Reentry Employment Opportunities	17.270	YF-30746-17-60-A-37	<u>480,000</u>	<u>345,000</u>
Economic and Workforce Development	State of California- Employment Development Department	WIOA National Dislocated Worker Grants/ WIA National Emergency Grants	17.277	K9110016 K9110016	2,725,000 <u>635,000</u>	2,577,000 <u>561,000</u>
		<i>Subtotal 17.277</i>			<u>3,360,000</u>	<u>3,138,000</u>
Economic and Workforce Development	Direct	Workforce Innovation Fund	17.283	IF-26348-14-60-A-6	<u>94,000</u>	<u>84,000</u>
Economic and Workforce Development	State of California- Employment Development Department	Hurricanes and Wildfires of 2017 Supplemental - National Dislocated Worker Grants	17.286	AA011011	<u>157,000</u>	<u>--</u>
		<b>TOTAL FOR DEPARTMENT OF LABOR</b>			<u><b>42,895,000</b></u>	<u><b>27,175,000</b></u>
<b><u>DEPARTMENT OF TRANSPORTATION</u></b>						
Public Works	State of California - Department of Transportation	Highway Planning and Construction	20.205	Various	51,789,000	--
Transportation	State of California - Department of Transportation	Highway Planning and Construction	20.205	Various	<u>20,017,000</u>	<u>--</u>
		<i>Subtotal 20.205</i>			<u>71,806,000</u>	<u>--</u>
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	<u>3,000</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, 2020**  
(Amounts rounded to nearest thousand)

<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>
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	\$ (1,424,000) [1] \$	--
					166,000	--
		<i>Subtotal 20.500</i>			<u>(1,258,000)</u>	<u>--</u>
Public Works	Los Angeles County Metropolitan Transportation Authority (LACMTA)	Federal Transit - Formula Grants Cluster with CFDA No. 20.507	20.507	CA-2016-025-00	42,000	--
Transportation	Direct	Federal Transit - Formula Grants Cluster with CFDA No. 20.500	20.507	CA-90-Y675-01 CA-90-Y304-00 CA-90-Z131-00	1,179,000 1,430,000 238,000	- -- --
		<i>Subtotal 20.507</i>			<u>2,889,000</u>	<u>--</u>
		<i>Subtotal Federal Transit Cluster (20.500, 20.507)</i>			<u>1,631,000</u>	<u>--</u>
Transportation	Los Angeles County Metropolitan Transportation Authority (LACMTA)	Job Access and Reverse Commute Program	20.516	CA-37-X100	95,000	--
Transportation	Direct	Clean Fuels	20.519	CA-58-0012-00	2,631,000	--
Housing and Community Investment	State of California - Office of Traffic Safety	State and Community Highway Safety Cluster with CFDA No. 20.616	20.600	PS19011 PS20012	94,000 106,000	37,000 --
Police	State of California - Office of Traffic Safety	State and Community Highway Safety Cluster with CFDA No. 20.616	20.600	PT19062 PT20074	685,000 1,121,000	-- --
		<i>Subtotal 20.600</i>			<u>2,006,000</u>	<u>37,000</u>
Housing and Community Investment	State of California- Office of Traffic Safety	National Priority Safety Programs Cluster with CFDA No. 20.600	20.616	OP19007 OP20011	50,000 78,000	-- --
Police	State of California- Office of Traffic Safety	National Priority Safety Programs Cluster with CFDA No. 20.600	20.616	PT19062 PT20074	118,000 149,000	-- --
City Attorney	State of California - Office of Traffic Safety	National Priority Safety Programs Cluster with CFDA No. 20.600	20.616	DI19005 DI20004	206,000 534,000	-- --
		<i>Subtotal 20.616</i>			<u>1,135,000</u>	<u>--</u>
		<i>Subtotal Highway Safety Cluster (20.600, 20.616)</i>			<u>3,141,000</u>	<u>37,000</u>

[1] The credit balance of \$1,424,000 is due to an adjustment in the allocation between Federal and LACMTA reimbursement rate. The total adjustment for prior years was (\$1,476,000) and it is netted with \$52,000 expenditures for FY 2019-20.

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, 2020**  
(Amounts rounded to nearest thousand)

<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	State of California- Office of Traffic Safety	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT19062 PT20074	\$ 1,317,000 <u>1,158,000</u>	\$ -- <u>--</u>
		<i>Subtotal 20.608</i>			<u>2,475,000</u>	<u>--</u>
<b>TOTAL FOR DEPARTMENT OF TRANSPORTATION</b>					<b><u>81,782,000</u></b>	<b><u>37,000</u></b>
<b><u>DEPARTMENT OF THE TREASURY</u></b>						
Police	Direct	Taxpayer Service	21.003	Unknown	<u>73,000</u>	<u>--</u>
City Administrative Officer	Direct	COVID-19 - Coronavirus Relief Fund	21.019	Unknown	<u>126,454,000</u>	<u>--</u>
<b>TOTAL FOR DEPARTMENT OF THE TREASURY</b>					<b><u>126,527,000</u></b>	<b><u>--</u></b>
<b><u>NATIONAL ENDOWMENT FOR THE ARTS</u></b>						
Cultural Affairs	Direct	Promotion of the Arts - Grants to Organizations and Individuals	45.024	15-4292-7100 1830688-62-18 00021893	65,000 3,000 <u>15,000</u>	-- -- <u>--</u>
		<i>Subtotal 45.024</i>			<u>83,000</u>	<u>--</u>
<b>TOTAL FOR NATIONAL ENDOWMENT FOR THE ARTS</b>					<b><u>83,000</u></b>	<b><u>--</u></b>
<b><u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u></b>						
Library	Direct	Grants to States	45.310	LG-95-18-0014-18	<u>4,000</u>	<u>--</u>
<b>TOTAL FOR INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b>					<b><u>4,000</u></b>	<b><u>--</u></b>
<b><u>DEPARTMENT OF ENERGY</u></b>						
Public Works	Direct	Conservation Research and Development	81.086	DE-EE0007430	<u>56,000</u>	<u>--</u>
<b>TOTAL FOR DEPARTMENT OF ENERGY</b>					<b><u>56,000</u></b>	<b><u>--</u></b>

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, 2020**  
(Amounts rounded to nearest thousand)

<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>
<b><u>DEPARTMENT OF EDUCATION</u></b>						
Economic and Workforce Development	Direct	Performance Partnership Pilots for Disconnected Youth	84.420	V420A150023	\$ 45,000	\$ 42,000
<b>TOTAL FOR DEPARTMENT OF EDUCATION</b>					<b>45,000</b>	<b>42,000</b>
<b><u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>						
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-1920-25	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-1920-25	87,000	87,000
Aging	State of California - Department of Aging	Special Programs for the Aging, Title III, Part D, 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-1920-25	277,000	277,000
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-1920-25	3,662,000	2,956,000
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-1920-25 FFCRA-25	7,786,000 1,131,000	7,144,000 1,104,000
					<u>8,917,000</u>	<u>8,248,000</u>
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-1920-25	1,241,000	809,000

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, 2020**  
(Amounts rounded to nearest thousand)

<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>
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-1920-25	\$ 1,078,000	\$ 1,078,000
		<i>Subtotal Aging Cluster (93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053)</i>			<u>15,313,000</u>	<u>13,506,000</u>
Aging	State of California - Department of Aging	Medicare Enrollment Assistance Program	93.071	MI-1819-25	81,000	72,000
Emergency Management	County of Los Angeles - Department of Public Health	Public Health Emergency Preparedness	93.069	PH-004087	112,000	--
Aging	State of California - Department of Aging	State Health Insurance Assistance Program	93.324	HI-1718-25	183,000	183,000
Economic and Workforce Development	County of Los Angeles - Workforce Development, Aging and Community Services Department (WDACS)	Temporary Assistance for Needy Families	93.558	IA-0114	1,513,000	1,265,000
Housing and Community Investment	State of California - Department of Community Services and Development	Community Services Block Grant	93.569	19F-4022 19F-4424 20F-3022	6,401,000 30,000 38,000	4,658,000 29,000 --
		<i>Subtotal 93.569</i>			<u>6,469,000</u>	<u>4,687,000</u>
Recreation and Parks	State of California - Department of Education	Child Care and Development Block Grant Cluster with CFDA No. 93.596	93.575	CCTR-9078	1,000	--
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	CCTR-9078	2,000	--
		<i>Subtotal CCDF Cluster (93.575, 93.596)</i>			<u>3,000</u>	<u>--</u>
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	93.626	FA-1718-25	3,000	--

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, 2020**  
(Amounts rounded to nearest thousand)

<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>
Fire	County of Los Angeles - Department of Health Services	National Bioterrorism Hospital Preparedness Program	93.889	U3RHS05932	\$ 74,000	\$ --
<b>TOTAL FOR DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					<b>23,751,000</b>	<b>19,713,000</b>
<b><u>DEPARTMENT OF HOMELAND SECURITY</u></b>						
Fire	Direct	National Urban Search and Rescue (US&R) Response System	97.025	EMW-2015-CA-00037-S01 EMW-2016-CA-00031-S01 EMW-2017-CA-00022	124,000 272,000 184,000	-- -- --
<i>Subtotal 97.025</i>					580,000	--
City Administrative Officer	State of California- Office of Emergency Services	Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	FEMA-4407-DR-CA, CAL OES ID: 037-44000	1,033,000	--
Fire	Direct	Assistance to Firefighters Grant	97.044	EMW-2017-FO-02678	672,000	--
City Administrative Officer	State of California- Office of Emergency Services	Fire Management Assistance Grant	97.046	FEMA-5225-FM-CA, CAL OES ID: 037-44000 FEMA-5227-FM-CA, CAL OES ID: 037-44000-00	3,277,000 1,363,000 4,640,000	-- -- --
Police	Direct	Port Security Grant Program	97.056	EMW-2018-PU-00319-S101	264,000	--
Mayor	State of California- Office of Emergency Services	Homeland Security Grant Program	97.067	2016-0102 2017-0083 2017-0083 2018-0054 2018-0054	92,000 27,687,000 536,000 137,000 4,628,000	-- 23,950,000 -- -- 574,000
<i>Subtotal 97.067</i>					33,080,000	24,524,000
Fire	Direct	Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2016-FH-00301 EMW-2017-FH-00122	4,141,000 2,151,000	-- --
<i>Subtotal 97.083</i>					6,292,000	--
Police	Direct	Law Enforcement Officer Reimbursement Agreement Program	97.090	CA0194200	33,000	--

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, 2020**  
(Amounts rounded to nearest thousand)

<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>
Mayor	Direct	Securing the Cities Program	97.106	2012-DN-106-000001-05 and Prior Awards	\$ 629,000	\$ 97,000
Mayor	Los Angeles Cyber Lab, Inc.	National Cyber Security Awareness	97.128	18PDSA000002-01-00	129,000	--
Mayor	Direct	Preparing for Emerging Treats and Hazards	97.133	EMW-2016-GR-00091-S01	140,000	--
<b>TOTAL FOR DEPARTMENT OF HOMELAND SECURITY</b>					<b>47,492,000</b>	<b>24,621,000</b>
<b>TOTAL FEDERAL AWARDS</b>					<b>\$ 558,970,000</b>	<b>\$ 113,191,000</b>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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**CITY OF LOS ANGELES, CALIFORNIA**  
Notes to Schedule of Expenditures of Federal Awards  
Fiscal Year Ended June 30, 2020

**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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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	Employee Relations Board
Animal Services	Office of Finance
Building and Safety	Fire
Cannabis Regulation	General Services
City Administrative Officer	Housing and Community Investment
City Attorney	Information Technology Agency
City Clerk	Library
City Ethics Commission	Mayor
City Planning	Neighborhood Empowerment
Controller	Personnel
Convention and Tourism Development	Police
Council	Public Accountability
Cultural Affairs	Public Works
Disability	Recreation and Parks
Economic and Workforce Development	Transportation
El Pueblo de Los Angeles	Zoo
Emergency Management	

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

**CITY OF LOS ANGELES, CALIFORNIA**  
Notes to Schedule of Expenditures of Federal Awards (Continued)  
Fiscal Year Ended June 30, 2020

**1. Reporting Entity for Single Audit (Continued)**

Housing Authority of the City of Los Angeles	Department of Housing and Urban Development	Berman Hopkins, CPAs & Associates, LLP
Water and Power	Environmental Protection Agency (Water System)	KPMG LLP

**2. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (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 the 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**

CFDA Nos. 14.256, 21.003, 84.420 and 97.090 are archived programs that are being retained to report expenditures incurred or to show outstanding loans of these programs.

**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.

**CITY OF LOS ANGELES, CALIFORNIA**  
Notes to Schedule of Expenditures of Federal Awards (Continued)  
Fiscal Year Ended June 30, 2020

**7. Outstanding Loans of Federal Funds**

The following is a summary of outstanding loans at cost by CFDA No. as of June 30, 2020. The outstanding loan balances do not reflect an allowance for uncollectibles of \$462,106,000. The FY 2018-19 outstanding balance of CFDA No. 14.248 in the amount of \$116,803,000, 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, 2020</u>
14.218	HUD	Economic and Workforce Development	\$ 19,691,000
		Housing and Community Investment	324,293,000
		Subtotal for CFDA No. 14.218	343,984,000
14.228	HUD	Housing and Community Investment	4,500,000
14.239	HUD	Housing and Community Investment	755,825,000
14.241	HUD	Housing and Community Investment	20,896,000
14.248	HUD	Economic and Workforce Development	98,771,000
14.256	HUD	Housing and Community Investment	47,703,000
14.Unknown	HUD	Housing and Community Investment	12,525,000
81.128	DOE	Housing and Community Investment	3,676,000
			\$ 1,287,880,000

**8. Coronavirus Disease 2019 (COVID-19)**

On March 13, 2020, a presidential emergency was declared for all states, tribes, territories, and the District of Columbia due to the ongoing Coronavirus Disease 2019 (COVID-19) pandemic. The declaration made federal disaster grant public assistance available through the Coronavirus Aid, Relief, and Economic Security (CARES) Act to the City and to the State of California to supplement the City's local recovery efforts. To assist in the efforts to respond to COVID-19, the City received significant fiscal stimulus in federal funds.

On April 22, 2020, the City received a CARES Act award of \$694,405,324 from the U.S. Department of the Treasury. The City is a prime recipient and received the direct payment under section 601(b) of the Social Security Act. The accompanying SEFA includes expenditures of CARES Act funds (CFDA No. 21.019) in the amount of \$126,454,000 that a) were necessary expenditures incurred due to the public health emergency with respect to COVID-19; b) were not accounted for in the budget most recently approved as of March 27, 2020; and c) were incurred during the period March 1, 2020 through June 30, 2020. The award's period of performance ends on December 31, 2021. The City is continuously reviewing the eligible CARES Act expenditures and will reflect any FY 2019-20 expenditures adjustments in the FY 2020-21 Single Audit Report due to the complexity of the federal guidance on the CARES Act.

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**CITY OF LOS ANGELES, CALIFORNIA**  
 Schedule of Findings and Questioned Costs  
 Fiscal Year Ended June 30, 2020

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**Section I - Summary of Auditor's Results**

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**(a) Financial Statements**

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

Internal control over financial reporting:

- Material weakness(es) identified? **No**
- Significant deficiency(ies) identified? **Yes**

Noncompliance material to the financial statements noted? **No**

**(b) Federal Awards**

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants/Entitlement Grants
14.239	Home Investment Partnerships Program
14.248	Community Development Block Grants Section 108 Loan Guarantees
17.277	WIOA National Dislocated Workers Grants/WIA National Emergency Grants
20.519	Clean Fuels
21.019	Coronavirus Relief Fund

**CITY OF LOS ANGELES, CALIFORNIA**  
 Schedule of Findings and Questioned Costs (Continued)  
 Fiscal Year Ended June 30, 2020

Identification of major federal programs (Continued):

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.558	Temporary Assistance for Needy Families
97.046	Fire Management Assistance Grant

Dollar threshold used to distinguish between type A and type B programs:	<b>\$3,000,000</b>
Auditee qualified as a low-risk auditee?	<b>No</b>

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended June 30, 2020

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**Section II – Financial Statement Findings**

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**Reference Number:** 2020-001  
**Federal Program Title:** Clean Fuels  
**Federal Catalog Number:** 20.519  
**Federal Agency:** U.S. Department of Transportation  
**Pass-Through Entity:** N/A  
**Federal Award Number and Year:** CA-58-0012-00; 2011  
**Name of City Department:** Department of Transportation  
**Category of Finding:** Financial Reporting – SEFA

***Criteria***

In accordance with *Title 2 Code of Federal Regulations (CFR) Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F – Audit Requirements, §200.508 Auditee responsibilities*, the auditee must prepare appropriate financial statements, including the schedule of expenditures of Federal awards (SEFA) in accordance with *§200.510 Financial statements*.

The *2 CFR §200.510 Financial statements* states that the auditee must prepare a schedule of expenditures of Federal awards for the period covered by the auditee’s financial statements which must include the total Federal awards expended as determined in accordance with *§200.502 Basis for determining federal awards expended*.

According to *2 CFR §200.502(a) Determining Federal awards expended*, the determination of when a Federal award is expended must be based on when the activity related to the Federal award occurs. Generally, the activity pertains to events that require the non-Federal entity to comply with Federal statutes, regulations, and the terms and conditions of Federal awards, such as: expenditure/expense transactions associated with awards including grants.

***Condition***

Federal awards expended in a fiscal year should be reported on the SEFA of the same year. However, during our review of the Clean Fuels program, we noted that the expenditures reported on the FY 2019-20 SEFA were incurred between April 2018 and December 2018 which were prior to FY 2019-20.

***Cause***

The City of Los Angeles Department of Transportation (DOT) indicated that the amount of expenditures claimed for the program is uncertain until DOT prepared the reimbursement requests. DOT received multiple grants funding the Downtown Bus Maintenance Facility project, so there was uncertainty of specific funding sources that apply to the expenditures, and the methodology used to calculate the claimed amounts changed from the beginning of the project. However, we noted that the reimbursement requests for the \$2,631,000 reported on the SEFA were prepared in July 2019. Since the FY 2018-19 single audit report was not due until March 2020, DOT should have reported the amount in its FY 2018-19 SEFA.

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended June 30, 2020

***Effect***

Failure to report federal expenditures on the SEFA in the correct fiscal year results in inaccurate SEFA and directly affects the auditor's determination of major programs in accordance with 2 CFR Part 200. Reporting these expenditures in the incorrect fiscal year did not result in changes to the major program risk assessment and program selection for FY 2017-18 and FY 2018-19.

***Context***

DOT reported \$2,631,000 incurred between FY 2017-18 and FY 2018-19 on the FY 2019-20 SEFA.

***Recommendation***

We recommend that when reimbursement requests are prepared subsequent to the end of a fiscal year, DOT notify and discuss with the Controller's Office the appropriate fiscal year that the expenditures should be reported on the SEFA.

***Views of Responsible Officials and Planned Corrective Action***

1. Person responsible:  
Sue Chen  
Departmental Chief Accountant IV  
Telephone No. (213) 972-8440
2. Corrective action plan:  
DOT will notify and discuss with the Controller's Office to determine the appropriate fiscal year that expenditures should be reported on the SEFA when reimbursement requests are prepared subsequent to the end of the fiscal year.
3. Anticipated implementation date:  
Effective immediately

**CITY OF LOS ANGELES, CALIFORNIA**  
 Schedule of Findings and Questioned Costs (Continued)  
 Fiscal Year Ended June 30, 2020

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**Section III – Federal Award Findings and Questioned Costs**

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**Reference Number:** 2020-002  
**Federal Program Title:** WIOA National Dislocated Worker Grants/WIA National Emergency Grants  
**Federal Catalog Number:** 17.277  
**Federal Agency:** U.S. Department of Labor  
**Pass-Through Entity:** California Employment Development Department  
**Federal Award Number and Year:** K9110016; 2019  
**Name of City Department:** Economic and Workforce Development Department  
**Category of Finding:** Reporting

***Criteria***

Per the California Employment Development Department (EDD) Directive No. WSD19-05, monthly financial reports are due on the 20<sup>th</sup> of the month following the end of each reporting period. According to the correspondence dated August 28, 2019, from EDD, monthly performance reports are due on the 5<sup>th</sup> of the month following the reporting period. When the reporting deadline falls on a weekend or holiday, all reports are due by close of business on the last business day prior to the due date.

***Condition***

During our review of the monthly financial reports and monthly performance reports, we noted that the Economic and Workforce Development Department (EWDD) submitted the following reports after the due dates.

<b>Report Type</b>	<b>Grant Code</b>	<b>Period Covered</b>	<b>Due Date</b>	<b>Granted Extension</b>	<b>Date Submitted</b>	<b>Number of Days Late</b>
Financial Report	1143	May 2020	6/20/2020	7/3/2020	7/5/2020	2
Financial Report	1136	May 2020	6/20/2020	7/3/2020	7/6/2020	3
Performance Report	1143	February 2020	3/5/2020	None	3/6/2020	1
Performance Report	1136	February 2020	3/5/2020	None	3/6/2020	1

***Cause***

There were vacancies and approved leaves at EWDD, which caused a shortage in staff resources available to prepare and file the required reports. In addition, EWDD received and had to manage a number of new COVID-19 related grants. Furthermore, the fiscal year-end closing process also increased the workload. Because of the above reasons, EWDD missed the deadlines to submit those reports.

***Effect***

Failure to submit the financial and performance reports on a timely basis results in noncompliance with the EDD reporting requirements.

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended June 30, 2020

***Questioned Costs***

Questioned costs were not identified.

***Context***

Of the twelve (12) reports selected from a population of forty eight (48) reports, four (4) reports were submitted after the due date.

The sample was not a statistically valid sample.

***Recommendation***

We recommend that EWDD review workflow priorities and evaluate resources needs to ensure all reports are submitted timely. When a report cannot be submitted by the due date, EWDD should contact its grantor, request an extension and maintain a record of the correspondence and approval.

***Views of Responsible Officials and Planned Corrective Action***

1. Persons responsible:

Fiscal Reports: Catherine Bondoc  
Director of Financial Management Division  
Telephone No. (213) 744-7294

Oliva Rafols  
Principal Accountant  
Telephone No. (213) 744-7337

Performance Reports: Gerardo Ruvalcaba  
Director of Workforce Development Division  
Telephone No. (213) 744-7233

2. Corrective action plan:

The department continues to deal with the impact of the COVID-19 pandemic. EWDD was unable to fill critical vacancies due the mandated hiring freeze. Staff were also inundated with the implementation of critical new grant programs intended to serve those severely impacted by the pandemic.

We will continue to manage the work by prioritizing grant reporting requirements and obtain approvals for an extension from grantors if we are unable to meet the deadlines.

3. Anticipated implementation date:

Implemented as of June 10, 2021

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended June 30, 2020

**Reference Number:** 2020-003  
**Federal Program Title:** Clean Fuels  
**Federal Catalog Number:** 20.519  
**Federal Agency:** U.S. Department of Transportation  
**Pass-Through Entity:** N/A  
**Federal Award Number and Year:** CA-58-0012-00; 2011  
**Name of City Department:** Department of Transportation  
**Category of Finding:** Reporting

***Criteria***

Federal funds reported in FY 2019-20 for the Clean Fuels program were awarded prior to December 26, 2014, and there was no incremental funding with modified terms and conditions that was awarded on or after that date. Therefore, this program was subject to the compliance requirements under OMB Circular A-133. In accordance with OMB Circular A-133§\_\_\_.300(b), the City of Los Angeles must maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

***Condition***

During our review of the Clean Fuels program, one (1) financial report and one (1) progress report were selected for testing. We noted that there was no documentation of the review and approval for the submitted reports. The City's Department of Transportation (DOT) indicated the reports are reviewed before submission. However, documentation of review and approval was not maintained. Since the reviews were not documented, we were not able to verify that the reviews were performed for the reports.

***Cause***

Subsequent to the review of the reports, the approvals were communicated verbally. DOT personnel were not aware that they should document the reviews in order to demonstrate performance.

***Effect***

The lack of written evidence of a documented review results in noncompliance with OMB Circular A-133§\_\_\_.300(b).

***Questioned Costs***

Questioned costs were not identified.

***Context***

There were only one (1) financial report and one (1) progress report required to be submitted in FY 2019-20. For two (2) out of the two (2) reports reviewed during the audit, DOT did not provide evidence that a review was performed for the two (2) reports.

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended June 30, 2020

***Recommendation***

We recommend that DOT documents its review of financial and progress reports.

***Views of Responsible Officials and Planned Corrective Action***

1. Person responsible:  
Brian Lee  
Chief of Transit Programs  
Telephone No. (213) 928-9745
  
2. Corrective action plan:  
Staff preparing Federal Financial and Milestone Progress Reports shall submit a written request for review and approval to LADOT Management prior to direct submission to FTA. Upon approval via email or signatory by LADOT Management, staff may submit approved reports to FTA.
  
3. Anticipated implementation date:  
October 1, 2021 (Next quarterly reports are due October 30, 2021)



**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended June 30, 2020

**Reference Number:** 2020-004  
**Federal Program Title:** Fire Management Assistance Grant  
**Federal Catalog Number:** 97.046  
**Federal Agency:** U.S. Department of Homeland Security  
**Pass-Through Entity:** State of California – Office of Emergency Services  
**Federal Award Number and Year:** FEMA-5225-FM-CA, CALOES ID: 037-44000; 2020  
**Name of City Department:** Los Angeles Police Department  
**Category of Finding:** Allowable Costs/Cost Principles

***Criteria***

In accordance with *Title 2 Code of Federal Regulations (CFR) §200.403(g) Factors affecting allowability of costs*, costs must be adequately documented.

In accordance with *Title 2 CFR §200.303(a) Internal controls*, non-Federal entities must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

***Condition***

During our review of sixty (60) payroll expenditures incurred by the Los Angeles Police Department (LAPD), we noted that one (1) payroll transaction reported 33 hours. However, the pay history only indicated 16.5 hours. Therefore, there is an overstatement of \$933 on the schedule of expenditures of federal awards (SEFA) and in the reimbursement request.

In addition, we tested thirty-five (35) payroll transactions incurred by the Los Angeles Fire Department (LAFD) and five (5) payroll transactions incurred by the Department of Recreation and Parks. No exceptions were identified in those transactions.

***Cause***

Total hours were incorrectly claimed due to data entry error.

***Effect***

Overstatement of claimed costs results in questioned costs and noncompliance with 2 CFR §200.403(g) and §200.303(a).

***Questioned Costs***

\$933 (known questioned costs based on sample item tested)

***Context***

Of the sixty (60) LAPD payroll transactions tested, totaling \$26,341, from a population of \$1,219,554, one (1) payroll transaction was overstated by \$933.

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended June 30, 2020

In addition, we tested a total of forty (40) payroll transactions selected from the LAFD and the Department of Recreation and Parks, totaling \$36,748, from a population of \$1,021,424, and no exceptions were identified.

The sample tested was not a statistically valid sample. This is a repeat finding as indicated in the Schedule of Prior Audit Findings as finding number 2019-010.

***Recommendation***

We recommend that LAPD strengthens its review process to ensure the correct labor hours and amounts are used in preparing reimbursement requests.

***Views of Responsible Officials and Planned Corrective Action***

1. Persons responsible:

LAPD:

Thomas Brennan

Police Administrator II, Chief Financial Officer

Telephone No. (213) 486-8590

Office of the City Administrative Officer (CAO):

Melissa Krance

Chief Administrative Analyst

Telephone No. (213) 473-7582

2. Corrective action plan:

LAPD Response:

The Police Department has increased training on the completion of ICS forms 2.11 and 2.14 to ensure that employees are not entered on multiple documents which causes double reporting. The Police Department is also reviewing the ICS forms in conjunction with overtime approvals as they are submitted to reduce the likelihood of errors. The Police Department is continuing to evaluate and improve the process of tracking employees' response to potentially reimbursable incidents and has included a budget request for automating employee reporting for the fiscal year starting on July 1, 2022.

CAO Response:

The CAO, Disaster Grants Group will review the LAPD's submission and compare with supporting documentation submitted. The CAO, Disaster Grants Group will assist the LAPD with training of staff on the claim submission process as requested and as needed.

3. Anticipated implementation date:

LAPD Response:

The Police Department has already implemented changes to ensure accuracy of employees' time reporting by reviewing all entries and matching them with entries submitted. The Police Department will continue to evaluate and improve the process to eliminate potential errors in reporting.

CAO Response:

The CAO implemented changes on March 12, 2020 to ensure accurate reporting by the LAPD. This is done by reviewing their submissions and cross checking claim information with supporting documentation such as activity logs and LAPD personnel pay histories to ensure what is being claimed by the LAPD is accurate.

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended June 30, 2020

**Reference Number:** 2020-005  
**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 Department  
**Federal Award Number and Year:** IA-0114; 2020  
**City Department:** Economic and Workforce Development Department  
**Category of Finding:** Allowable Costs/Cost Principles

**Criteria**

In accordance with *Title 2 U.S. Code of Federal Regulations (CFR) §200.403(g) Factors affecting allowability of costs*, costs must be adequately documented.

In accordance with *2 CFR §200.502(a) Determining Federal awards expended*, the determination of when a Federal award is expended must be based on when the activity related to the Federal award occurs and disbursement of funds to subrecipients.

**Condition**

Of the sixty (60) samples selected for testing, we noted the following exceptions:

1. There were three (3) samples where the total reported expenditures were \$222,885. Upon the Economic and Workforce Development Department's (EWDD) review of the subrecipients' closeout reports and supporting documentation, the expenditures exceeded the approved budget by \$15,829. However, the amount has not yet been returned to the County of Los Angeles (the funding agency).
2. There were two (2) samples where the total reported expenditures were \$51,040. EWDD withheld the payments to subrecipients due to unresolved audit findings. After the findings were resolved, EWDD only paid \$49,054, which were the allowable costs of the subrecipients. As a result, there was an overstatement of \$1,986, and this amount has not yet been returned to the County of Los Angeles (the funding agency).
3. There was one (1) sample with reported accrued expenditures of \$30,824. EWDD indicated that the expenditures were reported by a subrecipient that is in process of a bankruptcy proceeding, and the supporting documents for the subrecipient's reimbursement claims are pending from the subrecipient's bankruptcy trustee. Upon review of the EWDD's records, there are other accrued expenditures of \$15,198 for this subrecipient. Therefore, the total accrual expenditures were \$46,022. Since EWDD has not paid this total amount to the subrecipient, it is not considered a federal award expended and should not be reported on the schedule of expenditures of federal awards (SEFA).

**Cause**

1. EWDD is required to submit an annual closeout report to the County of Los Angeles (County), the funding agency, by July 31, for annual reimbursements of program expenditures incurred. The County does not reimburse any expenditures submitted after the deadline of July 31. For FY 2019-20, EWDD required subrecipients to submit respective closeout reports by July 10, 2020, in order to capture complete and relevant

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended June 30, 2020

information on subrecipients to report to the County. Because certain subrecipients did not submit their closeout reports timely, EWDD reported those subrecipient expenditures based on amounts provided by the subrecipients and was unable to complete its review of supporting documentation prior to submission of its report to the County. After EWDD reviewed the supporting documents, the allowable amounts were less than the reported expenditures.

2. Due to audit findings detected during subrecipient monitoring, EWDD did not process additional invoices submitted from the subrecipients until the subrecipients provided documents to resolve the findings. After the findings were resolved, EWDD reviewed the invoices and determined \$1,986 were unallowable costs. However, EWDD's review was performed after the closeout report was submitted to the County. Therefore, the reported expenditures were overstated.
3. Regarding the one subrecipient that is in a bankruptcy proceeding, EWDD had to withhold payments until documents that support the subrecipient's reimbursement claims can be provided to EWDD for review. Reimbursement will also depend on whether the courts will order EWDD to pay the reimbursement claims.

***Effect***

Failure to report the correct expenditures results in noncompliance with 2 CFR §200.403(g) and §200.502(a), and the SEFA expenditures were overstated.

***Questioned Costs***

\$63,837 (known questioned costs based on sample items tested):

- Federal funding, passed through the County: \$39,483
- Local funding provided by County: \$24,354

***Context***

Of the sixty (60) transactions selected for testing, which totaled \$1,046,702 from a population of \$1,275,251, six (6) transactions, totaling \$304,749, were overstated by \$63,837. The federally funded portion is \$39,483, thus the SEFA is overstated by this amount.

The sample was not a statistically valid sample. This is a repeat finding as indicated in the Schedule of Prior Audit Findings as finding number 2019-005.

***Recommendation***

We recommend that EWDD performs the following:

1. Work with subrecipients to ensure that closeout reports are submitted timely and report the actual expenditures on the SEFA.
2. Remind subrecipients of the importance of timely submission to ensure the County reimburses allowable costs.
3. Review subrecipient agreements and ensure contract clauses are included regarding the strict timing of reimbursement policies of the County.
4. Return the overstated claimed amount to the County.
5. Discuss with the County reimbursement for expenditures incurred by the bankrupt organization should a court order be issued requiring reimbursement.

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended June 30, 2020

***Views of Responsible Officials and Planned Corrective Action***

1. Person responsible:  
Catherine Bondoc  
Director of Financial Management Division  
Telephone No. (213) 744-7294

2. Corrective action plan:

**Recommendation Nos. 1, 2, and 3:** These are already on-going practices at EWDD. Section 301 of contracts with subrecipients provides the deadlines for cash drawdowns, monthly financial reporting of expenditures incurred, and the final closeout report. Additionally, prior to the end of every fiscal year, EWDD issues a financial closeout directive that reaffirms the deadlines for closeout reports and includes detailed closeout instructions for subrecipients. This topic is also regularly covered during EWDD's annual financial management training conferences, the most recent of which was held in September 2019.

**Recommendation No. 4:** Described below are the status updates for each condition:

Condition No. 1: \$15,829 has been returned to the County of Los Angeles.

Condition No. 2: \$1,986 has been returned to the County of Los Angeles.

Condition No. 3: \$46,022 has not been returned to the County of Los Angeles.

EWDD will continue its efforts to return unexpended unearned grants in a timelier manner. However, it should be noted that the FY 2019-20 closeout period occurred during an unprecedented pandemic that presented various challenges for both EWDD and its subrecipients.

**Recommendation No. 5:** Bankruptcy proceedings are still on-going. The City Attorney is currently handling this matter.

3. Anticipated implementation date:

**Recommendation Nos. 1, 2, and 3:** These are already on-going practices at EWDD.

**Recommendation No. 4:**

Condition Nos. 1 and 2: Completed on September 16, 2021.

Condition No. 3: Anticipated date of conclusion of bankruptcy proceedings is currently unknown.

**Recommendation No. 5:** The City Attorney is representing the City of LA in the bankruptcy proceedings. EWDD will promptly communicate the Court's instructions, when received, with the County of Los Angeles to determine the next course of action on the disposition of the \$46,022.

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended June 30, 2020

**Reference Number:** 2020-006  
**Federal Program Title:** Home Investment Partnerships Program  
**Federal Catalog Number:** 14.239  
**Federal Agency:** U.S. Department of Housing and Urban Development  
**Pass-Through Entity:** N/A  
**Federal Award Number and Year:** M-19-MC-06-0519; 2019  
**Name of City Department:** Housing and Community Investment Department  
**Category of Finding:** Special Tests and Provisions – Housing Quality Standards

***Criteria***

In accordance with *Title 24 Code of Federal Regulations (CFR) §92.504(d)(1)(ii)*, during the period of affordability, the participating jurisdiction must perform on-site inspections of HOME-assisted rental housing to determine compliance with the property standards of §92.251 and to verify the information submitted by the owners in accordance with the requirements of §92.252. The inspections must be in accordance with the inspection procedures that the participating jurisdiction establishes to meet the inspection requirements of §92.251. The on-site inspections must occur within 12 months after project completion and at least once every 3 years thereafter during the period of affordability.

***Condition***

During our review of the housing quality inspections for the selected projects, we noted that Housing and Community Investment Department (HCID) did not perform a housing quality inspection within 12 months after project completion for four (4) projects and at least once every 3 years for ten (10) projects.

***Cause***

Due to extended absences of an inspector and vacancies in the housing inspection division, some inspections were delayed.

***Effect***

Failure to perform a housing quality on-site inspection within 12 months after project completion and at least every 3 years during the period of affordability results in noncompliance with 24 CFR §92.504(d)(1)(ii).

***Questioned Costs***

Questioned costs were not identified.

***Context***

Of the forty-three (43) projects selected from a population of four hundred and twenty-four (424) projects for testing, HCID did not perform a housing quality inspection within 12 months after project completion for four (4) projects and at least every 3 years during the period of affordability for ten (10) projects.

The sample tested was not a statistically valid sample. This is a repeat finding as indicated in the Schedule of Prior Audit Findings as finding number 2019-008.

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended June 30, 2020

***Recommendation***

We recommend that HCID plans for alternative personnel to perform inspections when an inspector is absent so that housing quality inspections are performed in a timely manner, and fill vacant positions for the housing inspection division.

***Views of Responsible Officials and Planned Corrective Action***

1. Person responsible:  
Ruben Perez  
Senior Housing Inspector  
Telephone No. (213) 808-8573
2. Corrective action plan:  
The Corrective Action Plan includes two processes:
  - A. Process 1: Continuing to staff the HOME Inspection Group (HIG) Inspector position as necessary to meet inspection goals
  - B. Process 2: Requesting additional assistance to help the HIG gain ground on delayed inspections

As referenced in the FY 2018-19 HOME audit, the Inspector assigned to the HOME Inspection Group (HIG) experienced extended absences and eventually retired in 2019, resulting in no new inspections being conducted for several months and some required inspections being delayed. These absences continued to affect the HIG's ability to conduct inspections for several months through the beginning of FY 2019-20. In response to the FY 2018-19 HOME audit findings, LAHCID stated it would ensure that vacancies to the HIG are filled as expeditiously as possible to prevent similar staffing issues from affecting LAHCID's ability to meet its responsibility of conducting inspections of all HOME-assisted housing projects in accordance with 24 CFR §92.504(d)(1)(ii). Since then, LAHCID has continued to ensure that the HIG Inspector position remains filled and the assigned Inspector conducts as many inspections as possible, with the goal of eventually conducting all required inspections timely. Moving forward, these will continue to be high priorities for LAHCID.

In addition, the HIG will request assistance, by way of an Assistant Inspector to assist with current HIG Inspector duties, which would allow the assigned Inspector more time to conduct inspections, and/or an additional Inspector to conduct more inspections. If granted, the assistance provided will allow the HIG to gain ground on inspections which have been delayed and sooner reach a point where they conduct all required inspections timely.

3. Anticipated implementation date:
  - A. Process 1: Implemented forthwith
  - B. Process 2: Will be implemented by December 2021

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**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Prior Audit Findings  
Fiscal Year Ended June 30, 2020

**FINANCIAL STATEMENT FINDINGS:**

**2014-001 Risk Assessment over Financial Reporting**

**(Material Weakness)**

**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

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Prior Audit Findings (Continued)  
Fiscal Year Ended June 30, 2020

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. 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 FOCUS risk assessment program was implemented in spring 2020. The Controller's Office put together a team of staff including executives to run the program, and we conducted multiple introductory and training meetings that included every department of the City. The program has been hampered a bit by the pandemic and the competing demands for staff time brought on by the pandemic response, but we have continued on with it. Approximately half of the departments have completed their assessments and are working on their action plans to address identified deficiencies, and we are actively working with the others to complete theirs.

***Current Status as of June 30, 2020***

Partially implemented.

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Prior Audit Findings (Continued)  
Fiscal Year Ended June 30, 2020

**2014-002 Information Technology – General Controls Review**

**(Significant Deficiency)**

**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.

***Current Year Management Response***

The construction of phase I of the new data center is completed. However, the new chiller will not be activated until the phase II Computer Room Air Conditioning (CRAC) units are installed. The installation of a new double interlocked pre-action fire suppression system is completed. The LAFD will undergo an acceptance testing when GSD finishes working with JCI to complete the control systems. This work is scheduled to be completed by December 31, 2021.

***Current Status as of June 30, 2020***

Partially implemented.

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Prior Audit Findings (Continued)  
Fiscal Year Ended June 30, 2020

**FEDERAL AWARD FINDINGS:**

**2019-001 Noncompliance with Subrecipient Monitoring – Noncompliance and Significant Deficiency**

**CFDA No. 14.241 – Housing Opportunities for Persons with AIDS**

***Condition***

During our review of the Housing Opportunities for Persons with AIDS (HOPWA) program, we selected six (6) subrecipients with active contracts during FY 18-19 and noted that the Housing and Community Investment Department (HCID) was not able to provide documentation to demonstrate that the federal award identification number (FAIN) and federal award date were communicated to those subrecipients.

***Recommendation***

We recommend that HCID performs the following procedures:

1. Provide the subaward information as required by 2 CFR §200.331(a) to subrecipients at the time of the subaward and communicate any changes in subsequent subaward modifications.
2. For the existing subrecipients that were not previously provided the required elements, communicate missing elements and retain documentation supporting communication prior to the end of FY 19-20.

***Current Year Management Response***

There was a delay in notifying the subcontractors with the missing FAIN. Notifications were sent on August 12, 2020.

***Current Status as of June 30, 2020***

Not Implemented.

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Prior Audit Findings (Continued)  
Fiscal Year Ended June 30, 2020

**2019-002 Noncompliance with Reporting – Noncompliance and Significant Deficiency**

**CFDA No. 14.241 – Housing Opportunities for Persons with AIDS**

***Condition***

During our review of the Housing Opportunities for Persons with AIDS (HOPWA) program, we noted that the expenditures reported on the HUD-40110-C *Annual Progress Report* were \$699,269. However, the accounting records supported expenditures of \$608,867.

***Recommendation***

We recommend that HCID performs the following:

1. Amend the Annual Progress Report to reflect the correct expenditures of \$608,867; and
2. Strengthen its review process to ensure reports are accurate.

***Current Year Management Response***

The amended Annual Progress Report was submitted to HUD on March 5, 2020. The report review protocol was implemented forthwith beginning with the amended APR.

***Current Status as of June 30, 2020***

Implemented.

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Prior Audit Findings (Continued)  
Fiscal Year Ended June 30, 2020

**2019-003 Noncompliance with Cash Management – Noncompliance and Significant Deficiency**

**CFDA No. 97.083 – Staffing for Adequate Fire and Emergency Response (SAFER)**

***Condition***

During our review of the Staffing for Adequate Fire and Emergency Response (SAFER) program, nine (9) reimbursement requests were selected for testing. The Fire Department indicated that reimbursement requests are prepared by the Fiscal Systems Specialist I, and there are three levels of review performed by the Fiscal Systems Specialist II, Grant Analyst, and the Senior Management Analyst before the reimbursement requests were submitted to the funding source. However, since the reviews were not documented, we were not able to verify that the reviews were performed.

***Recommendation***

We recommend that the Fire Department documents their review of reimbursement requests.

***Current Year Management Response***

Reimbursement Request reviews, together with supporting data validated by different section authorities, were conducted via an in-person verbal meeting and discussion. At the conclusion of the in-person meeting, approval was provided by the Senior Management Analyst for staff to submit the Performance Report to FEMA.

At the recommendation of the MGO Auditor, the grants unit immediately implemented the review and approval process for Reimbursement Requests via a documented email or signature for submittals made starting on November 26, 2019.

***Current Status as of June 30, 2020***

Implemented.

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Prior Audit Findings (Continued)  
Fiscal Year Ended June 30, 2020

**2019-004 Noncompliance with Reporting – Noncompliance and Significant Deficiency**

**CFDA No. 97.083 – Staffing for Adequate Fire and Emergency Response (SAFER)**

***Condition***

During our review of the Staffing for Adequate Fire and Emergency Response (SAFER) program, two (2) financial reports and three (3) performance reports were selected for testing. We noted that the financial reports were reviewed and approved as documented by the Fire Chief while there was no documentation of review and approval for the performance reports. The Fire Department indicated the performance reports are prepared by the Fiscal Systems Specialist I, and there are three levels of review performed by the Fiscal Systems Specialist II, Grant Analyst, and the Senior Management Grant Analyst before the performance reports were submitted to the funding source. However, since the reviews were not documented, we were not able to verify that the reviews were performed for the performance reports.

***Recommendation***

We recommend that the Fire Department documents their review of the performance reports.

***Current Year Management Response***

Performance Report reviews, together with supporting data validated by different section authorities, were conducted via an in-person verbal meeting and discussion. At the conclusion of the in-person meeting, approval was provided by the Senior Management Analyst for staff to submit the Performance Report to FEMA.

At the recommendation of the MGO Auditor, the grants unit immediately implemented the review and approval process for Performance Reports via a documented email or signature for submittals made starting on November 26, 2019.

***Current Status as of June 30, 2020***

Implemented.

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Prior Audit Findings (Continued)  
Fiscal Year Ended June 30, 2020

**2019-005 Noncompliance with Allowable Costs/Cost Principles – Noncompliance and Material Weakness**

**CFDA No. 93.558 – Temporary Assistance for Needy Families**

***Condition***

The Economic and Workforce Development Department (EWDD) reviews closeout reports received from subrecipients and includes the amounts as program expenditures on the schedule of expenditures of federal awards (SEFA). The expenditures reported on the SEFA include \$157,847 and \$218,573 reported by two subrecipients. However, the actual expenditures per the closeout report for one subrecipient was \$60,896, and the actual amount for the other subrecipient is \$218,120. As a result, the program expenditures on the SEFA were not corrected for the actual expenditures, and the SEFA is overstated by \$97,404.

***Recommendation***

We recommend that EWDD performs the following:

1. Ensure that closeout reports from subrecipients are submitted on time and report the actual expenditures on the SEFA.
2. Return the overstated claimed amount to the County.

***Current Year Management Response***

In June 2019, EWDD issued Directive No. 19-001 to provide financial closeout instructions for FY 18-19 to all its subrecipients. This guidance provided clear instructions related to submission deadlines, required financial reports and supporting schedules and documentation, and additional technical guidance on various grant closeout topics. For subsequent fiscal years, EWDD will:

- (a) Continue to issue financial closeout instructions prior to the end of a program to ensure subrecipients are well-informed on all reporting requirements;
- (b) Follow-up on delinquent subrecipients; and
- (c) Withhold future payments until a subrecipient complies with closeout requirements.

The issues and status for the two subrecipients are as follows:

**Subrecipient #1:** Due to an unexpected resignation of a key fiscal staff, the subrecipient requested for an extension to EWDD's closeout deadline. In order to meet the County's deadline, EWDD reported \$157,847, the estimated expenditures provided by the subrecipient, to the County. The revised final expenditures subsequently reported by the subrecipient was \$60,896. EWDD has refunded the balance of \$96,951 to the County.

**Subrecipient #2:** EWDD correctly reported to the County the final expenditures of \$218,573, as reported by the subrecipient for FY 18-19. However, the subrecipient did not submit its General Ledger and reconciliation reports, which are both required supporting documentation for financial reporting. As a result, EWDD withheld the closeout payment for FY 18-19 and cited the subrecipient for non-compliance with financial reporting requirements and deadlines in EWDD's fiscal monitoring and annual administrative capability evaluation. In February 2019, the subrecipient provided the required reports. EWDD approved \$218,120 but disallowed \$453. EWDD has refunded the balance of \$453 to the County.



**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Prior Audit Findings (Continued)  
Fiscal Year Ended June 30, 2020

***Current Status as of June 30, 2020***

Not implemented (see current year finding 2020-005)

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Prior Audit Findings (Continued)  
Fiscal Year Ended June 30, 2020

**2019-006 Noncompliance with Subrecipient Monitoring – Noncompliance and Material Weakness**

**CFDA No. 93.558 – Temporary Assistance for Needy Families**

***Condition***

During our review of eight (8) subrecipients with active contracts during FY 18-19, we noted that EWDD assessed four (4) subrecipients as high risk, which required on-site fiscal monitoring in accordance with EWDD monitoring policies. EWDD provided evidence that the on-site fiscal monitoring started prior to June 30, 2019; however, the monitoring reports had not yet been issued. Therefore, we could not verify whether the on-site fiscal monitoring was completed and could not determine whether the fiscal monitoring was sufficient to ensure proper accountability and compliance with program requirements and achievement of performance goals.

***Recommendation***

We recommend that EWDD completes on-site fiscal monitoring and issues a report in a timely manner.

***Current Year Management Response***

The fiscal reviews for the four subrecipients have been completed and the corresponding fiscal monitoring reports have been issued.

***Current Status as of June 30, 2020***

Implemented

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Prior Audit Findings (Continued)  
Fiscal Year Ended June 30, 2020

**2019-007 Noncompliance with Subrecipient Monitoring – Noncompliance and Significant Deficiency**

**CFDA No. 93.569 – Community Services Block Grant**

***Condition***

During our review of the Community Services Black Grant (CSBG) program, we selected five (5) subrecipients with active contracts during FY 18-19 and noted that the Housing and Community Investment Department (HCID) did not perform the following:

1. There was no documentation to demonstrate that the following required federal award information were communicated to four (4) subrecipients.
  1. FAIN
  2. Federal Award Date
2. There was no documentation to demonstrate that the following required federal award information were communicated to one (1) subrecipient.
  - a. DUNS Number
  - b. FAIN
  - c. Federal Award Date
  - d. CFDA Number and Name
  - e. Identification of whether the award is R&D

***Recommendation***

We recommend that HCID performs the following procedures:

1. Provide the subaward information as required by 2 CFR §200.331(a) to subrecipients at the time of the subaward and communicate any changes in subsequent subaward modifications.
2. For the existing subrecipients that were not previously provided the required elements, communicate missing elements and retain documentation supporting communication prior to the end of FY 19-20.

***Current Year Management Response***

Letters to subrecipients were sent on March 27, 2020 informing them of the required subaward information.

***Current Status as of June 30, 2020***

Implemented.

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Prior Audit Findings (Continued)  
Fiscal Year Ended June 30, 2020

**2019-008 Noncompliance with Special Tests and Provisions – Noncompliance and Material Weakness**

**CFDA No. 14.239 – Home Investment Partnerships Program**

***Condition***

During our review of the housing quality inspections for completed projects, we selected three (3) completed projects and noted that HCID performed a housing quality inspection. However, for two of the projects, they were not performed within the required 12-month period after the project was completed.

***Recommendation***

We recommend that HCID strengthens its process to ensure housing quality inspections are performed in a timely manner.

***Current Year Management Response***

Development of the new Code, Compliance, Rent Information System scheduler module, as well as the other necessary HOME inspection modules, is nearing completion. Upon completion, the Housing Inspection Group will begin using them to schedule inspections, conduct inspections, and manage cases.

The Housing Inspection Group is now adequately staffed to meet inspection goals and deadlines. However, effective March 16, 2020, all Departmental inspections were cancelled due to COVID-19 precautions and, as of June 30, 2020, inspections have not resumed.

***Current Status as of June 30, 2020***

Not implemented (see current year finding 2020-006)

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Prior Audit Findings (Continued)  
Fiscal Year Ended June 30, 2020

**2019-009 Noncompliance with Allowable Costs/Cost Principles – Noncompliance and Significant Deficiency**

**CFDA No. 97.046 – Fire Management Assistance Grant**

***Condition***

During our review of sixty (60) non-payroll transactions, we noted the following:

1. Two (2) transactions associated with the use of an engine were calculated using an incorrect rate of \$285.85 per hour that is not in accordance with the stated rate of \$164.85 per hour in the FEMA Schedule of Equipment Rates. In addition, the actual hours of equipment usage should be 16 hours instead of 12 hours. This resulted in an overstatement of \$1,189.
2. One (1) transaction for services provided by a contractor did not agree to the contractor's invoice, resulting in an overstatement of \$622.

***Recommendation***

We recommend that CAO performs the following procedures:

1. Correct the FY 18-19 expenditures of the FMAG program on the schedule of expenditures of federal awards.
2. Strengthen its review process to ensure the correct rates, hours, and amounts are used for reimbursement requests.

***Current Year Management Response***

1. The Office of the City Administrative Officer (CAO) has implemented the recommendation to correct the FY 18-19 expenditures of the FMAG program on the schedule of expenditures of federal awards.
2. The CAO has strengthened its review process to ensure the correct rates, hours, and amounts are being used for all reimbursement requests.

***Current Status as of June 30, 2020***

Implemented.

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Prior Audit Findings (Continued)  
Fiscal Year Ended June 30, 2020

**2019-010 Noncompliance with Allowable Costs/Cost Principles – Material Noncompliance and Material Weakness**

**CFDA No. 97.046 – Fire Management Assistance Grant**

***Condition***

During our review of LAPD payroll expenditures, we noted the following:

1. The claimed overtime hours for eleven (11) payroll transactions do not agree to the overtime reports completed by the employees and approved by the Police Sergeant, resulting in an overstatement of \$5,537 in claimed labor costs.
2. LAPD could not provide documentation to corroborate the number of claimed overtime hours and the overtime rate used for the calculation of one (1) claimed labor cost, resulting in questioned costs of \$729.
3. LAPD could not provide the breakdown of labor costs for twenty-three (23) payroll transactions to verify that the salaries were paid in accordance with the MOU.

In addition, we tested twenty-five (25) payroll transactions incurred by the Fire Department and no exceptions were identified.

***Recommendation***

We recommend that LAPD performs the following:

1. Strengthen its review to ensure that the correct labor hours and rates are used in preparing reimbursement requests.
2. Maintain accounting records and source documentation to support expenditures incurred under Federal awards.

***Current Year Management Response***

1. The Los Angeles Police Department (LAPD) has strengthened its review of labor hours and rates in preparing reimbursement requests.
2. The LAPD is maintaining accounting records and source documentation to support all expenditures incurred for Federal awards.

***Current Status as of June 30, 2020***

1. Not implemented (see current year finding 2020-004).
2. Implemented.
3. Implemented.

**CITY OF LOS ANGELES, CALIFORNIA**  
 Schedule of Prior Audit Findings (Continued)  
 Fiscal Year Ended June 30, 2020

**2019-011 Noncompliance with Reporting – Noncompliance and Significant Deficiency**

**CFDA No. 16.575 – Crime Victim Assistance**

***Condition***

During our review of one (1) Cal OES Progress Report, we noted the report was submitted on May 17, 2019, which was seventeen (17) days after the due date, and there is no evidence of an extension granted to submit the report.

<b>Report Type</b>	<b>Period Covered</b>	<b>Due Date</b>	<b>Date Submitted</b>	<b>Number of Days Late</b>
Cal OES Progress Report	October 1, 2018-March 31, 2019	4/30/2019	5/17/2019	17

***Recommendation***

When the City Attorney’s Office obtains an extension from the funding agency, a record of the approval should be maintained.

***Current Year Management Response***

The Victim Assistance Program uses Google calendar to provide alerts for upcoming deadlines for required reports due to all granters. These reminders are sent to the appropriate administrative staff two (2) weeks prior to when the reports are due. If this alert does not provide sufficient time for the report’s completion, an extension is requested.

To retain grant-related emails, the Victim Assistance Program Office will include a pdf copy of the emailed correspondence in the electronic grant file. This will ensure that the emails with instruction and or extension will be retained in the grant file, so to protect the information in the event a VAP staff member assigned this responsibility leaves the program.

***Current Status as of June 30, 2020***

Implemented.

**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Prior Audit Findings (Continued)  
Fiscal Year Ended June 30, 2020

**2018-003 Noncompliance with Cash Management – Noncompliance and Material Weakness**

**CFDA No. 93.558 – Temporary Assistance for Needy Families**

***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.

***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.

***Current Year Management Response***

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 subrecipient 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.

***Current Status as of June 30, 2020***

Not implemented.



**CITY OF LOS ANGELES, CALIFORNIA**  
Schedule of Prior Audit Findings (Continued)  
Fiscal Year Ended June 30, 2020

**2018-004 Noncompliance with Subrecipient Monitoring – Noncompliance and Material Weakness**

**CFDA No. 93.558 – Temporary Assistance for Needy Families**

***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:

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, onsite monitoring was not scheduled during FY 17-18.

***Recommendation***

We recommend that EWDD ensure all subrecipients assessed as high risk are scheduled for on-site fiscal monitoring within the fiscal year.

***Current Year Management Response***

The on-site fiscal reviews for subrecipients are on-going.

***Current Status as of June 30, 2020***

Implemented.

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**CITY OF LOS ANGELES, CALIFORNIA**  
DEPARTMENT OF AGING  
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE AWARDS  
GRANTED BY CALIFORNIA DEPARTMENT OF AGING  
FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor Pass-through Grantor Program Title	Grant/ Contract No.	CFDA No.	Expenditures State	Expenditures Federal
<b>U.S. Department of Labor</b>				
Passed through State of California, Department of Aging				
Title V	TV-1920-25	17.235	\$ -	\$ 1,510,546
<b>U.S. Department of Agriculture</b>				
Passed through State of California, Department of Aging				
Calfresh Expansion	CF-1920-25	10.561	\$ 27,754	\$ 27,755
<b>U.S. Department of Health and Human Services</b>				
Passed through State of California, Department of Aging:				
Title III B	AP-1920-25	93.044	\$ 461,978	\$ 3,661,547
Title III C1 Congregate Nutrition	AP-1920-25	93.045	855,233	4,368,167
Title III C2 Home Delivered Nutrition	AP-1920-25	93.045	1,311,188	3,417,623
Title III D	AP-1920-25	93.043	-	276,676
Title III E	AP-1920-25	93.052	-	1,240,531
NSIP C1	AP-1920-25	93.053	-	517,890
NSIP C2	AP-1920-25	93.053	-	560,393
Title VII A	AP-1920-25	93.042	-	86,725
Title VII B	AP-1920-25	93.041	-	50,865
Ombudsman - Public Health L & C			31,860	-
Ombudsman - State Health Facilities/Citation Penalties			264,054	-
Ombudsman Volunteer Recruitment Initiative- Skilled Nursing Facility (SNF) Quality and Accountability Fund (QAF)			151,335	-
Health Insurance Counseling and Advocacy Program (HICAP)	H1-1718-25	93.324	437,905	183,190
Medicare Improvements for Patients and Providers Act	MI-1819-25	93.071	-	81,449
Families First Coronavirus Response Act C1	FFCRA-25	93.045	-	415,339
Families First Coronavirus Response Act C2	FFCRA-25	93.045	-	715,849
<b>Total Human and Health Services</b>			<b>3,513,553</b>	<b>15,576,244</b>
<b>Total</b>			<b>\$ 3,541,307</b>	<b>\$ 17,114,545</b>

**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  
FISCAL YEAR ENDED JUNE 30, 2020

**Community Services Block Grant - CFDA No. 93.569**  
**Contract No. 20F-3022, Project No. CAA-2020**

	<b>January 1, 2020 through June 30, 2020</b>	<b>Total Audited Costs</b>	<b>Total Reported Expenses</b>	<b>Total Budget</b>
<b>Revenue</b>				
Grant Revenue	\$ 1,681,553	\$ 1,681,553		\$ 6,576,134
Interest Income/ Program Income	-	-		-
Deferred Interest Income	-	-		-
Deferred Grant Revenue	(1,644,034)	(1,644,034)		-
Total Revenue	<u>37,519</u>	<u>37,519</u>		<u>6,576,134</u>
<b>Expenditures</b>				
Administrative Costs				
Salaries and Wages	15,467	15,467	15,467	1,000,434
Fringe Benefits	-	-	-	459,006
Operating Expenses and Equipment	20,484	20,484	20,484	228,380
Out-of-State Travel	-	-	-	7,500
Contractor/Consultant Services	1,568	1,568	1,568	5,000
Other Costs	-	-	-	189,512
Total Administrative Costs	<u>37,519</u>	<u>37,519</u>	<u>37,519</u>	<u>1,889,832</u>
Program Costs				
Salaries and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Subcontractor Services	-	-	-	4,686,302
Total Program Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,686,302</u>
Total Expenditures	<u>37,519</u>	<u>37,519</u>	<u>37,519</u>	<u>6,576,134</u>
<b>Excess of Revenue Over Expenditures</b>	<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  
FISCAL YEAR ENDED JUNE 30, 2020

**Community Services Block Grant - CFDA No. 93.569**  
**Contract No. 19F-4022, Project No. CAA-2019**

	January 1, 2019 through June 30, 2019	July 1, 2019 through June 30, 2020	Total Audited Costs	Total Reported Expenses	Total Budget
<b>Revenue</b>					
Grant Revenue	\$ 1,822,801	\$ 4,753,333	\$ 6,576,134		\$ 6,576,134
Interest Income/ Program Income	-	3,784	3,784		-
Deferred Interest Income	-	-	-		-
Deferred Grant Revenue	(1,644,034)	1,644,034	-		-
Total Revenue	<u>178,767</u>	<u>6,401,151</u>	<u>6,579,918</u>		<u>6,576,134</u>
<b>Expenditures</b>					
Administrative Costs					
Salaries and Wages	96,318	996,814	1,093,132	1,089,348	1,032,434
Fringe Benefits	53,608	452,681	506,289	506,289	460,263
Operating Expenses and Equipment	925	120,851	121,776	121,776	238,512
Out-of-State Travel	-	3,366	3,366	3,366	3,463
Contractor/Consultant Services	615	4,885	5,500	5,500	5,000
Other Costs	27,301	164,752	192,053	192,053	178,660
Total Administrative Costs	<u>178,767</u>	<u>1,743,349</u>	<u>1,922,116</u>	<u>1,918,332</u>	<u>1,918,332</u>
Program Costs					
Salaries and Wages	-	-	-	-	-
Fringe Benefits	-	-	-	-	-
Subcontractor Services	-	4,657,802	4,657,802	4,657,802	4,657,802
Total Program Costs	<u>-</u>	<u>4,657,802</u>	<u>4,657,802</u>	<u>4,657,802</u>	<u>4,657,802</u>
Total Expenditures	<u>178,767</u>	<u>6,401,151</u>	<u>6,579,918</u>	<u>6,576,134</u>	<u>6,576,134</u>
<b>Excess of Revenue Over Expenditures</b>	<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  
 FISCAL YEAR ENDED JUNE 30, 2020

**Community Services Block Grant - CFDA No. 93.569**  
**Contract No. 19F-4424, Project No. CAA-2019**

	June 1, 2019 through June 30, 2020	Total Audited Costs	Total Reported Expenses	Total Budget
<b>Revenue</b>				
Grant Revenue	\$ 30,000	\$ 30,000		\$ 30,000
Interest Income/ Program Income	-	-		-
Deferred Interest Income	-	-		-
Deferred Grant Revenue	-	-		-
Total Revenue	<u>30,000</u>	<u>30,000</u>		<u>30,000</u>
<b>Expenditures</b>				
Administrative Costs				
Salaries and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Operating Expenses and Equipment	1,500	1,500	1,500	1,500
Contractor/Consultant Services	-	-	-	-
Other Costs	-	-	-	-
Total Administrative Costs	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
Program Costs				
Salaries and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Subcontractor Services	28,500	28,500	28,500	28,500
Total Program Costs	<u>28,500</u>	<u>28,500</u>	<u>28,500</u>	<u>28,500</u>
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
<b>Excess of Revenue Over Expenditures</b>	<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  
 FISCALYEAR ENDED JUNE 30, 2020

<u>State Grantor</u>	<u>Program Title</u>	<u>Agreement Number</u>	<u>Expenditures</u>
<b>State of California</b> Department of Alcoholic Beverage Control	Operation Alcoholic Beverage Control	19G-LA23	\$ <u>66,000</u>