

# **City of Glendale, California**

Compliance Report  
Year Ended June 30, 2010

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City of Glendale, California

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number/ Grant Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
Pass-through Los Angeles County Department of Community and Senior Citizens Services:			
Food Distribution Program	10.570	AAA-ENP2-0809-009	\$ 27,220
Direct Programs:			
Natural Resources Conservation Service			
Emergency Watershed Protection Program	10.923	69-9104-0-324	127,500
<b>Total U.S. Department of Agriculture</b>			<b>154,720</b>
<b>U.S. Department of Housing and Urban Development:</b>			
Direct Programs:			
Community Development Block Grant Entitlement Grants Cluster			
Community Development Block Grant Entitlement Program	14.218*	B-09-MC-06-0518	3,078,247
ARRA: Community Development Block Grant Entitlement Program			
East Garfield Neighborhood Revitalization	ARRA-14.253*	B-09-MY-06-0518	344,495
New Horizons Child Care Center	ARRA-14.253*	B-09-MY-06-0518	131,000
GYA Youth Employment Program	ARRA-14.253*	B-09-MY-06-0518	91,682
CDBG-R Administration	ARRA-14.253*	B-09-MY-06-0518	10,769
<b>Subtotal</b>			<b>577,946</b>
Emergency Shelter Grants Program	14.231	S-09-MC-06-0518	141,481
Home Investment Partnership Act	14.239	M-09-MC-06-0512	2,958,724
Supportive Housing Program			
2004 Chester Street Permanent Supportive Housing	14.235	CA16B412-001	255,043
SHP renewal project – Scattered Site Family Transitional Housing	14.235	CA16B712-006	51,746
SHP renewal project – Hamilton Court Transitional Housing Project	14.235	CA16B712-010	85,640
SHP renewal project – PATH Achieve SSO	14.235	CA16B712-004	131,948
SHP renewal project – HMIS	14.235	CA16B712-005	25,332
SHP New Horizons Family Care Center	14.235	CA16B712-009	5,463
SHP renewal project – Scattered Site Family Transitional Housing	14.235	CA0730B9D120801	140,602
SHP renewal project – Hamilton Court Transitional Housing Project	14.235	CA0729B9D120801	125,400
Scatter Site Permanent Housing	14.235	CA0723B9D120800	41,925
PATH Achieve SSO	14.235	CA0732B9D120801	514,504
SHP Renewal – HMIS	14.235	CA0728B9D120801	62,381
SHP New Horizons Family Care Center	14.235	CA0727B9D120801	10,551
SHP renewal – Next Step	14.235	CA0731B9D120801	137,574
SHP Renewal PATH Ventures	14.235	CA0733B9D120801	167,743
PATH Ventures Chronic Lease Program	14.235	CA0733B9D120802	10,292
<b>Subtotal</b>			<b>1,766,144</b>
Shelter Plus Care			
Special Needs Assistance – 2001 Shelter Plus Care Grant	14.238	CA16C112-001	37,387
Special Needs Assistance – 2005 Shelter Plus Care Homless	14.238	CA16C512-001	28,893
Special Needs Assistance – 1998 Renewal Shelter Plus Care Grant	14.238	CA0724C9D120801	188,303
Special Needs Assistance – 1998 Renewal Shelter Plus Care Grant	14.238	CA0726C9D120801	62,262
Special Needs Assistance – 1998 Renewal Shelter Plus Care Grant	14.238	CA0724C9D120802	41,826
<b>Subtotal</b>			<b>358,671</b>

**City of Glendale, California**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2010**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number/ Grant Number	Federal Expenditures
ARRA: Homeless Prevention and Rapid Re-housing			
HPRP – Administration	ARRA-14.257*	S09-MY-06-0518	\$ 32,888
HPRP Data Collection and Evaluation	ARRA-14.257*	S09-MY-06-0518	39,658
HPRP Financial Assistance Program	ARRA-14.257*	S09-MY-06-0518	201,606
Homeless Prevention Supportive	ARRA-14.257*	S09-MY-06-0518	3,100
Rapid Re-housing Program	ARRA-14.257*	S09-MY-06-0518	54,746
<b>Subtotal</b>			<b>331,998</b>
Section 8-Housing Assistance-Voucher Program	14.871*	CA114V	13,426,133
Pass-through Other Housing Authorities			
Section 8-Housing Assistance-Portable Voucher Program	14.871*	CA114V	12,839,041
<b>Total U.S. Department of Housing and Urban Development</b>			<b>35,478,385</b>
<b>Department of the Interior National Park Service</b>			
Pass-through California State – The Resources Agency			
California Historical Resources Inventory Database (CHRID)	15.904	06-09-21810	8,500
<b>Total Department of the Interior National Park Service</b>			<b>8,500</b>
<b>U.S. Attorney's Office</b>			
Pass-through California Emergency Management Agency			
Project Safe Neighborhoods	16.609	US08 01 6763	25,527
<b>Total U.S. Attorney's Office</b>			<b>25,527</b>
<b>U.S. Department of Justice:</b>			
Direct Programs:			
LA Impact	16.000	N/A	21,695
Federal COPS Tech Grant 183	16.710	2008CKWX0183	88,854
Federal COPS Tech Grant 184	16.710	2008CKWX0184	331,146
ARRA: 2009 Justice Assistance Grant (JAG)	ARRA-16.804	2009-SB-B9-2024	74,962
<b>Total U.S. Department of Justice</b>			<b>516,657</b>
<b>U.S. Department of Labor</b>			
Pass-through State of California Employment Development Department:			
Workforce Investment Act Cluster			
WIA Adult	17.258*	R970576	125,479
WIA Adult	17.258*	K074180	460,264
New Start Program	17.258*	K074180	45,590
WIA Youth	17.259*	R970576	150,062
WIA Youth	17.259*	K074180	458,409
National Emergency Grant	17.260*	R865499	5,121
National Emergency Grant	17.260*	R970576	78,064
WIA Dislocated Worker	17.260*	R970576	172,965
WIA Dislocated Worker	17.260*	K074180	704,979
WIA 25% DW Augment AA	17.260*	R970576	121,377
WIA Rapid Response	17.260*	R970576	250,000
WIA Rapid Response	17.260*	R970576	93,295
WIA Rapid Response for RA&PGM	17.260*	K074180	388,618
<b>Subtotal</b>			<b>3,054,223</b>

**City of Glendale, California**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2010**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number/ Grant Number	Federal Expenditures
ARRA: Workforce Investment Act Cluster			
Adult	ARRA-17.258*	R970576	\$ 248,030
Youth	ARRA-17.259*	R970576	719,686
Dislocated Worker	ARRA-17.260*	R970576	520,915
Rapid Response	ARRA-17.260*	R970576	278,165
25% Dislocated Worker	ARRA-17.260*	K074180	47,813
<b>Subtotal</b>			<b>1,814,609</b>
Pass-through Managed Career Solution			
Veteran's Grant	17.258*	R973189	21,000
Veteran's Grant	17.260*	R973189	21,000
<b>Subtotal</b>			<b>42,000</b>
<b>Total U.S. Department of Labor</b>			<b>4,910,832</b>
<b>U.S. Department of Transportation</b>			
Pass-through State Department of Transportation:			
Highway Planning and Construction Cluster			
SR134 & San Fernando Phase II	20.205*	RPSTPL-5144(028)	215,052
ARRA: CalTrans Tier I Projects			
Street Repair and Rehabilitation Project, Phase I	ARRA-20.205*	ESPL-5144(051)	810,571
Street Repair and Rehabilitation Project, Phase VI	ARRA-20.205*	ESPL-5144(048)	1,153,386
New Traffic Signal Installation	ARRA-20.205*	ESPL-5144(050)	621,493
Traffic Signal at Monterey Road	ARRA-20.205*	ESPL-5144(047)	622,177
North Glendale Type 2070 Traf Signal	ARRA-20.205*	ESPL-5144(052)	321,175
South Glendale Type 2070 Traf Signal	ARRA-20.205*	ESPL-5144(049)	151,277
Glenoaks Blvd Traffic Signal Modification	ARRA-20.205*	ESPL-5144(055)	1,629
<b>Subtotal</b>			<b>3,681,708</b>
Glenoaks Blvd Rehabilitation	20.205*	STPLH-5144(038)	29,419
<b>Total U.S. Department of Transportation</b>			<b>3,926,179</b>
<b>Institute of Museum and Library Services</b>			
Pass-through California State Library:			
English Literacy and Civics Grant	45.310	0745082382	2,882
Public Library Staff Education Program	45.310	40-7388	12,736
Eureka-Pacific Park	45.310	40-7457	914
Family Place	45.310	40-7446	15,000
<b>Total Institute of Museum and Library Services</b>			<b>31,532</b>
<b>Small Business Administration</b>			
Direct Program			
Small Business Administration	59.000	SBAHQ-09-I-0022	2,926
<b>Total U.S. Attorney's Office</b>			<b>2,926</b>
<b>Environmental Protection Agency</b>			
Direct Programs:			
Chromium 6 Removal Studies III STAG: Congressionally Mandated Projects	66.202	XP-96990301	637,812
Chromium 6 Removal Studies III S&T	66.606	X-96916501	451,688
<b>Total Environmental Protection Agency</b>			<b>1,089,500</b>

City of Glendale, California

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number/ Grant Number	Federal Expenditures
<b>U.S. Department of Energy:</b>			
Direct Programs:			
ARRA: Smart Grid	ARRA-81.122*	DE-OE0000248	\$ 5,444,237
ARRA: Energy Efficiency Community Block Grant	ARRA-81.128*	DE-SC0002992	1,000,571
<b>Total U.S. Department of Energy</b>			<b>6,444,808</b>
<b>U.S. Department of Health and Human Services</b>			
Pass-through Los Angeles County Department of Community and Senior Citizens Services:			
Aging Cluster			
Special Programs for the Aging-Title III, Part B	93.044	AAA-ENP2-0809-009	861
Special Programs for the Aging-Title III, Part C	93.045	AAA-ENP2-0809-009	224,270
ARRA: Nutritional Meals	ARRA-93.707	AAA-ENP2-0809-009	44,030
<b>Total Aging Cluster</b>			<b>225,131</b>
Special Programs for the Aging – Title VII	93.042	40126	41,139
<b>Total U.S. Department of Health and Human Services</b>			<b>310,300</b>
<b>Social Security-Work Incentives Planning and Assistance Programs</b>			
Direct Programs:			
Social Security Administration 4/2009 - 3/2010	96.008	14-W-50006-9-04	99,649
Social Security Administration 4/2010 - 3/2011	96.008	14-W-50006-9-05	4,361
<b>Total Social Security Administration</b>			<b>104,010</b>
<b>Department of Homeland Security:</b>			
Pass-through California Emergency Management Agency			
Public Assistance Grants (February 2005 Rainstorm)	97.036	FEMA-1585-DR-CA	58,721
Public Assistance Grants (January 2010 Rainstorm)	97.036	FEMA-1884-DR-CA	136,465
<b>Subtotal</b>			<b>195,186</b>
Public Assistance Grants (Station Fire)	97.046	FEMA-2830-DR-CA	515,778
Pass-through State Office of Homeland Security:			
Homeland Security Cluster			
FY 2005 State Homeland Security Grant: State Domestic			
FY 2006 State Homeland Security Grant	97.004	2006-0071	15,899
FY 2005 Metropolitan Medical Response System	97.067	2003-0023	209,311
<b>Total Homeland Security Cluster</b>			<b>225,210</b>
Pass-through Los Angeles County:			
FY 2008 State Homeland Security Grant	97.067	2008-0006	185,557
Pass-through City of Los Angeles:			
FY 2006 Urban Area Security Initiative: Homeland Security Grant	97.067	2005-15	43,650
FY 2007 Urban Area Security Initiative: Homeland Security Grant	97.067	2005-15,2007-0008	136,603
FY 2008 Urban Area Security Initiative Homeland Security Grant	97.067	2008-0006	674,998
<b>Subtotal</b>			<b>855,251</b>
<b>Total Department of Homeland Security</b>			<b>1,976,982</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 54,980,858</b>

CFDA - Catalog of Federal Domestic Assistance

\* Denotes major program or cluster

N/A - Not available

See Notes to Schedule of Expenditures of Federal Awards.

**City of Glendale, California**

**Notes to Schedule of Expenditures of Federal Awards**

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**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal award programs of the City of Glendale, California (the City). The Schedule includes federal awards received directly from federal agencies, as well as federal awards passed through other agencies. The City's reporting entity is defined in Note 1 to the City's basic financial statements. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to, and does not, present the financial position of the City.

The accompanying Schedule is presented on the modified-accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2. Workforce Investment Act**

The City, along with the cities of Burbank and La Cañada Flintridge, established a joint powers agreement on August 23, 2005, named the Verdugo Consortium (Consortium) for the purpose of receiving a Workforce Investment Act (WIA) allocation and administering the WIA program as a single participating jurisdiction. This agreement designates the Arroyo Verdugo Cities Steering Committee, which consists of one elected official from each of the three cities, to appoint Verdugo Workforce Investment Board members. The City, as the Consortium's lead entity, has assumed the overall responsibility for ensuring that the Consortium is compliant with all WIA program requirements, including the receipt and disbursement of, and accounting for, all WIA program and matching funds.

**Note 3. Subrecipients**

Of the federal expenditures presented in the Schedule, the City provided federal awards to subrecipients as follows:

Program Title Provided	Federal CFDA Number	Amount
<b>U.S. Department of Housing and Urban Development</b>		
Community Development Block Grant	14.218	\$ 781,198
ARRA: Community Development Block Grant	14.253	222,682
Emergency Shelter Grant	14.231	141,481
ARRA: Homeless Prevention and Rapid Re-housing	14.257	57,846
Supportive Housing Program	14.235	1,665,239
<b>Total U.S. Department of Housing and Urban Development</b>		2,868,446
<b>U.S. Department of Labor</b>		
Workforce Investment Act Cluster: WIA Adult Activities	17.258	25,000
Workforce Investment Act Cluster: WIA Dislocated Worker Activities	17.260	22,123
Workforce Investment Act Cluster: WIA Rapid Response Activities	17.260	25,000
Workforce Investment Act Cluster: WIA Youth Activities	17.259	336,294
ARRA: Workforce Investment Act Cluster–WIA Adult Activities	17.258	125,726
ARRA: Workforce Investment Act Cluster–WIA Dislocated Worker Activities	17.260	276,199
ARRA: Workforce Investment Act Cluster–WIA Youth Activities	17.259	527,041
<b>Total U.S. Department of Labor</b>		1,337,383
<b>Total Amount Provided to Subrecipients</b>		\$ 4,205,829

Notes to Schedule of Expenditures of Federal Awards

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**Note 4. California Emergency Management Agency (CalEMA) Disclosures**

The following schedule represents the detail of expenditures related to a federal program passed through California Emergency Management Agency (CFDA #16.609 in the Schedule) for the year ended June 30, 2010:

	Federal/State Match	Local Match	Total
Project Safe Neighborhoods			
Grant Award Number US08 01 6763:			
Personal Services	\$ -	\$ -	\$ -
Operating Expenses	25,527	-	25,527
Equipment	-	-	-
	<u>\$ 25,527</u>	<u>\$ -</u>	<u>\$ 25,527</u>





**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

To the Honorable Members of the City Council  
City of Glendale, CA

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 of Glendale, California (City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements, and have issued our report thereon, dated November 29, 2010. We conducted our audit 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as item SD #2010-1 that we consider to be a significant deficiency in internal control over financial reporting. 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.

## Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated November 29, 2010.

This report is intended solely for the information and use of the City Council, Audit Committee, management of the City, federal awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

*McGladrey & Pullen, LLP*

Pasadena, CA  
November 29, 2010



**Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program, Internal Control Over Compliance in Accordance With OMB Circular A-133, and on the Schedule of Expenditures of Federal Awards**

To the Honorable Members of the City Council  
City of Glendale, CA

**Compliance**

We have audited the compliance of the City of Glendale, California (City), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 each of the major federal programs 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. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

**Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance with OMB Circular A-133, 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 significant deficiencies or material weaknesses; therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or 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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item SD #2010-1 to be a significant deficiency.

The City's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the City's response and, accordingly, we express no opinion on it.

#### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the City as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements, and have issued our report thereon, dated November 29, 2010. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the City Council, Audit Committee, management of the City, federal awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

*McGladrey & Pullen, LLP*

Pasadena, CA  
November 29, 2010

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2010**

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**I. Summary of Independent Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None Reported
- Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None Reported

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

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?  Yes  No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.218 & 14.253	Community Development Block Grant Cluster
14.257	Homeless Prevention and Rapid Re-housing
14.871	Section 8 Housing Voucher Program
17.258, 17.259 & 17.260	Workforce Investment Act Cluster
20.205	Highway Planning and Construction Cluster
81.122	Smart Grid Initiative
81.128	Energy Efficiency Community Block Grant

Dollar threshold used to distinguish between type A and type B programs: \$ 1,649,426

Auditee qualified as low-risk auditee?  Yes  No

Schedule of Findings and Questioned Costs, Continued  
Year Ended June 30, 2010

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**I. Financial Statement Findings**

**A. Internal Control Deficiencies**

**SD #2010-1 Bank Reconciliations**

**Condition:** Certain bank statements are not reconciled by the Treasurer's Office to the general ledger on a timely basis. The Treasurer's Office is currently four months behind in reconciling the City's bank accounts and providing those reconciliations to the Finance Department for recording into the City's general ledger. These delays are due to the Treasurer's Office not fully implementing and utilizing systems available to them to efficiently prepare the bank reconciliations.

**Criteria:** Internal controls, when properly implemented and functioning, are designed to provide reasonable assurance about the achievement of the City's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

**Effect:** Not performing bank reconciliations on a timely basis could cause the financial records and interim financial statements to be unreliable, and allows for possible irregularities, including fraud, to exist without being noticed.

**Recommendation:** Bank statement reconciliations should be prepared and reviewed on a timely basis, to provide assurance that all transactions have been entered by the bank and recorded in the books properly. Ideally, all bank accounts should be reconciled and reviewed no later than the 10<sup>th</sup> working day of the following month or within a week of receipt of the bank statements. If bank reconciliations are to serve as an effective control over the cash accounts, they must be prepared and reviewed on a timely basis and all reconciling items should be investigated and disposed of properly.

**Management Response:** The City concurs with the Auditors' observation. The City Treasurer's office experienced a shortage in staffing due to retirement and long-term staff illness which resulted in untimely monthly bank reconciliations. The City Treasurer's office will work with Internal Audit and Finance to automate the reconciliation process to improve efficiency. Furthermore, the City Treasurer's office will strive to complete the monthly cash reconciliation within 20 days of the following month but no later than 30 days of the following month.

**B. Compliance Findings**

None reported.

**II. Findings and Questioned Costs for Federal Awards**

**A. Internal Control Deficiencies**

See SD #2010-1 above.

**B. Compliance Findings**

None reported.

**City of Glendale**

**Summary Schedule of Prior Year Audit Findings  
Year Ended June 30, 2010**

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There were no findings reported for the fiscal year ended June 30, 2009.