

CITY OF GLENDALE, CALIFORNIA
SINGLE AUDIT OF FEDERALLY ASSISTED
GRANT PROGRAMS
YEAR ENDED JUNE 30, 2021



WEALTH ADVISORY | OUTSOURCING
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Members of City Council
City of Glendale
Glendale, 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 Glendale (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 16, 2021.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

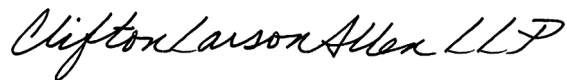
Honorable Mayor and Members of City Council
City of Glendale

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*.

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 City’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 City’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Irvine, California
November 16, 2021



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

Honorable Mayor and Members of City Council
City of Glendale
Glendale, California

Report on Compliance for Each Major Federal Program

We have audited the City of Glendale's (the 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 year ended June 30, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal program is not modified with respect to this matter.

The City's response to the noncompliance 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 compliance and, accordingly, we express no opinion on the response.

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 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.

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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 16, 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 is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Irvine, California
May 2, 2022

**CITY OF GLENDALE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

Federal Grantor / Pass-Through Grantor / Program / Cluster Title / Project	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development				
Direct Assistance:				
Community Development Block Grants - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218		\$ 1,483,254	\$ 630,579
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218		1,317,972	-
Subtotal Community Development Block Grants - Entitlement Grants Cluster			<u>2,801,226</u>	<u>630,579</u>
Emergency Solutions Grants Program	14.231		176,607	170,810
COVID-19 - Emergency Solutions Grants Program	14.231		678,619	281,563
Subtotal Emergency Solutions Grants Program			<u>855,226</u>	<u>452,373</u>
Home Investment Partnerships Program	14.239		120,134	-
Home Investment Partnerships Program Income	14.239		46,348	-
Subtotal Home Investment Partnerships Program			<u>166,482</u>	<u>-</u>
Continuum of Care Program - 2019 Ascencia Housing Now Program	14.267		365,970	356,453
Continuum of Care Program - 2019 Coordinated Entry System Reallocation	14.267		459,607	412,387
Continuum of Care Program - 2019 Chester Street Permanent Supportive Housing	14.267		19,435	19,435
Continuum of Care Program - 2019 Continuum of Care Planning	14.267		70,422	-
Continuum of Care Program - 2019 Family Promise Rapid Re-Housing	14.267		35,253	28,636
Continuum of Care Program - 2019 Glendale Homeless Management Information System Project	14.267		46,504	25,725
Continuum of Care Program - 2019 Next Step Permanent Supportive Housing	14.267		176,245	169,177
Continuum of Care Program - 2019 Scattered Site Permanent Supportive Housing	14.267		183,363	174,411
Continuum of Care Program - 2020 Housing Now Permanent Supportive Housing	14.267		48,422	48,422
Continuum of Care Program - Ascencia Scattered Site Permanent Supportive Housing	14.267		69,696	69,696
Continuum of Care Program - Coordinated Entry System Reallocation 2018	14.267		426,089	407,912
Continuum of Care Program - Chester Street Permanent Supportive	14.267		35,903	35,903
Continuum of Care Program - Planning Grant 2018 19-20	14.267		11,905	-
Continuum of Care Program - Family Promise of the Verdugos Rapid Re-Housing	14.267		63,433	63,433
Continuum of Care Program - Glendale Homeless Management Information System Project	14.267		33,908	8,575
Continuum of Care Program - 2001 Shelter Plus Care	14.267		57,608	-
Continuum of Care Program - 2011 Shelter Plus Care	14.267		18,849	-
Continuum of Care Program - 2019 Consolidated Shelter Plus Care	14.267		582,168	-
Subtotal Continuum of Care Program			<u>2,704,780</u>	<u>1,820,165</u>
Housing Voucher Cluster:				
Direct Assistance:				
Section 8 Housing Choice Vouchers	14.871		17,207,807	-
COVID-19 - Section 8 Housing Choice Vouchers	14.871		457,306	-
Mainstream Vouchers	14.879		113,823	-
COVID-19 - Mainstream Vouchers	14.879		1,363	-
Passed-through Other Housing Authorities:				
Section 8 Housing Choice Vouchers (Portable Vouchers)	14.871	CA114V	19,563,199	-
Subtotal Housing Voucher Cluster			<u>37,343,498</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>43,871,212</u>	<u>2,903,117</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF GLENDALE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor / Pass-Through Grantor / Program / Cluster Title / Project	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Justice				
Direct Assistance:				
Public Safety Partnership and Community Policing Grants	16.710		\$ 41,667	\$ -
Edward Byrne Memorial Justice Assistance Grant Program	16.738		15,088	-
DNA Backlog Reduction Program (2018)	16.741		54,744	-
DNA Backlog Reduction Program (2019)	16.741		20,210	-
DNA Backlog Reduction Program (2020)	16.741		74,354	-
Subtotal DNA Backlog Reduction Program			<u>149,308</u>	<u>-</u>
Special Data Collections and Statistical Studies	16.734		193,895	-
Equitable Sharing Program	16.922		140,939	-
Passed-through State of California Governor's Office of Emergency Services				
Paul Coverdell Forensic Sciences Improvement Grant Program (2019)	16.742	CQ19076763	58,376	-
Paul Coverdell Forensic Sciences Improvement Grant Program (2020)	16.742	CQ20086763	55,046	-
Subtotal Paul Coverdell Forensic Sciences Improvement Grant Program			<u>113,422</u>	<u>-</u>
Total U.S. Department of Justice			<u>654,319</u>	<u>-</u>
U.S. Department of Labor				
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
Passed-through State of California Employment Development Department:				
WIOA Adult Program	17.258	AA011043	140,004	-
WIOA Adult Program	17.258	AA111043	444,919	64,000
WIOA Adult Program - English Language Learner Co Enrollment Pilot	17.258	K9111037	74,890	-
WIOA Adult Program - Workforce Accelerator Fund 7.0	17.258	K9111037	12,298	-
WIOA Adult Program - SlingShot 2.0	17.258	K9111037	133,695	-
WIOA Adult Program - Disability Employment Accelerator	17.258	K9111037	71,866	-
Subtotal WIOA Adult Program			<u>877,672</u>	<u>64,000</u>
COVID-19 WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	AA011043	256,652	-
WIOA Youth Activities	17.259	AA011043	165,678	23,951
WIOA Youth Activities	17.259	AA111043	393,709	273,159
Subtotal WIOA Youth Activities			<u>559,387</u>	<u>297,110</u>
WIOA Dislocated Worker Formula Grants	17.278	AA011043	106,576	-
WIOA Dislocated Worker Formula Grants	17.278	AA111043	467,891	64,000
WIOA Dislocated Worker Formula Grants - Rapid Response	17.278	AA011043	140,756	-
WIOA Dislocated Worker Formula Grants - Rapid Response	17.278	AA111043	350,092	47,500
WIOA Dislocated Worker Formula Grants - Rapid Response Layoff Aversion	17.278	AA011043	44,500	-
WIOA Dislocated Worker Formula Grants - Rapid Response Layoff Aversion	17.278	AA111043	14,346	-
COVID-19 WIOA Dislocated Worker Formula Grants - COVID-19 Response	17.278	K9111037	824,655	-
COVID-19 WIOA Dislocated Worker Formula Grants - Underserved COVID-19 Impacted Individuals	17.278	AA011043	73,438	-
COVID-19 WIOA Dislocated Worker Formula Grants - BioPharma COVID-19 Response	17.278	AA111043	8,539	-
Subtotal WIOA Dislocated Worker Formula Grants			<u>2,030,793</u>	<u>111,500</u>
Subtotal WIOA Cluster			<u>3,724,504</u>	<u>472,610</u>
Total U.S. Department of Labor			<u>3,724,504</u>	<u>472,610</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF GLENDALE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor / Pass-Through Grantor / Program / Cluster Title / Project	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Transportation				
Passed-through State of California Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction - Safe Route to School Program	20.205	SRTSLNI-5144(062)	\$ 111	\$ -
Highway Planning and Construction - North Verdugo Road Safety Improvements	20.205	HSIPL-5144 (070)	1,009,857	-
Highway Planning and Construction - Caltrans Surface Transportation Program	20.205	RSTPL-5144 (067)	120,181	-
Highway Planning and Construction - RRFB Installation Project	20.205	HSIP-5144(073)	322,878	-
Highway Planning and Construction - Citywide Guardrail Upgrade	20.205	HSTPL-5144(074)	727,910	-
Highway Planning and Construction - Colorado St/Columbus Ave Rehab	20.205	STPL-5144(072)	1,452,070	-
Subtotal Highway Planning and Construction Cluster			3,633,007	-
Passed-through Los Angeles County Metropolitan Transportation Authority:				
Federal Transit Cluster:				
Federal Transit Formula Grants	20.507	CA-90-Y114 CA-95-X061	101,640	-
Passed-through State of California Office of Traffic Safety:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	PT20054	12,263	-
State and Community Highway Safety	20.600	PT21195	66,771	-
Subtotal Highway Safety Cluster			79,034	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT20054	107,406	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT21195	92,967	-
Subtotal Minimum Penalties for Repeat Offenders for Driving While Intoxicated			200,373	-
National Priority Safety Programs	20.616	PT20054	6,910	-
National Priority Safety Programs	20.616	PT21195	8,753	-
Subtotal National Priority Safety Programs			15,663	-
Total U.S. Department of Transportation			4,029,717	-
U.S. Department of Treasury				
Passed-through State of California:				
COVID-19 - Coronavirus Relief Funds	21.019	none	2,535,249	-
Passed-through Los Angeles County Department of Workforce Development, Aging and Community Services:				
COVID-19 - Coronavirus Relief Funds - Chief Executive Office & California Department of Aging CARES Act C1 & C2	21.019	ENP202106	549,326	-
COVID-19 - Coronavirus Relief Funds - California Department of Aging CARES Act	21.019	SSP192004	7,000	-
Total U.S. Department of Treasury			3,091,575	-
National Endowment for the Humanities				
Passed-through California Humanities:				
Promotion of the Humanities-Federal/State Partnership	45.129	HFAP20-74 SO-268663-20	10,084	-
Total National Endowment for the Humanities			10,084	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF GLENDALE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor / Pass - Through Grantor / Program / Cluster Title / Project	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
The Institute of Museum and Library Services				
Passed-through California State Library:				
Grants to States - Circulating and Mobile Memory Labs	45.310	40-9086	\$ 10,980	\$ -
Grants to States - Dia Program	45.310	LS-246140-OLS20	500	-
Total The Institute of Museum and Library Services			11,480	-
U.S. Department of Health and Human Services				
Direct Assistance:				
COVID-19 - Provider Relief Fund	93.498		160,768	-
Passed-through Los Angeles County Department of Workforce Development, Aging and Community Services:				
Aging Cluster:				
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	SSP192004	49,000	-
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers - Telephone Reassurance	93.044	ENP202106	999	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	ENP202106	300,793	-
Nutrition Services Incentive Program	93.053	ENP202106	31,098	-
Subtotal Aging Cluster			381,890	-
Temporary Assistance for Needy Families - Youth Program	93.558	IA0414	102,000	102,000
Total U.S. Department of Health and Human Services			644,658	102,000
Social Security Administration				
Direct Assistance:				
Social Security - Work Incentives Planning and Assistance Program	96.008		224,720	-
Total Social Security Administration			224,720	-
U.S. Department of Homeland Security				
Passed-through State of California Governor's Office of Emergency Services				
Homeland Security Grant Program - FY2018	97.067	2018-0054	100,765	-
Total U.S. Department of Homeland Security			100,765	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 56,363,034	\$ 3,477,727

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF GLENDALE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Glendale (the City) under programs of the federal government as well as federal financial assistance passed through other government agencies for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 statements of the City. The City's reporting entity is defined in Note 1 of the notes to the City's financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for governmental funds and the accrual basis for proprietary funds, which is described in Note 1 of the notes to the City's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 INDIRECT COST RATE

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

NOTE 4 WORKFORCE INNOVATION AND OPPORTUNITY ACT

The City, along with the cities of Burbank and La Cañada Flintridge, established a joint powers agreement on December 14, 1999, named the Verdugo Consortium (the Consortium) for the purpose of receiving a Workforce Innovation and Opportunity Act (WIOA) allocation and administering the WIOA program as a single participating jurisdiction. This agreement designates the Arroyo Verdugo Communities Joint Powers Authority (AVCJPA), which consists of one elected official from each of the three cities, to ratify appointments for members of the Verdugo Workforce Development Board. The City, as the Consortium's lead entity, has assumed the overall responsibility for ensuring that the Consortium is compliant with all WIOA program requirements, including the receipt, disbursement, accounting for all WIOA programs, and matching funds.

**CITY OF GLENDALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
14.231	Emergency Solutions Grants Program and COVID-19 - Emergency Solutions Grants Program
14.871, 14.879	Housing Voucher Cluster
21.019	COVID-19 - Coronavirus Relief Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,690,891

Auditee qualified as low-risk auditee? x yes _____ no

**CITY OF GLENDALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

2021-001 – Obligation Requirement

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

Federal Program Title: COVID-19 - Emergency Solutions Grant Program

Assistance Listing Number: 14.231

Award Period: July 1, 2020, to June 30, 2021

Type of Finding: Other Matters

Criteria or specific requirement: Per HUD notice CPD-21-08, ESG-CV funds must be obligated by the City in accordance with 24 CFR 576.203(a)(2), except that the City has up to 240 days from the date HUD signs the grant agreement to obligate ESG-CV funds. The applicable period for obligating the City's total allocation of ESG-CV funds begins on the date HUD signed the recipient's grant agreement for the first allocation of ESG-CV funds. The obligation deadlines applies to both the first and second allocation of ESG-CV funds. Per 24 CFR 576.203(a)(2), this requirement is met by an agreement with a subrecipients, a procurement contract, or a written designation of a department within the City to directly carry out and eligible activity.

Condition: The City was awarded \$3,104,861 from the second allocation of ESG-CV funds. The date of HUD's signature on the Funding Agreement is July 16, 2020. The City did not obligate all of the second allocation of ESG-CV funds within the 240 days requirement.

Questioned costs: None.

Context: The City subawarded \$2,326,415 of the total \$3,104,861 second allocation of ESG-CV funds to seven subrecipients. These subrecipient agreements were signed in various months between April 2021 and August 2021, which is after the 240 days obligation deadline of March 13, 2021.

Cause: Although the date of HUD's signature on the Funding Agreement is July 16, 2020, the City was not provided with the Funding Agreement for signature until July 20, 2021. As such, the City was under the impression that it had more time to obligate the second allocation of funds.

**CITY OF GLENDALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

2021-001 – Obligation Requirement (Continued)

Effect: The City is not in compliance with the obligation requirement.

Repeat Finding: The is not a repeat finding.

Recommendation: We recommend the City review its process to ensure funds are obligated within the timeframe as required by HUD.

Views of responsible officials: The City of Glendale received the first and second round of Emergency Solutions Grant (Cares Act) funding and was asked to quickly mobilize and provide services during the COVID-19 pandemic. The City started implementing programs and providing direct assistance such as mobile showers, hotel programs, and portable restrooms to the unsheltered population four months prior to the release of Notice CPD-21-08. The City was not aware that the Second round of funding allocations would share the same 240-day obligation date since the Agreement was not executed until July 2021 and funds were not uploaded by HUD on IDIS until 2021. The City is aware of the obligation timeline set forth by HUD for federal ESG Program and has always met the required timeline. The ESG-CV funds were issued as a result of the State Emergency and HUD has waived several requirements and granted flexibilities due to the urgency. Although the City did not meet its obligation deadline for the ESG-CV2, we are confident that we will meet the 50% expenditure deadline by June 30, 2022.

**CITY OF GLENDALE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021**

Financial Statement Findings

Finding 2020-001 – Supervision of Closing Procedures

Condition: Multiple auditor proposed journal entries were recorded.

Status: Corrected.

Finding 2020-002 – Construction in Progress

Condition: Certain capital improvement projects where construction was completed and the projects were placed in service had not been transferred from the capital asset classification “Construction in Progress (CIP)” to the appropriate final capital asset classification (e.g., infrastructure, improvements).

Status: Corrected.

Finding 2020-003 – GWP Inventory

Condition: The City has not performed cycle counts since the implementation of the Munis accounting system in January 2019.

Status: Corrected.

Finding 2020-004 – Fleet Inventory

Condition: The Perpetual Inventory Valuation report for inventory in the Fleet Management Internal Service Fund did not agree with the general ledger balance.

Status: Corrected.

Federal Program Award Findings

There were no federal award program findings in the prior year.

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