

**CITY OF ALAMEDA**  
**SINGLE AUDIT REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**For The Year Ended June 30, 2021**

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**CITY OF ALAMEDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2021**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?   Yes  X  No

**Federal Awards**

Internal control over major federal programs:

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

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)?  X  Yes   No

Identification of major program(s):

<u>AL#(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>14.218</u>	<u>Community Development Block Grants (CDBG) /Entitlement Grants</u>
<u>20.205</u>	<u>Highway Planning and Construction (Federal-Aid Highway Program)</u>
<u>21.019</u>	<u>COVID-19 - Coronavirus Relief Fund</u>
<u>97.083</u>	<u>Staffing for Adequate Fire and Emergency Response (SAFER) Grant</u>

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

Auditee qualified as low-risk auditee?   Yes  X  No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

Our audit did disclose significant deficiencies and material weaknesses, but no instances of noncompliance material to the basic financial statements. We have also issued a separate Memorandum on Internal Control dated February 9, 2022, which is an integral part of our audits and should be read in conjunction with this report.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Our audit disclosed the following findings and questioned costs required to be reported in accordance with Uniform Guidance.

**Finding SA2021-001 Coronavirus Relief Fund Financial Reporting**

**AL Number:** 21.019  
**AL Title:** COVID – 19 Coronavirus Relief Fund  
**Federal Agency:** Department of Treasury  
**Federal Award Identification Number and Year:** SLT0043 and SLT0252, 2020  
**Name of Pass-Through Entity:** California Department of Finance

**Criteria:** The City is required to file quarterly financial reports of program expenditures by category. Although the period of performance for the grant program ended on December 31, 2020, the City was required to continue to report quarterly activity in the California Department of Finance’s reporting portal to make adjustments and corrections as needed in subsequent periods.

**Condition:** The City’s final report for the reporting cycle ended March 31, 2022 (Cycle 8) that included expenditures through the period December 31, 2020 included expenditures by category that did not agree to the expenditure categories provided for audit as follows:

Expenditure Category	Expenditures Per Cycle 8 Report on State's Website	Actual Expenditures Per General Ledger	Difference
Payroll for Public Health and Safety Employees	\$268,557	\$250,000	\$18,557
Public Health Expenses	199,180	150,970	48,210
Small Business Assistance	536,233	603,000	(66,767)
Total	<u>\$1,003,970</u>	<u>\$1,003,970</u>	<u>\$0</u>

**Effect:** The City is not accurately reporting program expenditures to the grantor.

**Cause:** The Cycle reports were prepared by the prior Acting Finance Director and Finance staff could not determine the source of what was reported.

**Identification as a repeat finding:** No

**Recommendation:** The City should develop procedures to ensure that financial reports filed with grantors are accurate and reflect the program activity for the fiscal year. In addition, the City should determine whether the final report filed with the grantor can be amended to reflect the actual activity for the year ended June 30, 2021.

**View of Responsible Officials and Planned Corrective Actions:** Please see Corrective Action Plan separately prepared by the City.

**CITY OF ALAMEDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2021**

<b>Federal Grantor/ Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Identifying Number</b>	<b>Pass-Through To Subrecipients</b>	<b>Federal Expenditures</b>
Department of Housing and Urban Development <b>Direct</b> Program:				
Community Development Block Grants (CDBG) /Entitlement Grants	14.218			
Subgrants			\$333,878	\$333,878
Program Expenditures				614,117
Loan program unexpended cash balance				399,191
Loan Program Balance, Beginning of Year				2,457,196
COVID-19 - CDBG-CV Program Expenditures			855,959	855,959
Program subtotal			<u>1,189,837</u>	<u>4,660,341</u>
Department of Housing and Urban Development <b>Pass-Through</b> Program:				
County of Alameda				
HOME Investment Partnerships Program	14.239			
Program Expenditures		M-19-DC-060201		530,782
Loan Program Balance, Beginning of Year		M-19-DC-060201		6,532,152
Program subtotal				<u>7,062,934</u>
<b>Total Department of Housing and Urban Development</b>			<u>1,189,837</u>	<u>11,723,275</u>
Department of Interior National Park Service <b>Direct</b> Program:				
Preservation of Japanese American Confinement Sites	15.933			<u>19,336</u>
Department of Transportation <b>Pass-Through</b> Programs:				
California Department of Transportation				
Highway Planning and Construction (Federal-Aid Highway Program)	20.205			
Park Street Arterial Management		HSIPL 5014(038)		93,518
Central Avenue Safety Improvements		ATPL-5014(047)		152,886
Clement Avenue Complete Streets		CML-5014(046)		110,612
Otis/Pacific Resurfacing		STPL 5014(041)		448,825
Program subtotal				<u>805,841</u>
<b>Total Department of Transportation</b>				
Department of Treasury <b>Pass-Through</b> Program:				
California Department of Finance				
COVID-19 - Coronavirus Relief Fund	21.019	164	250,000	<u>1,003,970</u>
Department of Health and Human Services <b>Pass-Through</b> Program:				
California Department of Aging				
Special Programs for the Aging_ Title III, Part B_ Grants for Supportive Services and Senior Centers				
Older American Act Title III Supportive Services	93.044	1901CAOASS-01		<u>25,244</u>
Department of Homeland Security <b>Direct</b> Programs:				
Assistance to Firefighters Grant	97.044			46,343
Homeland Security Grant Program - AFD CERT Program	97.067			12,415
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	97.083			1,097,974
Port Security Grant Program	97.056			<u>337,285</u>
<b>Total Department of Homeland Security</b>				<u>1,494,017</u>
Total Expenditures of Federal Awards			<u>\$1,439,837</u>	<u>\$15,071,683</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

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**CITY OF ALAMEDA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2021**

**NOTE 1 – REPORTING ENTITY**

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the City of Alameda, California, and its component units as disclosed in the notes to the Basic Financial Statements, except for federal awards of the Alameda Municipal Power (AMP) Enterprise Fund. Federal awards expended by AMP, if any, are excluded from the Schedule and are subject to a separate audit of compliance.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 3 – INDIRECT COST ELECTION**

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

**NOTE 4 – OUTSTANDING LOANS OF FEDERAL FUNDS AT JUNE 30, 2021**

The following loan programs balances and transactions relating to these programs are included in City's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2021 consists of the following:

Assistance Listing Number	Program Name	Outstanding Balance at June 30, 2021
14.218	Community Development Block Grants/Entitlement Grants	\$2,259,158
14.239	HOME Investment Partnership Program	7,007,360

**NOTE 5 – CORONAVIRUS RELIEF PROGRAM (AL# 21.019)**

The Schedule for the year ended June 30, 2021 includes expenditures for the Coronavirus Relief Program (AL# 21.019) for the period of March 1, 2020 to December 31, 2020. The period of performance for the grant was March 1, 2020 to December 31, 2020, but to receive the funding, the City was required to file a certification with the State Department of Finance by July 10, 2020 that the City would use the funds consistent with federal requirements, adhere to health orders and directives, return unspent funds, and repay any disallowed costs, among other compliance certifications. The City's certification was filed on July 8, 2020.

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**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 Alameda, 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 as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated February 9, 2022. Our report included an emphasis of a matter paragraph disclosing the implementation of new accounting principles.

***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.

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

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. We identified certain deficiencies in internal control, we consider to be material weaknesses as listed on the Schedule of Material Weaknesses included as part of our separately issued Memorandum on Internal Control dated February 9, 2022, which is an integral part of our audits and should be read in conjunction with this report.

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. We identified certain deficiencies in internal control, we consider to be significant deficiencies as listed on the Schedule of Significant Deficiencies included as part of our separately issued Memorandum on Internal Control date February 9, 2022, which is an integral part of our audits and should be read in conjunction with this report.

### ***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 Findings***

The City's responses to the findings identified in our audit are described in our separately issued Memorandum on Internal Control dated February 9, 2022, which is an integral part of our audits and should be read in conjunction with this report. 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 result 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.



Pleasant Hill, California  
February 9, 2022

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

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

***Report on Compliance for Each Major Federal Program***

We have audited City of Alameda's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2021. 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 Alameda Municipal Power (AMP) Enterprise Fund, which received no federal awards during the year ended June 30, 2021. Our audit, described below, did not include the operations of AMP, because AMP is subject to a separate audit of compliance.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of 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 City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

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

### ***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 item SA2021-001. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings 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 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.

*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. *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 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***

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 February 9, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Maye & Associates*

Pleasant Hill, California  
May 23, 2022

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