

CITY OF SAN DIEGO

Federal Single Audit Reports

For the Year Ended June 30, 2018



Certified
Public
Accountants

CITY OF SAN DIEGO
Federal Single Audit Report
For the Year Ended June 30, 2018

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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 Mayor and Members of the
City Council of the City of San Diego, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of San Diego, California (City), as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 7, 2018. Our report includes an emphasis of a matter related to the City’s adoption of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our report also includes a reference to other auditors who audited the financial statements of the San Diego Housing Commission, a discretely presented component unit, as described in our report on the City’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macias Gini & O'Connell LLP

San Diego, California
December 7, 2018



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

To the Honorable Mayor and Members of the
City Council of the City of San Diego
San Diego, California

Report on Compliance for Each Major Federal Program

We have audited the City of San Diego, 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 year ended June 30, 2018. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

The City’s basic financial statements include the operations of the San Diego Housing Commission (SDHC), which expended \$214,406,708 in federal awards which is not included in the City’s schedule of expenditures of federal awards for the year ended June 30, 2018. Our audit, described below, did not include the operations of SDHC because SDHC engaged other auditors 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).

Management’s Responsibility

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

Auditor’s Responsibility

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

We believe that our audit provides a reasonable basis for our 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, 2018.

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 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 7, 2018, 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.

Macias Gini & O'Connell LLP

San Diego, California
March 27, 2019

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

CITY OF SAN DIEGO
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

Federal Grantor/Pass-through Entity/Federal Program Name	Grant/Pass-through Number	Federal CFDA No.	Federal Expenditures	Pass-through Awards to Subrecipients
U.S. Department of Commerce				
<u>Direct Program</u>				
Economic Adjustment Assistance				
San Diego Regional Revolving Loan Fund	07-79-05269	11.307	\$ 1,149,918	\$ -
Small Business Micro Revolving Loan Fund	07-39-03351 and 07-49-02681.76	11.307	840,520	-
Economic Strategy for the San Diego Promise Zone	07-69-07374	11.307	70,470	12,607
Subtotal Economic Adjustment Assistance			\$ 2,060,908	12,607
Total U.S. Department of Commerce			2,060,908	12,607
U.S. Department of Defense				
<u>Direct Program</u>				
Community Economic Adjustment Assistance for Reductions in Defense Industry Employment	*	12.611	939,387	806,499
Total U.S. Department of Defense			939,387	806,499
U.S. Department of Housing and Urban Development				
<u>Direct Programs</u>				
Community Development Block Grants/Entitlement Grant	*	14.218	35,750,343	10,101,088
Emergency Solutions Grant Program	*	14.231	918,761	904,046
Home Investment Partnerships Program	*	14.239	7,375,785	7,252,487
Lead-Based Paint Hazard Control in Privately-Owned Housing	CALHB0572-14	14.900	1,051,170	52,535
Total U.S. Department of Housing and Urban Development			45,096,059	18,310,156
U.S. Department of the Interior				
<u>Direct Programs</u>				
Title XVI Water Reclamation and Reuse	*	15.504	4,469,814	-
Endangered Species Conservation-Recovery Implementation Fund	F14AC00993	15.657	2,314	-
Subtotal Direct Programs			4,472,128	-
<u>Passed Through County of San Diego</u>				
National Wildlife Refuge Fund		15.659	1,272	-
Subtotal Passed Through County of San Diego			1,272	-
Total U.S. Department of the Interior			4,473,400	-
U.S. Department of Justice				
<u>Direct Programs</u>				
Law Enforcement Assistance FBI Crime Laboratory Support	15-0200-0-1-751	16.301	874	-
Missing Children's Assistance	2015-MC-FX-K037	16.543	357,718	-
Special Data Collections and Statistical Studies	2016-FU-CX-K060	16.734	197,365	24,032
Edward Byrne Memorial Justice Assistance Grant Program	*	16.738	48,217	-
DNA Backlog Reduction Program	*	16.741	147,099	-
Equitable Sharing Program	CA0371100	16.922	948,313	-
Subtotal Direct Programs			1,699,586	24,032
<u>Passed Through California Governor's Office of Emergency Service</u>				
Paul Coverdell Forensic Sciences Improvement Grant Program	*	16.742	37,787	-
Subtotal Passed Through California Governor's Office of Emergency Service			37,787	-
Total U.S. Department of Justice			1,737,373	24,032
U.S. Department of Transportation				
<u>Direct Program</u>				
Airport Improvement Program	*	20.106	5,523,783	-
Subtotal Direct Program			5,523,783	-
<u>Passed Through State Department of Transportation</u>				
Highway Planning and Construction	*	20.205	5,868,571	-
Subtotal Passed Through State Department of Transportation			5,868,571	-
Highway Safety Cluster:				
<u>Passed Through California Office of Traffic Safety</u>				
State and Community Highway Safety	*	20.600	727,004	-
Subtotal State and Community Highway Safety			727,004	-
National Priority Safety Programs	*	20.616	276,341	-
Subtotal National Priority Safety Programs			276,341	-
Subtotal Highway Safety Cluster			1,003,345	-
<u>Passed Through California Office of Traffic Safety</u>				
Minimum Penalties for Repeat Offenders for Driving While Intoxicate	*	20.608	879,575	-
Subtotal Minimum Penalties for Repeat Offenders for Driving While Intoxicate			879,575	-
<u>Passed Through California Department of Alcoholic Beverage Control</u>				
Minimum Penalties for Repeat Offenders for Driving While Intoxicate	16-OTS18	20.608	5,103	-
Subtotal Minimum Penalties for Repeat Offenders for Driving While Intoxicate			5,103	-
Total U.S. Department of Transportation			13,280,377	-

* Refer to Note 8 for the listing of direct grant or pass-through numbers.

See Accompanying Notes to the Schedule of Expenditures of Federal Awards.

CITY OF SAN DIEGO
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2018

Federal Grantor/Pass-through Entity/Federal Program Name	Grant/Pass-through Number	Federal CFDA No.	Federal Expenditures	Pass-through Awards to Subrecipients
National Endowment for the Humanities				
<u>Passed Through California Humanities</u>				
Promotion of the Humanities Federal/State Partnership	LIL16-07	45.129	\$ 5,000	\$ -
Total National Endowment for the Humanities			\$ 5,000	\$ -
Institute of Museum and Library Services				
<u>Passed Through California State Library</u>				
Grants to States	*	45.310	10,836	-
Total Institute of Museum and Library Services			10,836	-
U.S. Department of Health and Human Services				
<u>Passed Through the County of San Diego</u>				
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	550903	93.757	212,227	-
Total U.S. Department of Health and Human Services			212,227	-
Corporation for National and Community Service				
<u>Passed Through California Volunteers</u>				
AmeriCorps	14AFHY23-PG58	94.006	(5,070)	-
Total Corporation for National and Community Service			(5,070)	-
U.S. Department of Homeland Security				
<u>Direct Program</u>				
National Urban Search and Rescue (US&R) Response System	*	97.025	2,804,499	-
Subtotal Direct Program			2,804,499	-
<u>Passed Through the County of San Diego</u>				
Emergency Management Performance Grants	2017-0007/073-00000	97.042	186,004	-
Subtotal Passed Through County of San Diego			186,004	-
<u>Passed Through California Governor's Office of Emergency Services</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	4305-DR-CA	97.036	950,020	-
Subtotal Passed Through California Governor's Office of Emergency Service			950,020	-
<u>Passed Through the County of San Diego</u>				
Homeland Security Grant Program	*	97.067	446,825	-
Subtotal Passed Through County of San Diego			446,825	-
<u>Passed Through California Governor's Office of Emergency Service</u>				
Homeland Security Grant Program	*	97.067	11,238,097	5,389,173
Subtotal Passed Through California Governor's Office of Emergency Service			11,238,097	5,389,173
Subtotal Homeland Security Grant Program			11,684,922	5,389,173
Total U.S. Department of Homeland Security			15,625,445	5,389,173
			\$ 83,435,942	\$ 24,542,467

* Refer to Note 8 for the listing of direct grant or pass-through numbers.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

CITY OF SAN DIEGO
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

Note 1 – General

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of the City of San Diego, California (City). The SEFA excludes the federal award programs of the San Diego Housing Commission (refer to Note 5). Federal awards received directly from federal agencies as well as federal awards passed through other nonfederal agencies, primarily the State of California (State), are included in the SEFA. The City's reporting entity is defined in Note 1.a. in the notes to the City's basic financial statements. The City elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance, except for the Homeland Security Grant Program passed through California Governor's Office of Emergency Services.

The negative amount of \$5,070 reported for CFDA No. 94.006, AmeriCorps grant number 14AFHY23-PG58 represents expenditures incurred and reported in the SEFA of a prior year, originally planned to be funded by the grant, but subsequently funded by another funding source.

Note 2 – Basis of Accounting

The accompanying SEFA is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in Note 1.c. in the notes to the City's basic financial statements.

Note 3 – Catalog of Federal Domestic Assistance (CFDA) Numbers

The CFDA numbers included in the accompanying SEFA were determined based on the program name, review of grant contract information, and the Office of Management and Budget's Catalog of Federal Domestic Assistance.

Note 4 – Relationship to the Financial Statements

Expenditures of federal awards are reported in the City's basic financial statements as expenditures/expenses in the General Fund, nonmajor special revenue funds, nonmajor capital project funds, and enterprise funds.

Note 5 – San Diego Housing Commission (Discrete Component Unit) Federal Expenditures

The San Diego Housing Commission (SDHC) federal expenditures of \$214,406,708 are excluded from the City's SEFA because the SDHC federal expenditures are separately audited by other auditors and reported in a separate Uniform Guidance report.

CITY OF SAN DIEGO

Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2018

Note 6 – Economic Adjustment Assistance Program (CFDA No. 11.307)

In accordance with guidance provided by the U.S. Department of Commerce contained in the *OMB Compliance Supplement*, the City has reported federal award expenditures of \$1,990,438 in the SEFA for the Revolving Loan Fund (RLF) Program under the Economic Adjustment Assistance program. Expenditures reported in the SEFA were calculated as follows:

RLF Program Name	San Diego Regional RLF	Small Business Micro RLF
Grant Award Number	07-79-05269	07-39-03351 and 07-49-02681.76
RLF Outstanding as of June 30, 2018	\$ 1,017,221	\$ 404,206
Cash and investment balance in the RLF as of June 30, 2018	1,243,455	740,353
Administrative expenses paid out of RLF income during the year ended June 30, 2018	39,159	22,830
Subtotal	2,299,835	1,167,389
Calculated grant rate (rounded)	50%	72%
Economic Adjustment Assistance RLF Grant federal award expenditures for the year ended June 30, 2018	\$ 1,149,918	\$ 840,520

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

Note 7 – CalOES Grants

The following represents expenditures using the modified accrual basis of accounting for the CalOES programs for the year ended June 30, 2018. The amount reported in the SEFA is determined by calculating the federal portion of the current year expenditures.

Program Title, CFDA, and Expenditure Category	Grant Award Number	Approved Budget	Expenditures from Prior Years	Current Year Expenditures	Total Expenditures	Variance Between Budget and Total Expenditures
Federal Grant:						
Paul Coverdell Forensic Sciences Improvement Grant Program - CFDA No. 16.742	CQ16-12-7919					
Operating expenses		\$ 39,286	\$ 9,154	\$ 30,020	\$ 39,174	\$ 112
Paul Coverdell Forensic Sciences Improvement Grant Program - CFDA No. 16.742	CQ17-13-7919					
Operating expenses		\$ 36,586	\$ -	\$ 7,767	\$ 7,767	\$ 28,819
State Grant:						
Internet Crimes Against Children	IC16-08-7919					
Personnel costs		\$ 8,006	\$ 9,187	\$ (1,459)	\$ 7,728	\$ 278
Operating expenses		191,994	132,187	56,937	189,124	2,870
Total		<u>\$ 200,000</u>	<u>\$ 141,374</u>	<u>\$ 55,478</u>	<u>\$ 196,852</u>	<u>\$ 3,148</u>
Internet Crimes Against Children	IC17-09-7919					
Personnel costs		\$ 10,877	\$ -	\$ 10,108	\$ 10,108	\$ 769
Operating expenses		157,549	-	147,082	147,082	10,467
Equipment		31,574	-	31,587	31,587	(13)
Total		<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 188,777</u>	<u>\$ 188,777</u>	<u>\$ 11,223</u>

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

Note 8 – Federal Award Program Expenditures by Grant Award

The following table presents the expenditures for the City’s federal award programs when there are multiple grant awards.

CFDA Number/Federal Program Name/Grant Number	Federal Expenditures
CFDA No. 12.611 - Community Economic Adjustment Assistance for Reductions in Defense Industry Employment	
HQ00051610195/CR1570-16-01	\$ 878,744
HQ00051710049/CR1570-17-02	60,643
Total Community Economic Adjustment Assistance for Reductions in Defense Industry Employment	\$ 939,387
CFDA No. 14.218 - Community Development Block Grants/Entitlement Grants	
B-14-MC-060542	\$ 121,433
B-15-MC-060542	1,571,233
B-16-MC-060542	4,806,905
B-17-MC-060542	29,250,772
Total Community Development Block Grants/Entitlement Grants	\$ 35,750,343
CFDA No. 14.231 - Emergency Solutions Grant Program	
E-11-MC-06-0542	\$ 97
E-12-MC-06-0542	7,563
E-16-MC-06-0542	113,659
E-17-MC-06-0542	797,442
Total Emergency Solutions Grant Program	\$ 918,761
CFDA No. 14.239 - Home Investment Partnerships Program	
M-13-MC-06-0533	\$ 2,017,131
M-14-MC-06-0533	3,948,040
M-15-MC-06-0533	194,000
M-16-MC-06-0533	538,484
M-17-MC-06-0533	678,130
Total Home Investment Partnerships Program	\$ 7,375,785
CFDA No. 15.504 - Title XVI Water Reclamation and Reuse	
R16AC00105	\$ 4,200,000
R17AP00065	225,579
R17AP00066	44,235
Total Title XVI Water Reclamation and Reuse	\$ 4,469,814

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

Note 8 - Federal Award Program Expenditures by Grant Award (Continued)

CFDA Number/Federal Program Name/Grant Number	Federal Expenditures
CFDA No. 16.738 - Edward Byrne Memorial Justice Assistance Grant Program	
2015-DJ-BX-0170	\$ 42,000
2016-DJ-BX-0617	6,217
	\$ 48,217
 CFDA No. 16.741 - DNA Backlog Reduction Program	
2015-DN-BX-0062	\$ 59,576
2016-DN-BX-0112	87,523
	\$ 147,099
 CFDA No. 16.742 - Paul Coverdell Forensic Sciences Improvement Grant Program	
CQ16-12-7919	\$ 30,020
CQ17-13-7919	7,767
	\$ 37,787
 CFDA No. 20.106 - Airport Improvement Program	
3-06-0213-017-2015	\$ 58,086
3-06-0211-017-2016	232,117
3-06-0213-018-2016	234,682
3-06-0213-019-2017	4,998,898
	\$ 5,523,783
 CFDA No. 20.205 - Highway Planning and Construction	
11-4305	\$ 291,750
ATPL-5004(201)	161,839
BHLO-5004(068)	350,065
BHLS-5004(049)	568,167
BRLO-5004(009)	3,646,824
BRLS-5004(198)	20,349
BRLS-5004(200)	22,654
CML-5004(131)	54,374
ER-4213(019)	(59,475)
HPLU-5004(177)	14,182
HPLUL-5004(187)	247,906
HSIPL-5004(194)	499,752
HSIPL-5004(207)	50,184
	\$ 5,868,571

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

Note 8 - Federal Award Program Expenditures by Grant Award (Continued)

CFDA Number/Federal Program Name/Grant Number	Federal Expenditures
CFDA No. 20.600 - State and Community Highway Safety	
PS1714	\$ 144,533
PS18026	126,951
PT17108	164,679
PT18069	290,841
Total State and Community Highway Safety	\$ 727,004
CFDA No. 20.608 - Minimum Penalties for Repeat Offenders for Driving While Intoxicated	
PT17108	\$ 337,713
PT18069	541,862
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated	\$ 879,575
CFDA No. 20.616 - National Priority Safety Programs	
DI1711	\$ 76,381
DI18023	199,960
Total National Priority Safety Programs	\$ 276,341
CFDA No. 45.310 - Grants to States	
LS-00-16-0005-16/40-8720	\$ 342
LS-00-16-0005-16/40-8721	152
LS-00-16-0005-16/40-8722	1,653
LS-00-16-0005-16/40-8723	2,724
LS-00-16-0005-16/40-8724	5,965
Total Grants to States	\$ 10,836
CFDA No. 97.025 - National Urban Search and Rescue (US&R) Response System	
EMW-2013-CA-USR-0009	\$ 1,483,588
EMW-2015-CA-00029	284,115
EMW-2016-CA-00028	425,649
EMW-2017-CA-00085-S01	611,147
Total National Urban Search and Rescue (US&R) Response System	\$ 2,804,499

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

Note 8 - Federal Award Program Expenditures by Grant Award (Continued)

CFDA Number/Federal Program Name/Grant Number	Federal Expenditures
CFDA No. 97.067 - Homeland Security Grant Program	
2015-1078	\$ 1,453
2016-00102/073-00000	280,713
2016-0102	124,898
2017-0083	39,761
Subtotal County of San Diego	446,825
2015-00078/073-66000	4,898,333
2016-0102/073-66000	4,984,433
2017-0083/0073-66000	1,355,331
Subtotal California Governor's Office of Emergency Services	11,238,097
Total Homeland Security Grant Program	\$ 11,684,922

The negative amount of \$59,475 reported for CFDA No. 20.205, Highway Planning and Construction grant number ER-4213(019) represents expenditures incurred and reported in the SEFA of a prior year, originally planned to be funded by the grant, but subsequently the expenditures were not allowable.

The City elected not to use the 10 percent de minimis indirect cost rate, except for CFDA No. 97.067, Homeland Security Grant Program grant number 2015-00078/073-66000, 2016-0102/073-66000, and 2017-0083/0073-66000.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CITY OF SAN DIEGO
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2018

Section I – Summary of Auditor’s Results

Financial Statements:

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	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)?	No
Identification of major federal programs:	

CFDA Number	Federal Program Name
14.218	Community Development Block Grants/Entitlement Grants
14.231	Emergency Solutions Grant Program
14.239	Home Investment Partnerships Program
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$2,503,078
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

No matters reported.

Section III – Federal Award Findings and Questioned Costs

No matters reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

CITY OF SAN DIEGO
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2018

Reference Number: **2016-003**

Federal Catalog Number: 14.900

Federal Program Name: Lead-Based Paint Hazard Control in Privately-Owned Housing Program

Federal Agency Name: U.S. Department of Housing and Urban Development (HUD)

Audit Finding: The Environmental Services Department did not submit in a timely manner the first-tier subgrantee information required by the Federal Funding Accountability and Transparency Act (FFATA) to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Status of Corrective Action: Fully Corrected - The April 2017 FFATA report was corrected on October 3, 2017. All subawards and final contract amounts were amended in the FFATA Sub Award Reporting System during the grant close-out period of January to March 2018.