

CITY OF SAN DIEGO, CALIFORNIA

Federal Single Audit Reports

For the Fiscal Year Ended June 30, 2020



Certified
Public
Accountants

CITY OF SAN DIEGO, CALIFORNIA
Federal Single Audit Reports
For the Fiscal Year Ended June 30, 2020

Table of Contents

	<i>Page</i>
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	1
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	3
Schedule of Expenditures of Federal Awards.....	6
Notes to the Schedule of Expenditures of Federal Awards.....	8
Schedule of Findings and Questioned Costs	14
Summary Schedule of Prior Year Audit Findings	16



**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
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 (the City), as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 21, 2020. Our report 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 basic financial statements. This report does not include the results of the other auditor's 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

A handwritten signature in black ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

San Diego, California
December 21, 2020



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
City of 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, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the San Diego Housing Commission (SDHC), which expended \$225,063,082 in federal awards which is not included in the City's schedule of expenditures of federal awards for the fiscal year ended June 30, 2020. 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, 2020.

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 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, 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 21, 2020, 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 29, 2021

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

CITY OF SAN DIEGO, CALIFORNIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

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 Consolidated Revolving Loan Fund	07-57-05269	11.307	\$ 1,890,433	\$ -
Total U.S. Department of Commerce			\$ 1,890,433	-
U.S. Department of Defense				
<u>Direct Program</u>				
Community Economic Adjustment Assistance for Reductions in Defense Industry Employment	HQ00051710049/CR15 70-17-02	12.611	643,241	599,668
Total U.S. Department of Defense			643,241	599,668
U.S. Department of Housing and Urban Development				
<u>Direct Programs</u>				
Community Development Block Grants/Entitlement Grants	*	14.218	27,999,275	18,362,500
Emergency Solutions Grant Program	*	14.231	1,028,294	1,017,588
Home Investment Partnerships Program	*	14.239	4,385,835	4,347,063
Total U.S. Department of Housing and Urban Development			33,413,404	23,727,151
U.S. Department of the Interior				
<u>Direct Program</u>				
Title XVI Water Reclamation and Reuse	R16AC00105	15.504	16,926,174	-
Subtotal Direct Programs			16,926,174	-
<u>Passed Through County of San Diego</u>				
National Wildlife Refuge Fund	Public Law 95-469	15.659	1,180	-
Subtotal Passed Through County of San Diego			1,180	-
Total U.S. Department of the Interior			16,927,354	-
U.S. Department of Justice				
<u>Direct Programs</u>				
Law Enforcement Assistance FBI Crime Laboratory Support	15-0200-0-1-751	16.301	5,168	-
Missing Children's Assistance	2018-MC-FX-K055	16.543	335,131	108,052
Special Data Collections and Statistical Studies	2016-FU-CX-K060	16.734	795,973	221,740
Edward Byrne Memorial Justice Assistance Grant Program	2016-DJ-BX-0617	16.738	141,820	-
DNA Backlog Reduction Program	*	16.741	169,461	-
Equitable Sharing Program	CA0371100	16.922	393,895	-
Subtotal Direct Programs			1,841,448	329,792
<u>Passed Through Southwestern Community College District</u>				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	OVW-2018-14263	16.525	13,543	-
Subtotal Passed Through Southwestern Community College District			13,543	-
<u>Passed Through California Governor's Office of Emergency Services</u>				
Paul Coverdell Forensic Sciences Improvement Grant Program	CQ18-14-7919	16.742	56,602	-
Subtotal Passed Through California Governor's Office of Emergency Services			56,602	-
Total U.S. Department of Justice			1,911,593	329,792
U.S. Department of Transportation				
<u>Direct Program</u>				
COVID-19 Airport Improvement Program	*	20.106	165,029	-
Subtotal Direct Program			165,029	-
<u>Passed Through State Department of Transportation</u>				
Highway Planning and Construction	*	20.205	27,743,735	-
Subtotal Passed Through State Department of Transportation			27,743,735	-
Highway Safety Cluster:				
<u>Passed Through California Office of Traffic Safety</u>				
State and Community Highway Safety	*	20.600	538,799	-
National Priority Safety Programs	*	20.616	112,025	-
Subtotal Highway Safety Cluster			650,824	-
<u>Passed Through California Office of Traffic Safety</u>				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	*	20.608	791,208	-
Subtotal Minimum Penalties for Repeat Offenders for Driving While Intoxicated			791,208	-
Total U.S. Department of Transportation			29,350,796	-

* Refer to Note 7 for the listing of grant/pass-through numbers for programs with multiple grant awards.

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

CITY OF SAN DIEGO, CALIFORNIA
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2020

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 Treasury				
<u>Direct Programs</u>				
Equitable Sharing	CA0371100	21.016	\$ 7,526,104	\$ -
COVID-19 Coronavirus Relief Fund	SL70155	21.019	93,413,606	5,000,000
Total U.S. Department of Treasury			\$ 100,939,710	5,000,000
U.S. National Endowment for the Arts Agency				
<u>Direct Program</u>				
Promotion of the Arts Grants to Organizations and Individuals	15-4292-7077	45.024	75,000	-
Total U.S. National Endowment for the Arts Agency			75,000	-
U.S. Environmental Protection Agency				
<u>Passed Through California State Water Resources Control Board</u>				
Capitalization Grants for Clean Water State Revolving Funds	D17-01008	66.458	9,783,873	-
Capitalization Grants for Drinking Water State Revolving Funds	*	66.468	4,542,618	-
Total U.S. Environmental Protection Agency			14,326,491	-
U.S. Department of Energy				
<u>Passed Through California Energy Commission (CEC)</u>				
ARRA - State Energy Program	LGC-16-002	81.041	254,942	168,162
Total U.S. Department of Energy			254,942	168,162
U.S. Department of Homeland Security				
<u>Direct Program</u>				
National Urban Search and Rescue (US&R) Response System	*	97.025	2,068,064	-
Subtotal Direct Program			2,068,064	-
<u>Passed Through the County of San Diego</u>				
Emergency Management Performance Grants	*	97.042	182,088	-
Subtotal Passed Through the County of San Diego			182,088	-
<u>Passed Through California Governor's Office of Emergency Services</u>				
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	FEMA-4482-DR-CA/073-66000	97.036	937,721	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	4305-DR-CA/073-66000	97.036	(56,645)	-
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			881,076	-
Fire Management Assistance Grant	FEMA -5228-FM-CA/073-66000	97.046	19,798	-
Pre-Disaster Mitigation	2010-0001/0007/073-66000	97.047	325,307	-
Subtotal Passed Through California Governor's Office of Emergency Services			1,226,181	-
<u>Passed Through the County of San Diego</u>				
Homeland Security Grant Program	*	97.067	478,287	-
Subtotal Passed Through the County of San Diego			478,287	-
<u>Passed Through California Governor's Office of Emergency Services</u>				
Homeland Security Grant Program	*	97.067	9,292,024	3,020,188
Subtotal Passed Through California Governor's Office of Emergency Services			9,292,024	3,020,188
Subtotal Homeland Security Grant Program			9,770,311	3,020,188
Total U.S. Department of Homeland Security			13,246,644	3,020,188
			\$ 212,979,608	\$ 32,844,961

* Refer to Note 7 for the listing of grant/pass-through numbers for programs with multiple grant awards.

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

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

CITY OF SAN DIEGO, CALIFORNIA
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all federal award programs of the City of San Diego, California (City). The Schedule 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 Schedule. The City's reporting entity is defined in Note 1.a. in the notes 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 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). 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 – Summary of Significant Accounting Policies

Expenditures reported in the accompanying Schedule are 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. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The negative amount of \$56,645 reported for CFDA No. 97.036, Disaster Grants – Public Assistance (Presidential Declared Disasters) grant number 4305-DR-CA/073-66000 represents correction of expenditures incurred and reported in a prior year, which was funded by the State of California and should not have been included in the prior year Schedule. Pass-through entity identifying numbers are presented where applicable.

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

The CFDA numbers included in the accompanying Schedule 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 – Indirect Cost Rates

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 (CFDA No. 97.067, Homeland Security Grant Program grant number 2017-0083/073-66000, 2018-0054/0073-66000, and 2019-0035/0073-66000).

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

The San Diego Housing Commission (SDHC) federal expenditures of \$225,063,082 are excluded from the City's Schedule because the SDHC federal expenditures are separately audited by other auditors and reported in a separate Uniform Guidance report.

CITY OF SAN DIEGO, CALIFORNIA
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2020

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 \$1,890,433 in the Schedule for the Revolving Loan Fund (RLF) Program under the Economic Adjustment Assistance program. Expenditures reported in the Schedule were calculated as follows:

RLF Program Name	San Diego Regional RLF
Grant Award Number	07-57-05269
RLF Outstanding as of June 30, 2020	\$ 2,411,880
Cash and investments balance in the RLF as of June 30, 2020	886,191
Administrative expenses paid out of RLF income during the year ended June 30, 2020	57,926
Write Offs in Current Fiscal Year	-
Subtotal	3,355,997
Calculated grant rate (rounded)	56.33%
Economic Adjustment Assistance RLF Grant federal award expenditures for the year ended June 30, 2020	\$ 1,890,433

CITY OF SAN DIEGO, CALIFORNIA
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2020

Note 7 – 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. 14.218 - Community Development Block Grants/Entitlement Grants	
B-15-MC-06-0542	\$ 224,770
B-17-MC-06-0542	2,190,421
B-18-MC-06-0542	4,830,027
B-19-MC-06-0542	20,754,057
Total Community Development Block Grants/Entitlement Grants	\$ 27,999,275
CFDA No. 14.231 - Emergency Solutions Grant Program	
E-18-MC-06-0542	\$ 201,889
E-19-MC-06-0542	826,405
Total Emergency Solutions Grant Program	\$ 1,028,294
CFDA No. 14.239 - Home Investment Partnerships Program	
M-15-MC-06-0533	\$ 910,882
M-16-MC-06-0533	2,081,704
M-17-MC-06-0533	464,593
M-18-MC-06-0533	199,473
M-19-MC-06-0533	729,183
Total Home Investment Partnerships Program	\$ 4,385,835
CFDA No. 16.741 - DNA Backlog Reduction Program	
2017-DN-BX-0029	\$ 42,102
2018-DN-BX-0065	123,929
2019-DN-BX-0007	3,430
Total DNA Backlog Reduction Program	\$ 169,461
CFDA No. 20.106 - Airport Improvement Program	
3-06-0211-018-2020 (COVID-19 CARES MYF)	\$ 69,000
3-06-0213-021-2020 (COVID-19 CARES SDM)	96,029
Total Airport Improvement Program	\$ 165,029

CITY OF SAN DIEGO, CALIFORNIA
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2020

Note 7 - Federal Award Program Expenditures by Grant Award (Continued)

CFDA Number/Federal Program Name/Grant Number	Federal Expenditures
CFDA No. 20.205 - Highway Planning and Construction	
ATPL-5004(201)	\$ 219,436
BHLO-5004(068)	103,922
BHLS-5004(049)	24,671,684
BPMPL-5004(188)	182,030
BPMPL-5004(189)	1,219,482
BRLO-5004(009)	76,486
BRLS-5004(198)	35,983
BRLS-5004(200)	41,218
CML-5004(131)	170,559
FERPL16-5004(208)	200,846
HPLUL-5004(177)	222,445
HPLUL-5004(187)	326,333
HSIPL-5004(194)	2,171
HSIPL-5004(207)	266,750
HSIPL-5004(209)	4,390
Total Highway Planning and Construction	\$ 27,743,735
CFDA No. 20.600 - State and Community Highway Safety	
PS19026	\$ 39,304
PS20030	108,594
PT19126	150,452
PT20154	240,449
Total State and Community Highway Safety	\$ 538,799
CFDA No. 20.608 - Minimum Penalties for Repeat Offenders for Driving While Intoxicated	
AL20025	\$ 3,164
PT19126	209,710
PT20154	578,334
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated	\$ 791,208
CFDA No. 20.616 - National Priority Safety Programs	
DI19018	\$ (2,527)
DI20022	114,552
Total National Priority Safety Programs	\$ 112,025

CITY OF SAN DIEGO, CALIFORNIA
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2020

Note 7 - Federal Award Program Expenditures by Grant Award (Continued)

CFDA Number/Federal Program Name/Grant Number	Federal Expenditures
CFDA No. 66.468 – Capitalization Grants for Drinking Water State Revolving Funds	
D16-02102	\$ 3,898,266
SRF14C104	644,352
Total Capitalization Grants for Drinking Water State Revolving Funds	\$ 4,542,618
CFDA No. 97.025 - National Urban Search and Rescue (US&R) Response System	
EMW-2013-CA-USR-0009	\$ 672,631
EMW-2016-CA-00028	6,389
EMW-2017-CA-00085-S01	123,564
EMW-2018-CA-00043-S01	472,368
EMW-2019-CA-00080-S01	793,112
Total National Urban Search and Rescue (US&R) Response System	\$ 2,068,064
CFDA No. 97.042 – Emergency Management Performance Grants	
2018-0008/073-00000	\$ (6,213)
2019-0003/073-00000	188,301
Total Emergency Management Performance Grants	\$ 182,088
CFDA No. 97.067 - Homeland Security Grant Program	
2017-0083/073-00000	\$ 277,422
2018-0054	50,000
2018-0054/073-00000	150,865
Subtotal County of San Diego	478,287
2017-0083/0073-66000	7,102,073
2018-0054/0073-66000	2,171,383
2019-0035/0073-66000	18,568
Subtotal California Governor's Office of Emergency Services	9,292,024
Total Homeland Security Grant Program	\$ 9,770,311

CITY OF SAN DIEGO, CALIFORNIA
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2020

Note 7 - Federal Award Program Expenditures by Grant Award (Continued)

The negative amount of \$2,527 reported for CFDA No. 20.616, National Priority Safety Programs grant number DI19018 represents expenditures incurred and reported in the Schedule in prior years that were corrected in the current fiscal year. The total reimbursed amount of certain expenditure categories exceeded the cumulative program reimbursable amount and was subsequently funded by another funding source. The negative amount of \$6,213 reported for CFDA No. 97.042, Emergency Management Performance Grants program grant number 2018-0008/073-0000 represents a correction of expenditures incurred and reported in the Schedule in prior years, which should have included other grant number.

Note 8 – Clean Water State Revolving Funds and Drinking Water State Revolving Funds Loans

In March 2018, the City entered into an Installment Sale Agreement with the California State Water Resources Control Board (Board) for a publicly owned treatment works construction financing under the Clean Water State Revolving Fund with an amount not to exceed \$70,000,000 for the “Pump Station 2 Power Reliability and Surge Protection” Project (the Project). The first funding was received in September 2018. Construction is anticipated to be completed in November 2021 with annual principal and interest payments on this loan commencing on November 23, 2022 through November 23, 2051 (30 year loan). Interest is fixed at 1.8%. For the year ended June 30, 2020, the City received and expended \$9,783,873 from the U.S. Environmental Protection Agency passed through the Board through CFDA No. 66.458. The outstanding loan balance as of June 30, 2020 is \$45,170,555.

In October 2017, the City executed into a Construction Installment Sale Agreement with the California State Water Resources Control Board (Board) for a publicly owned treatment works construction financing under the Drinking Water State Revolving Fund in an amount not to exceed \$15,000,044 for the “69th Street and Mohawk Pump Station” Project (the Project). Construction commenced in April 2017 and is expected to be completed in February 2022 with semi-annual principal and interest payments on this loan commencing on July 1, 2020 through January 1, 2050 (30 year loan). Interest is fixed at 1.7%. For the year ended June 30, 2020, the City received and expended \$3,898,266 from the U.S. Environmental Protection Agency passed through the Board through CFDA No. 66.468. The outstanding loan balance as of June 30, 2020 is \$13,094,062.

In June 2014, the City entered into a Construction Loan Funding Agreement with the California State Department of Public Health for a construction financing under the Drinking Water State Revolving Fund in an amount not to exceed \$15,300,000 for the “University Avenue Pipeline Replacement” Project (the Project). In August 2017, the City executed amendment to the agreement with an amount not to exceed \$26,000,000. Construction commenced in November 2014 and is expected to be completed in December 2021 with semi-annual principal and interest payments on this loan commencing on January 1, 2019, through January 1, 2039 (20 year loan). Interest is fixed at 2.085%. For the year ended June 30, 2020, the City received and expended \$644,352 from the U.S. Environmental Protection Agency passed through the Board through CFDA No. 66.468. The outstanding loan balance as of June 30, 2020 is approximately \$23,468,000.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CITY OF SAN DIEGO, CALIFORNIA
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

Section I – Summary of Audit 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?	No
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No
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
15.504	Title XVI Water Reclamation and Reuse
21.019	COVID-19 Coronavirus Relief Fund
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	Yes

CITY OF SAN DIEGO, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2020

Section II – Financial Statement Findings

No matters reported.

Section III – Federal Award Findings and Questioned Costs

No matters reported.

SUMMARY OF SCHEDULE OF PRIOR YEARS AUDIT FINDINGS

CITY OF SAN DIEGO, CALIFORNIA
Summary of Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2020

There were no audit findings noted for the year ended June 30, 2019.