

CITY OF SAN DIEGO, CALIFORNIA

Federal Single Audit Reports

For the Fiscal Year Ended
June 30, 2021



Certified
Public
Accountants

CITY OF SAN DIEGO, CALIFORNIA
Federal Single Audit Reports
For the Fiscal Year Ended June 30, 2021

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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
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, 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 December 10, 2021. 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 10, 2021



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 fiscal 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 San Diego Housing Commission (SDHC), which expended \$375,376,783 in federal awards which is not included in the City’s schedule of expenditures of federal awards for the fiscal year ended June 30, 2021. 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 fiscal year ended June 30, 2021.

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 fiscal 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 December 10, 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.

Macias Gini & O'Connell LLP

San Diego, California

June 30, 2022

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

CITY OF SAN DIEGO, CALIFORNIA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2021

Federal Grantor/Federal Program Name/Pass-through Entity	Grant/Pass-through Number	Federal Assistance Listing Number	Federal Expenditures	Pass-through Awards to Subrecipients
U.S. Department of Commerce				
Economic Development Cluster:				
<u>Economic Adjustment Assistance:</u>				
Direct Program				
San Diego Regional Consolidated Revolving Loan Fund	07-57-05269	11.307	\$ 1,935,439	\$ -
COVID-19 CARES Act Revolving Loan Fund	07-79-07601	11.307	50,176	-
Subtotal Economic Adjustment Assistance			\$ 1,985,615	-
Subtotal Economic Development Cluster			1,985,615	-
Total U.S. Department of Commerce			1,985,615	-
U.S. Department of Housing and Urban Development				
CDBG - Entitlement Grants Cluster:				
Direct Program				
Community Development Block Grants/Entitlement Grants	*	14.218	36,595,577	23,359,219
COVID-19 Community Development Block Grants/Entitlement Grants	B-20-MW-060542	14.218	8,547,474	3,616,680
Subtotal Community Development Block Grants/Entitlement Grants			45,143,051	26,975,899
Subtotal CDBG - Entitlement Grants Cluster			45,143,051	26,975,899
Direct Program				
Emergency Solutions Grant Program	*	14.231	1,211,710	1,205,684
COVID-19 Emergency Solutions Grant Program	E-20-MW-06-0542	14.231	21,792,816	21,725,896
Subtotal Emergency Solutions Grant Program			23,004,526	22,931,580
Direct Program				
Home Investment partnerships Program	*	14.239	3,075,942	3,023,597
Total U.S. Department of Housing and Urban Development			71,223,519	52,931,076
U.S. Department of the Interior				
Direct Program				
Title XVI Water Reclamation and Reuse	R20AP00024	15.504	3,538	-
WaterSMART (Sustain and Manage America's Resources for Tomorrow)	R18AP00170	15.507	7,283	-
Passed Through California Wildlife Conservation Board				
Cooperative Endangered Species Conservation Fund	SG-1807JN	15.615	45,500	-
Passed Through California Department of Parks and Recreation				
Historic Preservation Fund Grants-In-Aid	P20AF00006	15.904	26,866	-
Total U.S. Department of the Interior			83,187	-
U.S. Department of Justice				
Direct Program				
COVID-19 Coronavirus Emergency Supplemental Funding Program	2020-VD-BX-1781	16.034	1,217,682	-
Law Enforcement Assistance FBI Crime Laboratory Support	15-0200-0-1-751	16.301	15,054	-
Missing Children's Assistance	2018-MC-FX-K055	16.543	318,817	131,234
Special Data Collections and Statistical Studies	2016-FU-CX-K060	16.734	413	-
Edward Byrne Memorial Justice Assistance Grant Program	*	16.738	381,405	-
DNA Backlog Reduction Program	*	16.741	246,108	-
Equitable Sharing Program	CA0371100	16.922	29,356	-
Passed Through Southwestern Community College District				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	OVW-2018-14263	16.525	8,763	-
Passed Through California Governor's Office of Emergency Services				
Paul Coverdell Forensic Sciences Improvement Grant Program	CQ19-15-7919	16.742	67,156	-
Total U.S. Department of Justice			2,284,754	131,234
U.S. Department of Transportation				
Direct Program				
COVID-19 Airport Improvement Program	3-06-0211-018-2020	20.106	(14,399)	-
Highway Planning and Construction Cluster:				
Passed Through State Department of Transportation				
Highway Planning and Construction	*	20.205	33,561,266	-
Subtotal Highway Planning and Construction Cluster			33,561,266	-
Highway Safety Cluster				
Passed Through California Office of Traffic Safety				
State and Community Highway Safety	*	20.600	468,569	-
National Priority Safety Programs	*	20.616	157,742	-
Subtotal Highway Safety Cluster			626,311	-
Passed Through California Office of Traffic Safety				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	*	20.608	720,932	-
Total U.S. Department of Transportation			34,894,110	-

* 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 Fiscal Year Ended June 30, 2021

Federal Grantor/Pass-through Entity/Federal Program Name	Grant/Pass-through Number	Federal Assistance Listing Number	Federal Expenditures	Pass-through Awards to Subrecipients
U.S. Department of the Treasury				
Direct Programs				
Equitable Sharing	<i>CA0371100</i>	21.016	\$ 7,731,683	\$ -
Direct Programs				
COVID-19 Coronavirus Relief Fund	<i>SLT0155</i>	21.019	\$ 155,037,414	9,700,000
Passed Through County of San Diego				
COVID-19 Coronavirus Relief Fund	<i>06232020-14-3</i>	21.019	<u>247,224</u>	<u>-</u>
Subtotal Coronavirus Relief Fund			<u>155,284,638</u>	<u>9,700,000</u>
Direct Programs				
COVID-19 Emergency Rental Assistance Program	<i>ERA0302</i>	21.023	42,333,563	42,333,563
Passed Through California Department of Housing and Community Development				
COVID-19 Emergency Rental Assistance Program	<i>20-ERAP-00029</i>	21.023	<u>44,877,754</u>	<u>44,877,754</u>
Subtotal Emergency Rental Assistance Program			<u>87,211,317</u>	<u>87,211,317</u>
Total U.S. Department of the Treasury			<u>250,227,638</u>	<u>96,911,317</u>
U.S. National Endowment for the Arts Agency				
Direct Program				
Promotion of the Arts Grants to Organizations and Individuals	<i>1861877-62-20</i>	45.024	<u>10,000</u>	<u>-</u>
Total U.S. National Endowment for the Arts			<u>10,000</u>	<u>-</u>
U.S. Environmental Protection Agency				
Drinking Water State Revolving Fund Cluster:				
Passed Through California State Water Resources Control Board				
Capitalization Grants for Drinking Water State Revolving Funds	*	66.468	<u>1,561,727</u>	<u>-</u>
Subtotal Drinking Water State Revolving Fund Cluster			1,561,727	
Direct Program				
Water Infrastructure Finance and Innovation (WIFIA)	<i>N17125CA</i>	66.958	<u>9,558,993</u>	<u>-</u>
Total U.S. Environmental Protection Agency			<u>11,120,720</u>	<u>-</u>
U.S. Department of Energy				
Passed Through California Energy Commission (CEC)				
ARRA - State Energy Program	<i>LGC-16-002</i>	81.041	<u>406,052</u>	<u>-</u>
Total U.S. Department of Energy			<u>406,052</u>	<u>-</u>
U.S. Department of Health and Human Services				
Passed Through Alzheimer's San Diego				
Alzheimer's Disease Program Initiative (ADPI)	<i>90ADP10026</i>	93.470	<u>4,501</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>4,501</u>	<u>-</u>
U.S. Department of Homeland Security				
Direct Programs				
National Urban Search and Rescue (US&R) Response System	*	97.025	578,989	-
Passed Through California Governor's Office of Emergency Services				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	<i>FEMA-4482-DR-CA/073-66000</i>	97.036	312,574	-
Passed Through the County of San Diego				
Emergency Management Performance Grants	*	97.042	28,608	-
Direct Programs				
Assistance to Firefighters Grant	<i>EMW-2020-FG-01818</i>	97.044	290,060	-
Passed Through the County of San Diego				
Homeland Security Grant Program	<i>2018-0054/073-00000</i>	97.067	188,659	-
Passed Through California Governor's Office of Emergency Services				
Homeland Security Grant Program	*	97.067	<u>6,220,628</u>	<u>2,629,028</u>
Subtotal Homeland Security Grant Program			<u>6,409,287</u>	<u>2,629,028</u>
Total U.S. Department of Homeland Security			<u>7,619,518</u>	<u>2,629,028</u>
			<u>\$ 379,859,614</u>	<u>\$ 152,602,655</u>

* 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, 2021

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 in 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 \$14,399 reported for Assistance Listing Number (ALN) 20.106, Airport Improvement Program grant number 3-06-0211-018-2020 represents correction of expenditures incurred and reported in a prior year, that should not have been included in the prior year Schedule due to a notification from the City's federal funding agency that reimbursement would not be provided.

Note 3 - Assistance Listing Numbers

The ALNs included in the accompanying Schedule were determined based on the federal program name, review of grant contract information, and the Office of Management and Budget's Catalog of Assistance Listings.

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 the California Governor's Office of Emergency Services (ALN 97.067, Homeland Security Grant Program grant numbers 2017-0083/073-66000, 2018-0054/0073-66000, 2019-0035/0073-66000 and 2020-0095/073-66000).

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

The San Diego Housing Commission (SDHC) federal expenditures of \$375,376,783 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, 2021

Note 6 - Economic Adjustment Assistance Program (ALN 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 \$1,985,615 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	CARES Act RLF
Grant Award Number	07-57-05269	07-79-07601
RLF Outstanding as of June 30, 2021	\$ 2,923,394	\$ -
Cash and investments balance in the RLF as of June 30, 2021	463,270	-
Administrative expenses paid out of RLF income during the fiscal year ended June 30, 2021	49,229	50,176
Write Offs in Current Fiscal Year	-	-
Subtotal	3,435,893	50,176
Calculated grant rate (rounded)	56.33%	100.00%
Economic Adjustment Assistance RLF Grant federal award expenditures for the fiscal year ended June 30, 2021	\$ 1,935,439	\$ 50,176

CITY OF SAN DIEGO, CALIFORNIA
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2021

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.

ALN/Federal Program Name/Grant Number	Federal Expenditures
ALN 14.218 - Community Development Block Grants/Entitlement Grants	
B-17-MC-06-0542	\$ 411,177
B-18-MC-06-0542	3,490,975
B-19-MC-06-0542	15,825,012
B-20-MC-06-0542	16,868,413
Total Community Development Block Grants/Entitlement Grants	\$ 36,595,577
 ALN 14.231 - Emergency Solutions Grant Program	
E-18-MC-06-0542	\$ 575
E-19-MC-06-0542	179,629
E-20-MC-06-0542	1,031,506
Total Emergency Solutions Grant Program	\$ 1,211,710
 ALN 14.239 - Home Investment Partnerships Program	
M-17-MC-06-0533	\$ 2,605,824
M-18-MC-06-0533	24,004
M-19-MC-06-0533	77,710
M-20-MC-06-0533	368,404
Total Home Investment Partnerships Program	\$ 3,075,942
 ALN 16.738 - Edward Byrne Memorial Justice Assistance Grant Program	
2016-DJ-BX-0617	\$ 237,345
2019-DJ-BX-0865	52,093
2020-DJ-BX-0790	91,967
Total Edward Byrne Memorial Justice Assistance Grant Program	\$ 381,405
 ALN 16.741 - DNA Backlog Reduction Program	
2018-DN-BX-0065	\$ 119,101
2019-DN-BX-0007	126,362
2020-DN-BX-0138	645
Total DNA Backlog Reduction Program	\$ 246,108

CITY OF SAN DIEGO, CALIFORNIA
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2021

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

ALN/Federal Program Name/Grant Number	Federal Expenditures
ALN 20.205 - Highway Planning and Construction	
ATPL-5004(201)	\$ 1,951,952
BHLO-5004(068)	339,067
BHLS-5004(049)	29,939,687
BPMP-5004(188)	(3,909)
BPMP-5004(189)	253,139
BRLS-5004(198)	9,724
BRLS-5004(200)	9,724
CML-5004(131)	100,000
FERPL16-5004(208)	29,466
HPLUL-5004(177)	28,536
HPLUL-5004(187)	266,282
HSIPL-5004(207)	215,116
HSIPL-5004(209)	13,180
HSIPL-5004(210)	229,022
HSIPL-5004(211)	180,280
Total Highway Planning and Construction	\$ 33,561,266
ALN 20.600 - State and Community Highway Safety	
PS20030	\$ 66,406
PS21013	106,325
PT20154	87,758
PT21052	208,080
Total State and Community Highway Safety	\$ 468,569
ALN 20.608 - Minimum Penalties for Repeat Offenders for Driving While Intoxicated	
AL20025	\$ 15,820
AL21006	11,225
PT19126	(126)
PT20154	225,274
PT21052	468,739
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated	\$ 720,932

CITY OF SAN DIEGO, CALIFORNIA
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2021

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

ALN/Federal Program Name/Grant Number	Federal Expenditures
ALN 20.616 - National Priority Safety Programs	
DI19018	\$ (1,004)
DI20022	33,240
D121007	125,506
Total National Priority Safety Programs	\$ 157,742
ALN 66.468 - Capitalization Grants for Drinking Water State Revolving Funds	
D16-02102	\$ 701,109
SRF14C104	860,618
Total Capitalization Grants for Drinking Water State Revolving Funds	\$ 1,561,727
ALN 97.025 - National Urban Search and Rescue (US&R) Response System	
EMW-2017-CA-00085-S01	\$ 5,155
EMW-2018-CA-00043-S01	81,134
EMW-2019-CA-00080-S01	146,453
EMW-2020-CA-00067-S01	346,247
Total National Urban Search and Rescue (US&R) Response System	\$ 578,989
ALN 97.042 - Emergency Management Performance Grants	
2019-0003/073-00000	\$ 3,335
2020-0006/073-00000	25,273
Total Emergency Management Performance Grants	\$ 28,608
ALN 97.067 - Homeland Security Grant Program	
2017-0083/073-66000	\$ 911,074
2018-0054/073-66000	3,369,263
2019-0035/073-66000	1,743,551
2020-0095/073-66000	196,740
Total Homeland Security Grant Program	\$ 6,220,628

CITY OF SAN DIEGO, CALIFORNIA
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2021

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

The negative amount of \$3,909 reported for ALN 20.205, Highway Planning and Construction program grant number BPMPL-5004(188) represents expenditures that moved to another funding source, expenditures exceeded the authorized funds. The negative amount of \$126 reported for ALN 20.608, Minimum Penalties for Repeat Offenders for Driving While Intoxicated grant number PT19126, represents expenditures incurred and reported in the prior year Schedule that were moved since they occurred after the performance period. The associated grant funds were returned to the grantor in fiscal year 2022. The negative amount of \$1,004 reported for ALN 20.616, National Priority Safety Programs grant number DI19018 represents expenditures incurred and reported in the Schedule in prior years that were ineligible and unreimbursed labor expenditures moved to another funding source in the current fiscal year.

Note 8 - Water Infrastructure Finance and Innovation (WIFIA) Loan Agreement

In November 2018, the City and the U.S. Environmental Protection Agency (USEPA) executed the WIFIA Program loan in the amount of up to \$614,000,000 payable from the Net System Revenues of the Water Utility Fund for the first phase of the Pure Water project. In September 2020, the City and USEPA executed another agreement to replace the previous agreement, with a majority of the terms staying exactly the same, but with a lower interest rate. The City has received its first loan proceeds in the amount of \$9,558,993 at a rate of 1.29%. Construction is anticipated to be completed in July 2023 with annual principal and interest payments on this loan commencing in August, 2023 through July, 2057. For the fiscal year ended June 30, 2021, the City received and expended \$9,558,993 from the USEPA related to ALN 66.958. The outstanding loan balance as of June 30, 2021 is \$9,558,993.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CITY OF SAN DIEGO, CALIFORNIA
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2021

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 the 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 the 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:

Assistance Listing Number	Federal Program Name
14.218	Community Development Block Grants/Entitlement Grants
14.231	Emergency Solutions Grant Program
14.239	HOME Investment Partnership Program
21.019	Coronavirus Relief Fund
21.023	Emergency Rental Assistance Program
66.958	Water Infrastructure Finance and Innovation (WIFIA)
97.067	Homeland Security Grant Program

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, 2021

Section II – Financial Statement Findings

A. Internal Control

No matters reported.

B. Compliance Findings

No matters reported.

Section III – Federal Award Findings

A. Internal Control

No matters reported.

B. Compliance Findings

No matters reported.

SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS

CITY OF SAN DIEGO, CALIFORNIA
Summary of Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2021

There were no audit findings noted for the fiscal year ended June 30, 2020.