

City of Berkeley

Berkeley, California

Single Audit Report

For the year ended June 30, 2022

City of Berkeley Single Audit Report

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**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**

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
of the Berkeley, City of
Berkeley, California

We have audited, in accordance with the 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Berkeley, California (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 15, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 or significant deficiencies may exist that were not identified.

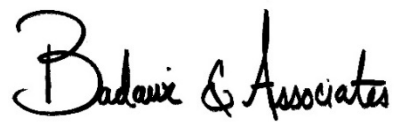
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

To the Honorable Mayor and Members of City Council
of the City of Berkeley
Berkeley, California
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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 "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Berkeley, California
December 15, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and Members of City Council
of the City of Berkeley
Berkeley, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Berkeley, California (City)'s compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

To the Honorable Mayor and Members of City Council
of the City of Berkeley
Berkeley, California
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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed one instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

To the Honorable Mayor and Members of City Council
of the City of Berkeley
Berkeley, California
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Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify one deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

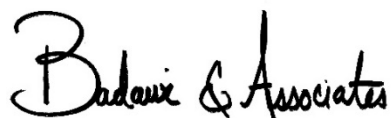
Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

To the Honorable Mayor and Members of City Council
of the City of Berkeley
Berkeley, California
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Report on Schedule of Expenditures of Federal Awards and Other Supplementary Schedules

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 15, 2022, which contained unmodified opinions on those financial statements. Our audit was performed 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 and other supplementary schedules on pages 16-21, are presented for purposes of additional analysis as required by the Uniform Guidance and pass-through entities and are 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 and other supplementary schedules on pages 16-21 are fairly stated in all material respects in relation to the basic financial statements as a whole.



Badawi & Associates, CPAs
Berkeley, California
March 27, 2023, except for the schedule of expenditures
of federal awards and supplementary schedules on
pages 16-21, which are as of December 15, 2022

City of Berkeley
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022

Grantor Agency and Grant Title	Assistance Listing Number	Federal Award/ Pass-through Number	Federal Expenditures	Subrecipient Payments
U.S. Department of Agriculture:				
Pass-through State Department of Health Services:				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	19-10133	\$ 565,835	\$ -
Total U.S. Department of Agriculture			<u>565,835</u>	<u>-</u>
U.S. Department of Commerce:				
Economic Development Cluster				
Direct Program:				
Business Economic Development Administration Revolving Loan Fund	11.307	07-39-02523	804,335	-
COVID-19 Business Economic Development Administration Revolving Loan Fund	11.307	07-79-07605	814,000	-
		Subtotal Economic Development Cluster	<u>1,618,335</u>	<u>-</u>
Total U.S. Department of Commerce			<u>1,618,335</u>	<u>-</u>
U.S. Department of Housing and Urban Development:				
CDBG - Entitlement Grants Cluster				
Direct Programs:				
Community Development Block Grant	14.218	B-22-MC-06-0008	1,344,290	719,360
Community Development Block Grant - Program Income	14.218	B-22-MC-06-0008	1,041,748	1,041,748
COVID-19 - Community Development Block Grant-CARE Act	14.218	B-20-MW-06-0008	1,935,890	-
		CDBG - Entitlement Grants Cluster	<u>4,321,928</u>	<u>1,761,108</u>
Direct Programs:				
Shelter Plus Care Program	14.238	CA0749L9T022011/ COACH, CA0116L9T022013/ TRA	5,928,882	-
Pass-through Alameda County:				
Shelter Plus Care Program	14.238	C - 21792	883,047	-
		Subtotal ALN 14.238	<u>6,811,929</u>	<u>-</u>
Direct Programs:				
Emergency Solutions Grant Program	14.231	E-21-MC-06-0008	232,492	232,492
Emergency Solutions Grant Program-CARES Act	14.231	E-20-MW-06-0008	3,856,213	2,089,977
		Subtotal ALN 14.231	<u>4,088,705</u>	<u>2,322,469</u>
Direct Programs:				
Home Investment in Affordable Housing	14.239	M21-MC060202	16,854	16,854
Home Investment in Affordable Housing (Program Income)	14.239	M21-MC060202	139,829	13,146
		Subtotal ALN 14.239	<u>156,683</u>	<u>30,000</u>
Total U.S. Department of Housing and Urban Development			<u>15,379,245</u>	<u>4,113,577</u>
U.S. Department of Transportation:				
Highway Planning and Construction Cluster				
Pass-through the State Department of Transportation:				
goBerkeley Residential Shared Parking Pilot	20.205	CMLNI-5057(046)	93,724	-
Pass-through Association of Bay Area Governments and MTC:				
Shattuck Reconfiguration	20.205	04-5057F15-F033-SIPL-5057 (045)	79,076	-
Southside Complete Streets	20.205	CMSTPL-5057(051)	171,124	-
		Highway Planning and Construction Cluster Total	<u>343,924</u>	<u>-</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

City of Berkeley
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022

Grantor Agency and Grant Title	Assistance Listing Number	Federal Award/ Pass-through Number	Federal Expenditures	Subrecipient Payments
Highway Safety Cluster				
Pass-Through the State of California - Office of Traffic Safety:				
Selective Traffic Enforcement Program	20.600	PT22149	37,580	-
Selective Traffic Enforcement Program	20.600	PT21016	49,527	-
		Subtotal Highway Safety Cluster	87,107	-
Total U.S. Department of Transportation			431,031	-
U.S. Department of Treasury:				
Pass-Through the State of California - Department of Finance:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	36,686,105	371,454
Total U.S. Department of Treasury			36,686,105	371,454
U.S. Department of Health and Human Services:				
Pass-Through the California Department of Health and Human Services:				
U.S.FDA-Local Retail Food Safety	93.103	5U18FD004690-05	18,114	-
Aging Cluster				
Pass-Through County of Alameda Area Agency on Aging:				
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	900161	139,783	-
Special Programs for the Aging - Title III, Part B - Senior Center Activities	93.044	900161	18,630	-
		Aging Cluster Total	158,413	-
Medicaid Cluster				
Pass-Through Alameda County Children & Family Services:				
Services to Enhance Early Development	93.778	900161	49,182	-
		Medicaid Cluster Total	49,182	-
Pass-Through State Department of Health Services:				
Child Health and Disability Prevention	93.994	N/A	92,577	-
Medi-Cal Early and Periodic Screening, Diagnosis, and Treatment	93.994	N/A	41,743	-
Maternal and Child Health Services Block Grant	93.994	202259	271,948	-
Health Care Program for Children in Foster Care	93.994	N/A	5,389	-
		Subtotal ALN 93.994	411,657	-
Pass-Through State Department of Health Services:				
Public Health Emergency Preparedness: CDC Base Allocation	93.074	17-10145	202,465	-
Emergency Preparedness-Cities Readiness Initiative (CRI)	93.074	14-10493	24,407	-
		Subtotal ALN 93.074	226,872	-
Pass-Through State Department of Public Health:				
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	6NU50CK000539-01-08 DHHS-CDC	2,094,475	146,774
Pass-Through Heluna Health:				
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	6 NU90TP922071-01-03	196,887	32,997
		Subtotal ALN 93.323	2,291,362	179,771

See accompanying Notes to Schedule of Expenditures of Federal Awards

City of Berkeley
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022

Grantor Agency and Grant Title	Assistance Listing Number	Federal Award/ Pass-through Number	Federal Expenditures	Subrecipient Payments
Pass-Through State Department of Community Services and Development:				
Community Services Block Grant	93.569	21F-4001	184,098	120,000
Community Services Block Grant - DISC	93.569	21F-4001	28,250	28,250
Community Services Block Grant	93.569	22F-5001	131,494	80,000
COVID-19 Community Services Block Grant-CARE Act	93.569	20F-3640	170,297	158,267
COVID-19 Community Services Block Grant-CARE Act Discretionary	93.569	20F-3640	31,160	31,160
		Subtotal ALN 93.569	<u>545,299</u>	<u>417,677</u>
Pass-Through Essential Access Health:				
Family Planning Services	93.217	412-5320-71209-21-22	200,869	-
Family Planning Services	93.217	412-5320-71219-22	31,202	-
		Subtotal ALN 93.217	<u>232,071</u>	<u>-</u>
Pass-Through County of Alameda Area Agency on Aging:				
Special Programs for the Aging - Title III, Part E - Family Caregiver	93.052	900161	30,699	-
Pass-Through State Department of Health Care Services (and Advocates for Human Potential Inc.):				
Crisis Care Mobile Unit Program	93.959	7460-CA Mobile Crisis-Berkeley-01	70,000	-
Pass-Through State Department of Health Services:				
Childhood Immunization Grants	93.268	17-100331	786,238	-
Nutrition Education	93.945	19-10370	154,221	-
Total U.S. Department of Health and Human Services			<u>4,974,128</u>	<u>597,448</u>
U.S. Department of Homeland Security:				
Pass-Through California Governor's Office of Emergency Service				
Hazard Mitigation Grant - Retrofit for Hazardous Buildings	97.039	FEMA-4240-DR, CA. Project#21	3,585	-
Hazard Mitigation Grant - Retrofit for Seismically Vulnerable Buildings	97.039	4344-26R-0-82-1-115	686,118	-
		Subtotal ALN 97.039	<u>689,703</u>	<u>-</u>
Direct Programs:				
Urban Areas Security Initiative Program	97.044	EMV-2020-FG-12375	53,065	-
Pass-Through City and County of San Francisco				
Urban Areas Security Initiative Program	97.069	2020-0095	34,357	-
Total U.S. Department of Homeland Security			<u>777,125</u>	<u>-</u>
Total Federal Expenditures			<u>\$ 60,431,804</u>	<u>\$ 5,082,479</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

City of Berkeley
Single Audit Report
Notes to Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022

1. REPORTING ENTITY

The financial reporting entity, as defined by Governmental Accounting Standards Board (GASB), consists of the primary government, which is the City of Berkeley (City), organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The City of Berkeley Rent Stabilization Board is the only component unit of the City.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Funds received under the various grant programs have been recorded within the general, special revenue, capital projects, and enterprise funds of the City. The City utilizes the modified accrual basis of accounting for the general, special revenue, and capital project funds. The accrual basis of accounting is used for the enterprise fund. The accompanying Schedule of Expenditures of Federal Awards (Schedule) is presented in accordance with the requirements of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Schedule of Expenditures of Federal Awards

The accompanying Schedule presents the activity of all Federal financial assistance programs of the City. Federal financial assistance received directly from Federal agencies as well as Federal financial assistance passed through the State of California and other agencies are included in the Schedule. The Schedule of Expenditures of Federal Awards was prepared from only the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the City.

3. INDIRECT COSTS

The City did not elect to use the 10% de minimis indirect cost rate.

4. CALCULATION OF FEDERAL EXPENDITURES - ALN 11.307

Federal expenditures for the Business Economic Development Administration Revolving Loan Fund (ALN 11.307) were calculated as follows per program requirements:

	<u>07-39-02523</u>	<u>07-79-07605</u>
Balance of RLF principal outstanding on loans at the end of the recipient’s fiscal year	\$ 172,696	\$ 433,000
Cash and investment balance in the RLF at the end of the recipient’s fiscal year	625,471	381,000
Administrative expenses paid out of RLF income during the recipient’s fiscal year	6,168	-
	<u>804,335</u>	<u>814,000</u>
The Federal share of the RLF.	100%	100%
Federal expenditures for FY2021-22	<u>\$ 804,335</u>	<u>\$ 814,000</u>

City of Berkeley
Single Audit Report
Schedule of Findings and Questioned Costs
For the year ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Types of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None noted
Any noncompliance material to the financial statements noted:	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	Yes
Types of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 200.516(a):	Yes

Identification of major programs:

Assistance

Listing Number	Name of Federal Program or Cluster	Expenditures
14.238	Shelter Plus Care	\$ 6,811,929
21.027	Coronavirus State and Local Fiscal Recovery Funds	36,686,105
93.569	Community Services Block Grant	545,299
Total Expenditures of All Major Federal Programs		\$ 44,043,333
Total Expenditures of Federal Awards		\$ 60,431,804
Percentage of Total Expenditures of Federal Awards		72.9%

Dollar threshold used to distinguish between type A and type B program:	\$1,812,954
Auditee qualified as low-risk auditee under section 200.520?	Yes

City of Berkeley
Single Audit Report
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2022

Section II –Current Year Findings

A. Current Year Findings – Financial Statement Audit

No findings in the current year.

B. Current Year Findings and Questioned Costs – Major Federal Award Program Audit

2022-001- Tri-Partite Board Compliance

Program:

Community Services Block Grant (CSBG), Assistance Listing Number 93.569, U.S. Department of Health and Human Services, Passed through State of California, Department of Community Services and Development, Contract 21F-4001, 22F-5001, and 20F-3640.

Criteria:

The CSBG Act at 42 USC 9910(b), requires that public organizations administer CSBG through a Tri-Partite board. This board shall have members selected by the organization and shall be composed so as to assure that no less than one-third (1/3) of the members are chosen in accordance with democratic selection procedures adequate to assure that these members are (1) representative of low-income individuals and families served in the neighborhood served, (2) reside the neighborhood served, and (3) are able to actively participate in the development, planning, implementation, and evaluation of the programs funded by CSBG.

Condition:

During the audit of the program, we noted the City had board member vacancies during the year that resulted in noncompliance with the required board composition requirements.

Cause:

The City encountered challenges in filling board vacancies including COVID-19.

Effect:

The City is not in compliance with the Tri-Partite Board requirements.

Questioned Costs:

None

Repeat Finding:

This is not a repeat finding.

Recommendation:

We recommend that the City update policies and procedures over the Tri-Partite Board to comply with the composition requirements of the CSBG Act.

Management Response:

The City is currently working with the State of California Department of Community Services and Development to comply with the Tri-Partite Board requirements.

City of Berkeley
Single Audit Report
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2022

Section III- Prior Year Findings

A. Prior Year Findings - Financial Statement Audit

2021-001 - Restatement of Previously Issued Financial Statements

Criteria:

The City is responsible for the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Condition:

The City recorded prior period adjustments to correct accounts payable and retention payable for the Off Street Parking major fund.

Cause:

The City's internal controls over financial reporting did not identify the misstatement in a timely manner resulting in the restatement. Prior year end closing entries need to be reversed in the beginning of following year, and in fiscal year 2020 the City did not reverse a year end closing entries that caused the overstatement of both account payable and expense in the Off Street Parking Fund.

Context and Effect:

The City's previously issued financial statements for the Off Street Parking major fund were not fairly stated in conformity with accounting principles generally accepted in the United States of America.

Recommendation:

We recommend that the City enhance its internal control over financial reporting to ensure complete and accurate financial reporting. The City can accomplish this by expanding its year-end closing procedures to ensure that all non-routine and nonsystematic transactions are accounted for, the appropriate accounting standards are applied, and transactions are accounted for in the proper period.

Management Response:

In FY 2021, the City added this additional task of reversing entries to the Project Schedule. These entries were reviewed and all the necessary approvals were made and signed off when the entries were completed. The City intends to enhance this process by including a formal checklist to the year-end process in Fiscal year 2022.

Status:

Implemented.

B. Prior Year Findings and Questioned Costs - Major Federal Award Program Audit

No findings and questioned costs in the prior year.

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SUPPLEMENTAL SCHEDULES

CITY OF BERKELEY
COMMUNITY ACTION AGENCY
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES
CFDA 93.569
CSBG CONTRACT 21F-4001 for CY 2021
FOR THE PERIOD July 1, 2021 THROUGH December 31, 2021
Grant Award Thru May 31, 2022

	January 1, 2021 through June 30, 2021	July 1, 2021 through December 31, 2021	Total Audited Cost	Total Reported Expenses	Total Budget
REVENUE					
Grant Revenue	94,519	182,452	276,971		276,971
Accrued Revenue			-		-
Total Revenue	94,519	182,452	276,971		276,971
EXPENDITURES					
Personnel Costs					
Salaries & Wages	32,619	40,863	73,482	73,482	73,482
Fringe Benefits	20,253	21,371	41,624	41,624	41,624
Other Expense	-		-	-	
Sub-total Personnel Costs	52,872	62,234	115,106	115,106	115,106
Non-personnel Costs					
Professional Services			-	-	-
Subcontractors	40,001	119,999	160,000	160,000	160,000
Other Cost		1,865	1,865	1,865	1,865
Sub-total Non-personnel Costs	40,001	121,864	161,865	161,865	161,865
Total Costs	92,873	184,098	276,971	276,971	276,971
Revenue over (under) costs	1,646	(1,646)	0		

CITY OF BERKELEY
COMMUNITY ACTION AGENCY
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES
CFDA 93.569
CSBG CONTRACT 21F-4001 for CY 2021
FOR THE PERIOD July 1, 2021 THROUGH Decemeber 31, 2021
Grant Award Thru May 31, 2022

	January 1, 2021 through June 30, 2021	July 1, 2021 through December 31, 2021	Total Audited Cost	Total Reported Expenses	Total Budget
REVENUE					
Grant Revenue		28,250	28,250		28,250
Accrued Revenue			-		-
Total Revenue	-	28,250	28,250		28,250
EXPENDITURES					
Personnel Costs					
Salaries & Wages			-	-	
Fringe Benefits			-	-	
Other Expense	-		-	-	
Sub-total Personnel Costs	-	-	-	-	-
Non-personnel Costs					
Professional Services			-	-	-
Subcontractors		28,250	28,250	28,250	28,250
Other Cost			-	-	-
Sub-total Non-personnel Costs	-	28,250	28,250	28,250	28,250
Total Costs	-	28,250	28,250	28,250	28,250
Revenue over (under) costs	-	-	-		

CITY OF BERKELEY
COMMUNITY ACTION AGENCY
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES
CFDA 93.569
CSBG CONTRACT 22F-5001 for CY 2022
FOR THE PERIOD January 1, 2022 THROUGH June 30, 2022
Grant Award Thru May 31, 2023

	January 1, 2022 through June 30, 2022	July 1, 2022 through May 31, 2023	Total Audited Cost	Total Reported Expenses	Total Budget
REVENUE					
Grant Revenue	93,248		93,248		274,202
Accrued Revenue			-		-
Total Revenue	93,248	-	93,248		274,202
EXPENDITURES					
Personnel Costs					
Salaries & Wages	31,494		31,494	31,494	68,521
Fringe Benefits	20,000		20,000	20,000	45,681
Other Expense	-		-	-	
Sub-total Personnel Costs	51,494	-	51,494	51,494	114,202
Non-personnel Costs					
Professional Services			-	-	-
Subcontractors	80,000		80,000	80,000	160,000
Other Cost			-	-	-
Sub-total Non-personnel Costs	80,000	-	80,000	80,000	160,000
Total Costs	131,494	-	131,494	131,494	274,202
Revenue over (under) costs	(38,246)	-	(38,246)		

**CITY OF BERKELEY
COMMUNITY ACTION AGENCY
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES
CFDA 93.569
CSBG CONTRACT 20F-3640
FOR THE PERIOD July 1, 2020 THROUGH June 30, 2022
Grant Award Thru August 31, 2022**

	July 1, 2020 through December 31, 2020	January 1, 2022 through June 30, 2022	July 1, 2021 through December 31, 2021	January 1, 2022 through May 31, 2022	Total Audited Cost	Total Reported Expenses	Total Budget
REVENUE							
Grant Revenue	96,045	22,847	75,280	7,243	201,415		373,097
Accrued Revenue	-	83,908	39,949	47,825	171,682		-
Total Revenue	96,045	106,755	115,229	55,068	373,097		373,097
EXPENDITURES							
Personnel Costs							
Salaries & Wages	6,902	11,543	3,250	4,655	26,350	26,350	26,546
Fringe Benefits	3,343	6,723	1,537	2,588	14,191	14,191	18,226
Other Expense	-		-		-	-	
Sub-total Personnel Costs	10,245	18,266	4,787	7,243	40,541	40,541	44,772
Non-personnel Costs							
Professional Services					-	-	-
Subcontractors	85,800	87,600	110,442	47,825	331,667	331,667	328,325
Other Cost		889			889	889	-
Sub-total Non-personnel Costs	85,800	88,489	110,442	47,825	332,556	332,556	328,325
Total Costs	96,045	106,755	115,229	55,068	373,097	373,097	373,097
Revenue over (under) costs	-	-	-	-	-		

CITY OF BERKELEY
COMMUNITY ACTION AGENCY
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES
CFDA 93.569
CSBG CONTRACT 20F-3640
FOR THE PERIOD January 1, 2022 THROUGH June 30, 2022
Grant Award Thru August 31, 2022

	July 1, 2021 through December 31, 2021	January 1, 2022 through June 30, 2022	Total Audited Cost	Total Reported Expenses	Total Budget
REVENUE					
Grant Revenue	0	31,160	31,160		40,370
Accrued Revenue			-		-
Total Revenue	-	31,160	31,160		40,370
EXPENDITURES					
Personnel Costs					
Salaries & Wages	-	-	-	-	-
Fringe Benefits	-	-	-	-	-
Other Expense	-		-	-	
Sub-total Personnel Costs	-	-	-	-	-
Non-personnel Costs					
Professional Services			-	-	-
Subcontractors	-	31,160	31,160	31,160	40,370
Other Cost			-	-	-
Sub-total Non-personnel Costs	-	31,160	31,160	31,160	40,370
Total Costs	-	31,160	31,160	31,160	40,370
Revenue over (under) costs	-	-	-		

**Confirmation of Audit of Alameda County Programs
for Community Based Organizations (CBO)**

Contractor Name: City of Berkeley
 Supervising Department: BHSVC
 Type of Audit Required: Financial Audit
 If additional sheet included, please check box

Audit Review Coordinator: _____

Audit Period Ended: 6/30/2022

Program Name	CFDA#	List of County Programs				During Audit Period (7/1/21 – 6/30/22)	
		County Dept. (ex. BHCS, HCSA, PH)	Master & Procurement Contract Number(s) MC-PC #	Contract Period (begin & end date mm/dd/yy)	Contract Amount (amount awarded to CBO)	Expenditures (amt spent by CBO)	Amount Received from County
Congregate Meal Program	93.045	SSA-Adult, Aging & Medic-Cal Services	900161-22251	7/1/2021-6/30/2022	\$ 58,723	\$ 49,103	\$ 32,913
Home Delivered Meal Program	93.045	SSA-Adult, Aging & Medic-Cal Services	900161-22265	7/1/2021-6/30/2022	\$ 66,909	\$ 66,867	\$ 46,248
Home Delivered Meal Program-FFCRA	93.045	SSA-Adult, Aging & Medic-Cal Services	900161-20122	3/20/2020-9-30/2021	\$ 31,500	\$ 39,701	\$ 4,575
Information & Assistance Services	93.045	SSA-Adult, Aging & Medic-Cal Services	900161-22295	7/1/2021-6/30/2022	\$ 61,500	\$ 54,691	\$ 43,174
Family Caregiver Support Program	93.052	SSA-Adult, Aging & Medic-Cal Services	900161-22326	7/1/2021-6/30/2022	\$ 41,195	\$ 34,082	\$ 28,248
Senior Center Activities	93.044	SSA-Adult, Aging & Medic-Cal Services	900161-22296	7/1/2021-6/30/2022	\$ 28,350	\$ 28,350	\$ 20,223
Vector Control Services	N/A	Health Care Services Agency	900161- N/A	7/1/2021-6/30/2022	\$ 341,641	\$ 185,164	\$ -
MSA Public Health Infrastructure	N/A	Public Health Department PHSVC	900161-22615	7/1/2021-6/30/2022	\$ 32,080	\$ 32,080	\$ -
School Based Health Center	N/A	Health Care Services Agency	900161-22107	7/1/2021-6/30/2022	\$ 178,770	\$ 181,208	\$ 137,931
Measure A-School Based Health Services	N/A	Public Health Department PHSVC	900161-22608	7/1/2021-6/30/2022	\$ 200,011	\$ 200,011	\$ -
Tobacco Prevention Program	N/A	Public Health Department PHSVC	900161-22608	7/1/2021-6/30/2022	\$ 78,769	\$ 73,949	\$ 51,135
Services to Enhance Early Development (SEED) aka Foster Care Contract	N/A	SSA-Children & Family Services	900161-21969	7/1/2021-6/30/2022	\$ 93,187	\$ 49,182	\$ 16,385
Total					\$ 1,212,635	\$ 994,388	\$ 380,832

I certify that the above County programs were included in the audit specified above. I understand that in accordance with CAM Exhibit D (1)(C)(3) requirements, all audit reports must identify each county program covered in the audit by contract number, contract amount, and contract period.

Contractor's Signature: 
 Contractor's Name (print): HENRY OYEKANMI

Date: 3/22/2023
 Title: DIRECTOR OF FINANCE

For Alameda County Use Only:
 Received By: _____ Dept: _____ Date: _____