

City of Berkeley

Berkeley, California

Single Audit Report

For the year ended June 30, 2019

City of Berkeley Single Audit Report

Table of Contents

	<u>Page</u>
Independent Auditors' 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 Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	7
Notes to Schedule of Expenditures of Federal Awards.....	9
Schedule of Findings and Questioned Costs	10
Supplemental Schedule - Supplemental Statement of Revenue and Expenditures CFDA 14.238 (18F-5001)	17
Supplemental Schedule - Supplemental Statement of Revenue and Expenditures CFDA 14.238 (19F-4001)	18
Supplemental Schedule - Supplemental Statement of Revenue and Expenditures CFDA 14.238 (19F-4404)	19
Supplemental Schedule - Confirmation of Audit of Alameda County Programs for Community Based Organizations (CBO).....	20



**INDEPENDENT AUDITORS' 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 City Council
of the City of Berkeley
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 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 22, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify one deficiency in internal control, described in the accompanying schedule of findings and questioned costs as 2019-001 that we consider to be a significant deficiency.

To the Honorable Mayor and Members of City Council
of the City of Berkeley
Berkeley, California
Page 2

Compliance and Other Matters


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

City Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.



Badawi and Associates
Certified Public Accountants
Berkeley, California
January 22, 2020



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

We have audited the City of Berkeley, California (City)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the City's major federal programs for the year ended June 30, 2019. City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2019.

To the Honorable Mayor and Members of City Council
of the City of Berkeley
Berkeley, California
Page 2

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.

To the Honorable Mayor and Members of City Council
of the City of Berkeley
Berkeley, California
Page 3

**Report on Schedule of Expenditures of Federal Awards and Supplementary Information
Required by the Uniform Guidance, State of California, and County of Alameda**

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 22, 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 and supplementary schedules on pages 17 to 20 are presented for purposes of additional analysis as required by the Uniform Guidance, State of California, and County of Alameda 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 supplementary schedules on pages 15 to 18 are fairly stated in all material respects in relation to the basic financial statements as a whole.



Badawi and Associates
Certified Public Accountants
Berkeley, California
March 31, 2020, except for the schedule of expenditures
of federal awards and supplementary schedules on
pages 17 to 20, which are as of January 22, 2020

This page intentionally left blank

City of Berkeley
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2019

Grantor Agency and Grant Title	Federal Catalog Number	State Pass-through Number	FY 2019 Program 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	15-10060	\$ 413,998	\$ -
Pass-through State Department of Education:				
Summer Food Service Program for Children	10.559	04021-SFSP-01	40,453	-
Total U.S. Department of Agriculture			454,451	-
U.S. Department of Commerce:				
Economic Development Cluster				
Direct Program:				
Business Economic Development Administration Revolving Loan Fund	11.307	07-39-02523	795,012	-
Economic Development Cluster Total			795,012	-
Total U.S. Department of Commerce			795,012	-
U.S. Department of Housing and Urban Development:				
CDBG Entitlement Grants Cluster				
Direct Programs:				
Community Development Block Grant	14.218	B-18-MC-06-0008	2,247,817	958,135
Community Development Block Grant - Program Income	14.218	B-18-MC-06-0008	502,784	-
CDBG Entitlement Grants Cluster Total			2,750,601	958,135
Direct Programs:				
Shelter Plus Care Program	14.238	CA0116L9T021710/TBRA, CA0116L9T021811/TBRA, CA0749L9T021607/COACH, CA0749L9T021708/COACH, CA0121L9T021710/SHN, CA0121L9T021811/SHN, CA0108L9T021710/PATHWAY, CA0108L9T021811/PATHWAY, CA0827L9T021603/HOAP, CA0827L9T021704/HOAP	4,420,403	-
Pass-through Alameda County:				
Shelter Plus Care Program	14.238	CA0085L9T02XXX	585,209	-
Shelter Plus Care Grant Total			5,005,612	-
Homeless Coordinated Entry Services	14.267	N/A	41,876	41,876
Direct Programs:				
Emergency Solutions Grant Program	14.231	E-18-MC-06-0008	28,877	-
Home Investment in Affordable Housing	14.239	M18-MC060202	108,897	28,115
Total U.S. Department of Housing and Urban Development			7,935,863	1,028,126
U.S. Department of Transportation:				
Highway Planning and Construction Cluster				
Pass-through the State Department of Transportation:				
ATP SR25 Cycle 1 LeConte Elementary School	20.205	04-5057F15-F030-ISTEA	371,477	-
goBerkeley Residential Shared Parking Pilot	20.205	04-5057F15-F031-ISTEA	21,597	-
Gilman Street and Union Pacific Railroad	20.205	75LX291	11,164	-
Pass-through Association of Bay Area Governments and MTC:				
Adeline Corridor Specific Plan	20.205	N/A	260,441	-
Shattuck Reconfiguration	20.205	04-5057F15-F033-ISTEA	626,302	-
Highway Planning and Construction Cluster Total			1,290,981	-
Highway Safety Cluster				
Pass-Through the State of California - Office of Traffic Safety:				
Selective Traffic Enforcement Program	20.600	PT18010	44,994	-
Selective Traffic Enforcement Program	20.600	PT19011	95,082	-
Highway Safety Cluster Total			140,076	-
Total U.S. Department of Transportation			1,431,057	-

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, 2019

Grantor Agency and Grant Title	Federal Catalog Number	State/Other Pass-through Number	FY 2019 Program Expenditures	Subrecipient Payments
U.S. Department of Health and Human Services:				
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	111,057	-
Special Programs for the Aging - Title III, Part B - Senior Center Activities	93.044	900161	20,589	-
		Aging Grant Cluster Total	131,646	-
Pass-Through the California Department of Health and Human Services:				
U.S.FDA-Local Retail Food Safety	93.103	5U18FD004690-05	108,533	-
Medicaid Cluster				
Pass-Through State Department of Health Services:				
Ground Emergency Medical Transportation Services Reimbursement Program	93.778	N/A	450,000	-
Medi-Cal Targeted Case Management-MAA	93.778	16-93078	180,000	-
Medi-Cal Administrative Activities (MAA)	93.778	16-93078	50,000	-
		Medicaid Cluster Total	680,000	-
Pass-Through State Department of Health Services:				
Child Health and Disability Prevention	93.994	N/A	108,660	-
Medi-Cal Early and Periodic Screening, Diagnosis, and Treatment	93.994	N/A	44,260	-
Maternal and Child Health Services Block Grant	93.994	201859	290,746	-
		CFDA 93.994 Total	443,666	-
Pass-Through State Department of Health Services:				
Public Health Emergency Preparedness: CDC Base Allocation	93.074	17-10145	247,153	-
Emergency Preparedness-Cities Readiness Initiative (CRI)	93.074	14-10493	20,528	-
		CFDA 93.074 Total	267,681	-
477 Cluster				
Pass-Through State Department of Community Services and Development:				
Community Services Block Grant	93.569	18F-5001	164,314	80,000
Community Services Block Grant	93.569	19F-4001	92,969	-
Community Services Block Grant	93.569	19F-4404	35,000	-
		Subtotal 477 Cluster	292,283	80,000
Pass-Through Essential Access Health:				
Family Planning Services	93.217	412-5320-71209-19-20	143,220	10,827
Pass- Through County of Alameda Area Agency on Aging:				
Special Programs for the Aging - Title III, Part E - Family Caregiver	93.052	900161	38,622	-
Pass-Through State Department of Health Services:				
Tuberculosis - Real Time Allotment	93.116	1865R TA01	51,155	-
Childhood Immunization Grants	93.268	17-100331	37,687	-
Nutrition Education	93.945	16-10164, A01	241,753	-
			2,436,246	90,827
Total U.S. Department of Health and Human Services				
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	491,703	-
			491,703	-
Total U.S. Department of Homeland Security-FEMA				
			\$ 13,544,332	\$ 1,118,953
Total Federal Expenditures			\$ 13,544,332	\$ 1,118,953

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, 2019

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 - CFDA 11.307

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

Balance of RLF principal outstanding on loans at the end of the recipient's fiscal year	\$ 600,618
Cash and investment balance in the RLF at the end of the recipient's fiscal year	358,016
Administrative expenses paid out of RLF income during the recipient's fiscal year	7,256
Amount due to the City of Berkeley Pooled Cash at the end of the recipient's fiscal year	(170,878)
	<u>795,012</u>
The Federal share of the RLF.	<u>100%</u>
Federal expenditures for FY2018-19	<u>\$ 795,012</u>

City of Berkeley
Single Audit Report
Schedule of Findings and Questioned Costs
For the year ended June 30, 2019

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? Yes

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? None noted

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): No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster	Expenditures
14.238	Shelter Plus Care Program	\$ 5,005,612
97.039	Hazard Mitigation Grant	491,703
	Total Expenditures of All Major Federal Programs	\$ 5,497,315
	Total Expenditures of Federal Awards	\$ 13,544,332
	Percentage of Total Expenditures of Federal Awards	40.6%

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

Auditee qualified as low-risk auditee under section 200.520? No

City of Berkeley
Single Audit Report
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2019

Section II –Current Year Findings

A. Current Year Findings - Financial Statement Audit

2019-001 Financial Closing and Financial Statement Preparation (Significant Deficiency)

Criteria:

The City is responsible for fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. In addition, an effective internal control system over financial closing and reporting provides reasonable assurance for the safeguarding of assets, the reliability of financial information, and compliance with laws and regulations.

Condition:

The City recorded a large number of adjusting entries after the closing process was complete and the audit fieldwork has concluded. Although, the City notified us ahead of time that it was expecting a few additional adjustments, the number of adjusting entries provided far exceeded our expectations, and required a reexamination of audit evidence obtained during fieldwork, because certain account balances had changed. The adjusting entries provided included allocations, year-end accruals, and transfers. The adjustments were all identified by the City, however were not identified or recorded timely as part of the year end closing process.

Initial drafts of the basic financial statements generated and provided for our review contained errors that should have been identified and corrected by the City's internal review process.

Cause:

The City implemented a new financial system and financial statement preparation module during the year. The City's closing processes did not identify or record timely all the journal entries and adjustments needed to ensure the accuracy of the various account balances. The City's internal financial statement review process did not identify errors in compiled drafts provided for our review.

Context and Effect:

The City's trial balance provided initially for the audit did not include all necessary adjustments needed to prepare the financial statements. Initial drafts of the basic financial statements contained misstatements.

City of Berkeley
Single Audit Report
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2019

Section II –Current Year Findings

A. Current Year Findings – Financial Statement Audit, Continued

2019-001 Financial Closing and Financial Statement Preparation (Significant Deficiency), Continued

Recommendation:

We recommend that the City enhance its closing procedures and closing checklists for timely review and analysis of all accounts, to be performed as part of the year end close prior to the start of the audit.

We recommend that the City enhance its review processes over drafts of the basic financial statements to verify generated financial statements, notes, required supplementary information, other supplementary information, and other related components do not contain any errors. We also recommend updating policies and procedures over the generation, review, authorization, and distribution of the draft of City prepared financial reports, and tracking of versions.

Management Response:

We strongly disagree that there was a *significant deficiency* in the City’s internal control over compliance. We firmly believe all of the conditions identified by the Auditor (i.e., increase in adjusting journal entries; delay in recording; delay in closing the year-end accounting periods; and errors in the initial draft of basic financial statements) resulted solely from the City’s implementation of two new software systems. The first was the new financial management system software (ERP) which implementation included a totally different accounting chart of accounts and different processes. The second was the implementation of a new CAFR preparation software during FY 2019. Both of these software programs required a significant increase in the number of adjusting journal entries from prior years and, in the case of the new CAFR preparation software (Gravity) required that certain adjusting entries be made while City staff were finalizing the CAFR. For instance; an adjusting journal entry had to be made to actually record the total current portion of long-term liabilities versus the total long-term liabilities. If this adjusting journal entry was not made, the required presentation would not show up on the Statement of Net Position generated by the new software (Gravity).

The definition of *significant deficiency* outlined above refers to structural weaknesses or problems in internal controls that require corrective action be taken. If correction actions are not taken the deficiencies would continue to exist. There are no corrective actions to be taken because the City will not be duplicating the implementations of these two software programs in the future.

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

No findings and questioned costs in the current year.

City of Berkeley
Single Audit Report
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2019

Section III- Prior Year Findings

A. Prior Year Findings - Financial Statement Audit

No financial statement findings in the prior year.

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

2018-001 Verification of Debarment or suspension for Covered Contracts (Significant deficiencies)

Program:

Highway Planning and Construction Program (CFDA Number 20.205, U.S Department of Transportation, Pass through the State of California Department of Transportation, No. 75LX291).

Criteria:

Per 2 CFR Section 180.300 when a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity.

Condition:

During the performance of the audit, the City could not provide documentation to demonstrate that verification had been performed for a covered contract entered into.

Cause:

For covered transactions funded with Highway Planning and Construction Program funds, the City did not maintain documentation of the verification procedures performed, and did not include a condition for debarment or suspension in the agreement between the entity and the City.

Context and Effect:

The City would not be able to show that a debarment or suspension verification had been performed at the time the City entered into an agreement with the entity.

Questioned Costs:

No questioned costs were noted.

Recommendation:

We recommend that the City print out such verifications and file a copy of the verification in the vendor's contract file when covered contracts are entered into and for any subsequent verification, collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity.

City of Berkeley
Single Audit Report
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2019

Section III- Prior Year Findings, Continued

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

2018-001 Verification of Debarment or suspension for Covered Contracts, Continued

View of Responsible Officials and Planned Corrective Action:

The City acknowledges the findings of the auditor and the need to prevent similar occurrences in the future. Existing City policy and contracting procedures include a contract execution checklist specifying documentation of compliance with federal suspension/debarment requirements. While that policy is routinely followed for contracts with federal funding, that documentation was not included in one instance where at the time of contract execution, an on-call contract was not explicitly anticipated for use with federally funded projects. The City has since confirmed that the on-call contractor does comply with the federal suspension/debarment requirements. However, in order to ensure that future projects continue to include the necessary documentation at the time of execution, City staff has been instructed to follow existing procedures for any contract that may be used for federally funded work or to execute a new contract following these procedures when necessary. This includes verifying by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration. The City will include a copy of the verification in the vendor contract file. Written reminders of this policy will be provided to existing and new staff.

Status:

Implemented

SUPPLEMENTAL SCHEDULES

This page intentionally left blank.

CITY OF BERKELEY
COMMUNITY ACTION AGENCY
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES
CFDA 93.569
CSBG CONTRACT 18F-5001 for CY 2018
FOR THE PERIOD January 1, 2018 THROUGH June 30, 2018
Grant Award Thru December 31, 2018

	January 1, 2018 through June 30, 2018	July 1, 2018 through December 31, 2018	Total Audited Cost	Total Reported Expenses Contract -To-Date	Total Budget
REVENUE					
Grant Revenue	\$ 109,862	\$ 160,073	\$ 269,935	\$ -	\$ 269,935
Accrued Revenue	-	-	-	-	-
Total Revenue	109,862	160,073	269,935	-	269,935
EXPENDITURES					
Personnel Costs					
Salaries & Wages	40,830	25,751	66,581	66,581	61,043
Fringe Benefits	24,792	11,751	36,543	36,543	41,145
Other Expense	-	94	94	94	1,030
Sub-total Personnel Costs	65,621	37,597	103,218	103,218	103,218
Non-personnel Costs					
Subcontractors	40,000	120,000	160,000	160,000	160,000
Other Cost	-	6,717	6,717	6,717	6,717
Sub-total Non-personnel Costs	40,000	126,717	166,717	166,717	166,717
Total Costs	105,621	164,314	269,935	269,935	\$ 269,935
Revenue over (under) costs	\$ 4,241	\$ (4,241)	\$ (0)	\$ (269,935)	

CITY OF BERKELEY
COMMUNITY ACTION AGENCY
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES
CFDA 93.569
CSBG CONTRACT 19F-4001 for CY 2019
FOR THE PERIOD January 1, 2019 THROUGH June 30, 2019
Grant Award Thru December 31, 2019

	January 1, 2019 through June 30, 2019	July 1, 2019 through December 31, 2019	Total Audited Cost	Total Reported Expenses Contract -To-Date	Total Budget
REVENUE					
Grant Revenue	\$ 92,969	\$ -	\$ 92,969	\$ -	\$ 269,935
Accrued Revenue	-	-	-	-	-
Total Revenue	92,969	-	92,969	-	269,935
EXPENDITURES					
Personnel Costs					
Salaries & Wages	31,997	-	31,997	31,997	61,043
Fringe Benefits	21,173	-	21,173	21,173	41,145
Other Expense	-	-	-	-	1,030
Sub-total Personnel Costs	53,170	-	53,170	53,170	103,218
Non-personnel Costs					
Subcontractors	39,799	-	39,799	39,799	160,000
Other Cost	-	-	-	-	6,717
Sub-total Non-personnel Costs	39,799	-	39,799	39,799	166,717
Total Costs	92,969	-	92,969	92,969	\$ 269,935
Revenue over (under) costs	\$ 0	\$ -	\$ 0	\$ (92,969)	

CITY OF BERKELEY
COMMUNITY ACTION AGENCY
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES
CFDA 93.569
CSBG CONTRACT 19F-4404 for CY 2019
FOR THE PERIOD January 1, 2019 THROUGH May 30, 2019
Grant Award Thru May 30, 2019

	January 1, 2019 through June 30, 2019	July 1, 2019 through December 31, 2019	Total Audited Cost	Total Reported Expenses Contract -To-Date	Total Budget
REVENUE					
Grant Revenue	\$ 35,000	\$ -	\$ 35,000	\$ -	\$ 35,000
Accrued Revenue	-	-	-	-	-
Total Revenue	35,000	-	35,000	-	35,000
EXPENDITURES					
Personnel Costs					
Salaries & Wages	-	-	-	-	-
Fringe Benefits	-	-	-	-	-
Other Expense	-	-	-	-	-
Sub-total Personnel Costs	-	-	-	-	-
Non-personnel Costs					
Professional Services	35,000	-	35,000	35,000	35,000
Sub-total Non-personnel Costs	35,000	-	35,000	35,000	35,000
Total Costs	35,000	-	35,000	35,000	\$ 35,000
Revenue over (under) costs	\$ -	\$ -	\$ -	\$ (35,000)	

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

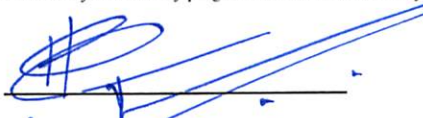
Contractor Name: City of Berkeley
 Supervising Department: BHSVC Audit Review Coordinator: _____
 Type of Audit Required: Financial Audit Report

If additional sheets included, please check box

Audit Period Ended: 6/30/2019

List of County Programs						During Audit Period (7/1/18 - 6/30/19)	
Program Name	CFDA#	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	900161-17529	7/1/2018 - 6/30/2019	\$ 46,380	\$ 41,776	\$ 27,435
Home Delivered Meal Program	93.045	SSA-Adult, Aging & Medic-Cal Services	900161-17533	7/1/2018 - 6/30/2019	\$ 47,525	\$ 46,734	\$ 34,291
Information & Assistance Services	93.045	SSA-Adult, Aging & Medic-Cal Services	900161-17530	7/1/2018 - 6/30/2019	\$ 63,501	\$ 50,901	\$ 44,245
Family Caregiver Support Program	93.052	SSA-Adult, Aging & Medic-Cal Services	900161-17532	7/1/2018 - 6/30/2019	\$ 47,157	\$ 42,081	\$ 29,627
Senior Center Activities	93.044	SSA-Adult, Aging & Medic-Cal Services	900161-17527	7/1/2018 - 6/30/2019	\$ 29,272	\$ 29,272	\$ 23,603
Transition to Independence Program (TIP)	N/A	Behavioral Health Care Services BHSVC	900161-15186	7/1/2017 - 9/30/2018	\$ 756,214	\$ 84,930	\$ 39,707
MSA Public Health Infrastructure	N/A	Public Health Department PHSVC	900161-17057	7/1/2018 - 6/30/2019	\$ 32,080	\$ 32,189	\$ -
School Based Health Center	N/A	Health Care Services Agency	900161-17080	7/1/2018 - 6/30/2019	\$ 178,778	\$ 178,778	\$ 105,884
Measure A-School Based Health Services	N/A	Public Health Department PHSVC	900161-17061	7/1/2018 - 6/30/2019	\$ 193,715	\$ 193,715	\$ -
Tobacco Prevention Program	N/A	Public Health Department PHSVC	900161-17133	7/1/2018 - 6/30/2019	\$ 826	\$ 70,996	\$ 43,667
Services to Enhance Early Development (SEED) aka Foster Care Contract	N/A	SSA-Children & Family Services	900161-17202	7/1/2018 - 6/30/2019	\$ 93,187	\$ -	\$ -
Homeless Coordinated Entry Services	14.239	Health Care Services Agency	Procurement Contract # 15429	8/01/2017-6/30/2020	\$ 4,431,337	\$ 1,336,488	\$ 642,344
Total					\$ 5,919,972	\$ 2,107,860	\$ 990,803

I certify that the above County programs were included in the audit specified above. I understand that in accordance with CAM Exhibit D (I)(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:  Date: 3/31/2020
 Contractor's Name (print): HENRY OYEKUNMI Title: Director of finance

For Alameda County Use Only:

Received By: _____ Dept: _____ Date: _____