

City of El Cajon
El Cajon, California

Single Audit Report on Federal Awards

Year Ended June 30, 2022



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

City of El Cajon

Single Audit Report on Federal Awards Table of Contents

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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**

PARTNERS

Terry P. Shea, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)

Independent Auditor's Report

The Honorable City Council
City of El Cajon, 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, each major fund, and the aggregate remaining fund information of City of El Cajon (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, and have issued our report thereon dated March 9, 2023.

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
Xinlu Zoe Zhang, CPA, MSA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA

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.

MEMBERS

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*PCPS The AICPA Alliance
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*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

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 City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
March 9, 2023



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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

PARTNERS

Terry P. Shea, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
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Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)

Independent Auditor's Report

The Honorable City Council
City of El Cajon, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
Xinlu Zoe Zhang, CPA, MSA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA

We have audited the City of El Cajon's (the City) 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 compliance requirements referred to above that could have a direct and material effect on each of the federal programs for the year ended June 30, 2022.

MEMBERS

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*Governmental Audit
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Certified Public Accountants

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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.



To the Honorable City Council
City of El Cajon

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.

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 GAAS, 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 GAAS, *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 instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-004. 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 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.

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 certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-003 to be significant deficiencies.

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 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 City Council
City of El Cajon

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the City as of and for the year ended June 30, 2022, and have issued our report thereon dated March 9, 2023 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 financial statements or to the 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 financial statements as a whole.

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.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
March 27, 2023, except for our report on the Schedule of Expenditures of Federal Awards,
for which the date is March 9, 2023

City of El Cajon

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Program/Project Identification Number	Federal Expenditures	Amount Provided to Subrecipients
U.S. Department of Housing and Urban Development				
<i>Direct Assistance:</i>				
CDBG-Entitlement Grants Cluster:				
2017 Community Development Block Grant	14.218	B-17-MC-06-0541	\$ 47,033	\$ -
2018 Community Development Block Grant	14.218	B-18-MC-06-0541	15,752	-
2020 Community Development Block Grant	14.218	B-20-MC-06-0541	433,468	25,012
2021 Community Development Block Grant	14.218	B-21-MC-06-0541	462,653	172,859
COVID-19 - 2020 Community Development Block Grant	14.218	B-20-MW-06-0541	461,818	461,818
Total Assistance Listing 14.218 / Cluster			<u>1,420,724</u>	<u>659,689</u>
2019 HOME Investment Partnership Grant	14.239	M-19-MC-06-0508	15,347	-
2021 HOME Investment Partnership Grant	14.239	M-21-MC-06-0508	60,405	-
Total Assistance Listing 14.239			<u>75,752</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>1,496,476</u>	<u>659,689</u>
U.S. Department of Justice				
<i>Direct Assistance:</i>				
Asset Forfeiture	16.922	CA037050	42,410	-
Total Assistance Listing 16.922			<u>42,410</u>	<u>-</u>
<i>Passed through the County of San Diego:</i>				
Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0413	7,752	-
Total Assistance Listing 16.034			<u>7,752</u>	<u>-</u>
<i>Passed through the California Governor's Office of Emergency Services:</i>				
Paul Coverdell Forensic Sciences Improvement Grant	16.742	073-21712-04-CQ20046511	51,186	-
Total Assistance Listing 16.742			<u>51,186</u>	<u>-</u>
Total U.S. Department of Justice			<u>101,348</u>	<u>-</u>
U.S. Department of Transportation				
<i>Passed through the State of California Department of Transportation:</i>				
Highway Planning and Construction Cluster:				
Highway Safety Improvement Program	20.205	HSIPL-5211 (040)	12,624	-
Total Assistance Listing 20.205 / Cluster			<u>12,624</u>	<u>-</u>

City of El Cajon

**Schedule of Expenditures of Federal Awards (continued)
Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Program/Project Identification Number	Federal Expenditures	Amount Provided to Subrecipients
<i>Passed through the State of California Office of Traffic Safety:</i>				
Highway Safety Cluster:				
Selective Traffic Enforcement Program (non-alcohol) 2021	20.600	OTS-55-PT21183	\$ 8,091	\$ -
Selective Traffic Enforcement Program (non-alcohol) 2021	20.600	OTS-55-PT22020	22,312	-
Total Assistance Listing 20.600 / Cluster			<u>30,403</u>	<u>-</u>
<i>Passed through the State of California Office of Traffic Safety:</i>				
Highway Safety Cluster:				
Selective Traffic Enforcement Program 2021	20.608	OTS-55-PT21183	8,002	-
Selective Traffic Enforcement Program 2022	20.608	OTS-55-PT22020	9,476	-
Total Assistance Listing 20.608			<u>17,478</u>	<u>-</u>
Total U.S. Department of Transportation			<u>60,505</u>	<u>-</u>
U.S. Department of the Treasury				
Direct Assistance:				
Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027	SLFRP0402	4,362,079	186,430
Total Assistance Listing 21.027			<u>4,362,079</u>	<u>186,430</u>
Total U.S. Department of the Treasury			<u>4,362,079</u>	<u>186,430</u>
U.S. Department of Homeland Security				
<i>Passed through the State of California Office of Emergency Services, then</i>				
<i>Passed through the County of San Diego Office of Emergency Services:</i>				
2018 Operation Stonegarden Grant	97.067	OES-073-91015	23,583	-
2019 Operation Stonegarden Grant	97.067	OES-073-91015	28,169	-
2020 Operation Stonegarden Grant	97.067	OES-073-91015	24,615	-
<i>Passed through the City of San Diego Department of Homeland Security:</i>				
2019 Urban Area Security Initiative Grant	97.067	OES-073-66000	355,707	-
2020 Urban Area Security Initiative Grant	97.067	OES-073-66000	3,182	-
Total Assistance Listing 97.067			<u>435,256</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>435,256</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 6,455,664</u>	<u>\$ 846,119</u>

**Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

(1) Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

(a) *Scope of Presentation*

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal activity of the City of El Cajon under programs of the federal government for the year ended June 30, 2022. The information on this Schedule is prepared 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). 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, changes in net position and changes in cash flows, where applicable, of the City.

(b) *Basis of Accounting*

The expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles of in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected to use the 10-percent de-minimis indirect cost rate as allowed under the Uniform Guidance.

(c) *Subrecipients*

The City passes certain federal awards received from the U.S. Department of Housing and Urban Development. As a subrecipient, the Government has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

SECTION I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	_____ X _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ X _____	None Reported
Noncompliance material to financial statements noted?	_____	Yes	_____ X _____	No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	_____	Yes	_____ X _____	No
Significant deficiency(ies) identified?	_____ X _____	Yes	_____	None Reported

Type of auditor's report issued on compliance for major federal programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	_____ X _____	Yes	_____	No
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Identification of major federal programs:

<u>CFDA Number</u> 21.027	<u>Name of Federal Program</u> Coronavirus State and Local Fiscal Recovery Funds (ARPA)
------------------------------	--

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

Auditee qualified as low-risk auditee?	_____ X _____	Yes	_____	No
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**Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2022**

SECTION II. FINANCIAL STATEMENT FINDINGS

No matters to be reported.

**Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2022**

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**2022-001 – Subaward Reporting Requirements for Federal Funding Accountability and Transparency Act (FFATA)
*Significant Deficiency***

Federal Program

Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)
Assistance Listing Number 21.027

Criteria

The requirements of 2 CFR Part 170 Appendix A state that direct recipients of grants or cooperative agreements are required to report first-tier subawards of \$50,000 or more to the Federal Funding Accountability and Transparency Act (FFATA) Subaward Report System (FSRS) by the end of the month following the month in which the direct recipient awards such subawards. Part 3 of the compliance supplement requires this reporting at the \$30,000 threshold, however, CSLFRF-specific guidance provided a higher threshold of \$50,000.

Condition

During the audit, we noted reporting of subaward information to FSRS was not performed.

Cause

The City did not have controls in place to ensure FSRS reporting was completed in the required timeframe.

Effect

The City could jeopardize future grant funding due to program noncompliance.

Questioned Costs

None.

Identification as a Repeat Finding

This is not a repeat finding.

Recommendation

We recommend the City implement a tracking system to remind staff of the various reports due and respective deadlines.

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2022

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

2022-001 – Subaward Reporting Requirements for Federal Funding Accountability and Transparency Act (FFATA) (continued)
Significant Deficiency

Management's Response

See Corrective Action Plan.

2022-002 – Subaward Reporting Requirements for Federal Funding Accountability and Transparency Act (FFATA)
Noncompliance

Federal Program

Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)
Assistance Listing Number 21.027

Criteria

The requirements of 2 CFR Part 170 Appendix A state that direct recipients of grants or cooperative agreements are required to report first-tier subawards of \$50,000 or more to the Federal Funding Accountability and Transparency Act (FFATA) Subaward Report System (FSRS) by the end of the month following the month in which the direct recipient awards such subawards. Part 3 of the compliance supplement requires this reporting at the \$30,000 threshold, however, CSLFRF-specific guidance provided a higher threshold of \$50,000.

Condition

During the audit, we identified one subgrant greater than \$50,000 which was awarded in the fiscal year 2021-22. It was noted that FFATA subaward reporting was not submitted. The dollar amount of this subaward was \$118,810.

Cause

The City did not have controls in place to ensure FSRS reporting was completed in the required timeframe.

Effect

The City could jeopardize future grant funding due to program noncompliance.

Questioned Costs

None.

**Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2022**

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

**2022-002 – Subaward Reporting Requirements for Federal Funding Accountability and Transparency Act (FFATA) (continued)
Noncompliance**

Identification as a Repeat Finding

This is a repeat finding. Reported as Finding 2021-002.

Recommendation

We recommend the City implement a tracking system to remind staff of the various reports due and respective deadlines.

Management's Response

See Corrective Action Plan.

**2022-003 – Subrecipient Agreements
Significant Deficiency**

Federal Program

Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)
Assistance Listing Number 21.027

Criteria

The requirements of 2 CFR Part 200.332 state the various requirements of subrecipient agreements, which include the assistance listing number of the grant funding being passed through, and indication that the subrecipient would be subject to single audit requirements as set forth in 2 CFR Part 200, Subpart F (Uniform Guidance).

Condition

During the audit, we noted the agreement with subrecipients did not include the items noted in criteria above.

Cause

The City did not have controls in place to ensure required information was included in the subrecipient agreement.

Effect

The City could jeopardize future grant funding due to program noncompliance.

**Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2022**

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

**2022-003 – Subrecipient Agreements (continued)
Significant Deficiency**

Questioned Costs

None.

Identification as a Repeat Finding

This is not a repeat finding.

Recommendation

We recommend the City review 2 CFR Part 200 to ensure information required in subrecipient agreements is properly included.

Management's Response

See Corrective Action Plan.

**2022-004 – Subrecipient Agreements
Noncompliance**

Federal Program

Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)
Assistance Listing Number 21.027

Criteria

The requirements of 2 CFR Part 200.332 state the various requirements of subrecipient agreements, which include the assistance listing number of the grant funding being passed through, and indication that the subrecipient would be subject to single audit requirements as set forth in 2 CFR Part 200, Subpart F (Uniform Guidance).

Condition

During the audit, we noted the agreement with subrecipients did not include the items noted in criteria above.

Cause

The City did not have controls in place to ensure required information was included in the subrecipient agreement.

**Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2022**

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

**2022-004 – Subrecipient Agreements (continued)
Noncompliance**

Effect

The City could jeopardize future grant funding due to program noncompliance.

Questioned Costs

None.

Identification as a Repeat Finding

This is not a repeat finding.

Recommendation

We recommend the City review 2 CFR Part 200 to ensure information required in subrecipient agreements is properly included.

Management's Response

See Corrective Action Plan.

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2022**

CURRENT STATUS OF PRIOR YEAR FINDINGS:

**2021-001 – SF-425, Federal Financial Report
*Noncompliance***

Implemented

**2021-002 – Subaward Reporting Requirements for Federal Funding Accountability and
Transparency Act (FFATA)
*Noncompliance***

Not implemented. Reported as Finding 2022-002.



CITY MANAGER

CORRECTIVE ACTION PLAN

March 24, 2023

U.S. DEPARTMENT OF THE TREASURY

The City of El Cajon respectfully submits the following corrective action plan for the year ended June 30, 2022.

Name and address of independent public accounting firm:

Rogers, Anderson, Malody & Scott, LLP
735 E. Carnegie Dr., Suite 100
San Bernardino, CA 92408

Audit Period: Year ended June 30, 2022

FINDINGS – SINGLE AUDIT REPORT ON FEDERAL AWARDS

2022-004 – Sub-recipient Agreements: *Non-Compliance*

Auditor Recommendation: Recommend that the City review 2 CFR Part 200 to ensure information required in sub-recipient agreements is properly included.

Management's Response: Agree with the finding.

Corrective Action Taken: The City will review 2 CFR Part 200 to ensure the assistance listing number of the grant funding being passed through, and the indication that the sub-recipient would be subject to single audit requirements set forth in 2 CFR Part 200, Sub-part F (Uniform Guidance). This Corrective Action will be completed no later than the subsequent quarterly report due date of April 30, 2023.

If you have any questions concerning this plan, please contact Ryan Villegas, Management Analyst, at (619) 441-6211.

Sincerely,

Graham Mitchell
City Manager

Clay Schoen
Director of Finance



CITY MANAGER

CORRECTIVE ACTION PLAN

March 24, 2023

U.S. DEPARTMENT OF THE TREASURY

The City of El Cajon respectfully submits the following corrective action plan for the year ended June 30, 2022.

Name and address of independent public accounting firm:

Rogers, Anderson, Malody & Scott, LLP
735 E. Carnegie Dr., Suite 100
San Bernardino, CA 92408

Audit Period: Year ended June 30, 2022

FINDINGS – SINGLE AUDIT REPORT ON FEDERAL AWARDS

2022-003 – Sub-recipient Agreements: *Significant Deficiency*

Auditor Recommendation: Recommend that the City review 2 CFR Part 200 to ensure information required in sub-recipient agreements is properly included.

Management's Response: Agree with the finding.

Corrective Action Taken: The City will review 2 CFR Part 200 to ensure the assistance listing number of the grant funding being passed through, and the indication that the sub-recipient would be subject to single audit requirements set forth in 2 CFR Part 200, Sub-part F (Uniform Guidance). This Corrective Action will be completed no later than the subsequent quarterly report due date of April 30, 2023.

If you have any questions concerning this plan, please contact Ryan Villegas, Management Analyst, at (619) 441-6211.

Sincerely,

Graham Mitchell
City Manager

Clay Schoen
Director of Finance



CITY MANAGER

CORRECTIVE ACTION PLAN

March 24, 2023

U.S. DEPARTMENT OF THE TREASURY

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Rogers, Anderson, Malody & Scott, LLP
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Audit Period: Year ended June 30, 2022

FINDINGS – SINGLE AUDIT REPORT ON FEDERAL AWARDS

2022-002 – Sub-award Reporting Requirements for Federal Funding Accountability and Transparency Act (FFATA): Noncompliance

Auditor Recommendation: Recommend the City implement a tracking system to remind staff of the various reports due and respective deadlines

Management's Response: Agree with the finding.

Corrective Action Taken: Upon the next reporting cycle under ARPA, the City will collect the necessary information to satisfy the FFATA for the sub-award recipient above the \$50,000 threshold. Further, the City will be diligent in that any future sub-award recipients who meet the criteria will be reported according to these FFATA reporting requirements. This Corrective Action will be completed no later than the subsequent quarterly report due date of April 30, 2023.

If you have any questions concerning this plan, please contact Ryan Villegas, Management Analyst, at (619) 441-6211.

Sincerely,

Graham Mitchell
City Manager

Clay Schoen
Director of Finance



CITY MANAGER

CORRECTIVE ACTION PLAN

March 24, 2023

U.S. DEPARTMENT OF THE TREASURY

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Audit Period: Year ended June 30, 2022

FINDINGS – SINGLE AUDIT REPORT ON FEDERAL AWARDS

2022-001 – Sub-award Reporting Requirements for Federal Funding Accountability and Transparency Act (FFATA): *Significant Deficiency*

Auditor Recommendation: Recommend the City implement a tracking system to remind staff of the various reports due and respective deadlines

Management's Response: Agree with the finding.

Corrective Action Taken: Upon the next reporting cycle under ARPA, the City will collect the necessary information to satisfy the FFATA for sub-award recipients. Further, the City will be diligent in that any future sub-award recipients who meet the criteria will be reported according to these FFATA reporting requirements. This Corrective Action will be completed no later than the subsequent quarterly report due date of April 30, 2023.

If you have any questions concerning this plan, please contact Ryan Villegas, Management Analyst, at (619) 441-6211.

Sincerely,

Graham Mitchell
City Manager

Clay Schoen
Director of Finance