

City of Redwood City

Redwood City, California

Single Audit Reports

For the year ended June 30, 2013

City of Redwood City

Single Audit Reports

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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 Redwood City
Redwood City, 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 Redwood City, California (City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 5, 2013.

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) 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 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 may exist that have not been identified.

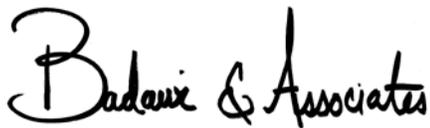
To the Honorable Mayor and Members of City Council
of the City of Redwood City
Redwood City, California
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Compliance and Other Matters

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 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.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi and Associates
Certified Public Accountants
Oakland, California
December 5, 2013



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Redwood (City)'s compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2013. 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.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, City of Redwood 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, 2013.

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 OMB Circular A-133, 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.

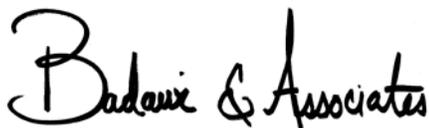
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

To the Honorable Mayor and Members of City Council
of the City of Redwood City
Redwood City, California
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Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Redwood City, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 5, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Badawi and Associates
Certified Public Accountants
Oakland, California
December 5, 2013

City of Redwood City
Single Audit Reports
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2013

Program Name	Grantor/ Through Entity Grant Number	Pass- Through Grant Number	Catalog of Federal Domestic Assistance Number	Program Expenditures
Federal Awards				
U.S. Department of Housing and Urban Development:				
<i>Direct Programs</i>				
CDBG-Entitlement Grants Cluster				
CDBG Entitlement Grant/ Entitlement Grants	B-09-MC-06-0014		14.218	\$ 14,263
CDBG Entitlement Grant/ Entitlement Grants	B-10-MC-06-0014		14.218	111,174
CDBG Entitlement Grant/ Entitlement Grants	B-11-MC-06-0014		14.218	174,709
CDBG Entitlement Grant/ Entitlement Grants	B-12-MC-06-0014		14.218	367,108
CDBG Entitlement Grant/ Entitlement Grants	Program Income		14.253	164,116
Total Community Development Block Grant Cluster				831,370
Home Investment Partnerships Program	M-08-MC-06-0235		14.239	29,209
Home Investment Partnerships Program	M-09-MC-06-0235		14.239	30,142
Home Investment Partnerships Program	M-10-MC-06-0235		14.239	1,890
Home Investment Partnerships Program	M-11-MC-06-0235		14.239	419,901
Home Investment Partnerships Program	M-12-MC-06-0235		14.239	178,008
Home Investment Partnerships Program	Program Income		14.239	365,423
Total Home Investment Partnership Program				1,024,573
Samaritan House/State HPRP-ARRA	09-HPRP6157		14.262	3,831
Total U.S. Department of Housing and Urban Development				1,859,774
U.S. Department of Justice:				
<i>Direct Programs</i>				
Bullet Proof Vest Grant	2003-BUBX-030114961		16.607	1,866
<i>Passed through the County of San Mateo</i>				
<i>JAG Program Cluster</i>				
Edward Byrne Justice Assistance Grant	2012-DJ-BX-0455		16.738	16,773
Total U.S. Department of Justice				18,639
U.S. Department of Education:				
<i>Passed through the Redwood City School District</i>				
21 Century Community Learning Grant	Agreement 201213-139095		84.287	112,945
Total U.S. Department of Education				112,945
Sub Total Federal Expenditures				\$ 1,991,358

See Notes to Schedule of Expenditures of Federal Awards.

City of Redwood City
Single Audit Reports
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2013

Program Name	Grantor/ Pass-Through Entity Grant Number	Catalog of Federal Domestic Assistance Number	Program Expenditures
<u>Total Federal Expenditures from previous page</u>			<u>\$ 1,991,358</u>
U.S. Department of Transportation:			
Highway Safety Cluster:			
<i>Passed through City of Daly City</i>			
Avoid the 23 DUI Campaign	MOU AL1378	20.600	5,638
<i>Passed through State Office of Traffic Safety</i>			
OTS Selective Traffic Enforcement Program (STEP)	20347	20.600	27,097
OTS Selective Traffic Enforcement Program	PT1382	20.600	27,856
OTS Sobriety Checkpoint Grant.(SafeTREC)	SC13340	20.600	18,003
Subtotal Highway Safety Cluster			<u>78,594</u>
Highway Planning and Construction Cluster:			
<i>Passed through the State of California Department of Transportation</i>			
Highway Planning and Construction	CMAQ-2112317	20.205	2,960
Highway Planning and Construction	BPMP-5029(024)	20.205	31,450
Highway Planning and Construction	CML-5029(028)	20.205	120,817
Highway Planning and Construction	CML-5029(029)	20.205	337,000
Subtotal Highway Planning and Construction Cluster			<u>492,227</u>
Total U.S. Department of Transportation			<u>2,562,179</u>
U.S. Department of Agriculture:			
Forest Service Schools and Roads Cluster:			
Bike Path for Multiple Schools in RWC School	SRTSLNI-5029(029)	10.665	47,043
District-Safe Route to School			
Hoover Elementary Safe Route to School	SRTSL-5029(030)	10.665	3,556
Total U.S. Department of Agriculture			<u>50,599</u>
U.S. Department of Energy:			
<i>Direct Programs</i>			
Energy Efficiency Conservation Block Grant- ARRA	DE-SC0002187	81.128	100,000
Total U.S. Department of Energy			<u>100,000</u>
Sub-total federal expenditures			<u>\$ 2,712,778</u>

See Notes to Schedule of Expenditures of Federal Awards.

City of Redwood City
Single Audit Reports
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2013

Program Name	Grantor/ Pass-Through Entity Grant Number	Catalog of Federal Domestic Assistance Number	Program Expenditures
<u>Total Federal Expenditures from previous page</u>			<u>\$ 2,712,778</u>
U.S. Department of Homeland Security:			
<i>Direct Program</i>			
RWC FD Waterside MDA-IED/Fire Boat	2010-PU-T0-K050	97.056	1,021,813
Emergency Food and Shelter National Board Program	086600-018	97.114	<u>9,770</u>
Total U.S. Department of Homeland Security			<u>1,031,583</u>
U.S. Department of Interior:			
Bureau of Reclamation, Residential Water Meter Replacement I	R11AP20115	15.507	34,696
Total U.S. Department of Interior			<u>34,696</u>
Total Federal Expenditures			<u>\$ 3,779,057</u>

See Notes to Schedule of Expenditures of Federal Awards.

City of Redwood City
Single Audit Reports
Notes to Schedule of Expenditures of Federal Awards
For the year ended June 30, 2013

1. REPORTING ENTITY

The financial reporting entity, as defined by GASB Codification, consists of the primary government, the City of Redwood City (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 Council acts as the governing body and is able to impose its will on the following organizations, establishing financial accountability:

- The Redevelopment Agency of the City of Redwood City
- Redwood City Facilities and Infrastructure Authority
- Redwood City Public Financing Authority

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Funds received under the various grant programs have been recorded within the general funds, capital project funds, special revenue funds and enterprise funds of the City. The City utilizes the modified accrual method of accounting for the general, capital project and special revenue funds and the full accrual method of accounting for enterprise funds. The accompanying schedule of expenditures of federal awards (Schedule) has been prepared on the modified accrual basis of accounting.

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 is 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. SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, the City provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA #</u>	<u>Total Amount Paid</u>
Community Development Block Grant/ Entitlement Grants	14.218	\$ 257,324

City of Redwood City
Single Audit Reports
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

A. Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
• Material weakness identified?	No
• Significant deficiencies identified?	None noted
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in Accordance with section 510(a) of OMB Circular A-133	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster	Expenditures
14.218	CDBG Entitlement Grants Cluster	\$ 831,370
20.205	Highway Planning and Construction Cluster	492,227
97.056	RWC FD Waterside MDA-IED/Fire Boat	1,012,813
	Total Expenditures of All Major Federal Programs	2,336,410
	Total Expenditures of Federal Awards	\$ 3,779,057
	Percentage of Total Expenditures of Federal Awards	62%

Dollar threshold used to distinguish between type A and type B program \$300,000

Auditee qualified as low-risk auditee under section 530 of OMB Circular A-133? Yes

City of Redwood City
Single Audit Reports
Schedule of Findings and Questioned Costs, Continued
For the Year Ended June 30, 2013

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

No financial statement findings were noted.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

No findings or questioned costs were noted.

D. PRIOR YEAR FINDINGS AND QUESTIONED COSTS

SA 2012-01 - Procurement, Suspension, and Debarment

Criteria:

In 2 CFR §180.300, when entering a contract equal to or greater than \$25,000, the recipient must verify the party is not suspended or debarred. Verification can be done by check the Excluded Parties List System (EPLS), collection certification from the party, or adding a clause or condition in the agreement.

Condition:

For the WaterSMART grant, the Department was not aware of the compliance requirement to verify if the vendor is federally suspended or debarred for contracts exceeding \$25,000. No procedures were performed to verify the vendor who sold the water meters are federally suspended or debarred.

For the CDBG program, the Department did not maintain documentation that verification was performed for vendors and sub-recipients exceeding \$25,000.

Cause:

The City personnel were not aware of the requirement.

Questioned Costs:

No questioned costs were identified.

Context and Effect:

For the WaterSMART grant, the Public Works Department was not aware of the requirement to verify for suspension and debarment for non-construction agreements. The City should communicate this requirement to all City personnel to prevent this from occurring to future grants and projects.

For the CDBG program, the Community Development Department did not maintain documentation for the verification. The Department was not aware of the requirement. The City should communicate the requirement of maintaining documentation to verify that the City is in compliance.

Recommendation:

We recommend the City update their procurement policies and procedures, to include a process to verify contracts greater than \$25,000 for non-construction contracts.

City of Redwood City
Single Audit Reports
Schedule of Findings and Questioned Costs, Continued
For the Year Ended June 30, 2013

D. PRIOR YEAR FINDINGS AND QUESTIONED COSTS, Continued

Management Response:

The Public Works Division was not aware of the requirement to verify whether Sensus or Golden State Flow Measurement had been suspended or debarred. Since learning of this requirement, the Public Works Division has researched and verified that neither Sensus nor Golden State Flow Measurement is on the excluded parties list system (EPLS) as identified on the System for Award Management website, www.sam.gov.

To correct this problem going forward, the Public Works Division has created a "EPLS-SAM Self-Certification" form that will be required as part of the Public Works purchasing guidelines. Vendors will need to self-certify themselves and Public Works staff will also conduct a second verification on

www.sam.gov after the form is submitted. The Public Works Division has also created a new administrative group that will review all contracts, bid specifications, competitive proposals, grant applications, and other documents for completeness before they go to the Assistant Public Works Director for approval. This new layer of management will ensure that the documents produced by each operating section (Water, Wastewater, Right-of-Way and Fleet) are correct and follow all City guidelines.

The statutory requirement for debarment verification states "it may be met by including a clause or condition in contracts or agreements". The City's CDBG agreements with subrecipients, contractors and vendors include clauses required by Federal statutes and Executive Orders and their implementing regulations which include debarment. This was the method the City CDBG program used to meet the statutory requirement in past practice with subrecipients and vendors. Additionally the City's CDBG program has consistently completed debarment verifications on all prime construction contractors. The City's CDBG program procedure for debarment verification has now been updated to include a requirement to complete and maintain documentation of debarment verifications in all project files for subrecipients, contractors and vendors.

RWC DEBARRMENT VERIFICATION POLICY AND PROCEDURE (rev. 12/13/12) Prior to CDBG contract award equal to or greater than \$25,000, the names and addresses of all tentatively-selected contractors, subrecipients and vendors must be entered into the Excluded Parties List System (EPLS) to verify that they are not a suspended and debarred party. The EPLS includes information regarding entities debarred, suspended, proposed for debarment, excluded or disqualified under the nonprocurement common rule, or otherwise declared ineligible from receiving Federal contracts, certain subcontracts, and certain Federal assistance and benefits. A copy of the debarment verification will be maintained in the project file. Parties that are excluded are found on this website: <https://www.sam.gov/portal/public/SAM/>.

Status:

No exceptions were noted in FY12/13. Public Works Division has created a "EPLS-SAM Self-Certification" form for vendors to self-certify. The City developed and the Council approved a Grant Management Policy for guiding the City's management of grant resources.

City of Redwood City
Single Audit Reports
Schedule of Findings and Questioned Costs, Continued
For the Year Ended June 30, 2013

D. PRIOR YEAR FINDINGS AND QUESTIONED COSTS, Continued

SA 2012-02 – Procurement, Suspension, and Debarment:

Criteria:

As described in 2 CFR §215.47 of OMB Circular A-87, the City is responsible of maintaining a contract with the vendor to ensure all terms, conditions, and specifications of the contract are met.

Condition:

The City purchased water meters for the WaterSMART program with a vendor. There is no agreement, purchase order, or proper approval between the City and the vendor. The City purchased water meters totaling \$203,599 in fiscal year 2012 from Golden State Flow Measurement. This is in violation of the City's Purchasing Policy which requires purchases greater than \$100,000 to be approved by City Council.

Cause:

The City experienced turnover in personnel who oversaw the program. The new staff was unaware of these requirements.

Questioned Costs:

Not applicable.

Context and Effect:

The City purchased water meters without obtaining proper approval and disclosing proper terms and conditions as required by OMB Circular A-87.

Recommendation:

We recommend that the City provide trainings to City staff on the City's policies and procedures. We also recommend that City staff review City Council meeting minutes to verify purchases are properly approved.

Management Response:

In fiscal year 2012, the Public Works Division purchased water meters totaling \$203,599 from Golden State Flow Measurement without a formal agreement. The reason for not creating a formal agreement between the City and Golden State Flow Measurement is unknown as staff who managed the program are no longer employed by the City.

To correct this problem going forward, the Public Works Division plans to conduct a competitive bidding process to review proposals from various vendors and enter a formal agreement with a water meter provider. To make certain that information is shared and individual staff are not the only one managing a project, the Public Works Division has created a new administrative group that will review all contracts, bid specifications, competitive proposals, grant applications, and other documents for completeness before they go to the Assistant Public Works Director for approval. This new layer of management will ensure that the documents produced by each operating section (Water, Wastewater, Right-of-Way and Fleet) are correct, follow all City guidelines, and that project information and responsibility is shared.

City of Redwood City
Single Audit Reports
Schedule of Findings and Questioned Costs, Continued
For the Year Ended June 30, 2013

D. PRIOR YEAR FINDINGS AND QUESTIONED COSTS, Continued

Status:

The Public Works Division formed a new administrative group to review all contracts, bid specifications, competitive proposals, grant applications, and other documents for completeness before they go to the Assistant Public Works Director for approval.

SA2012-03 Schedule of Expenditures of Federal Awards

Criteria:

As described in §___.310(b)(3) of OMB Circular A-133, the schedule of expenditures of federal awards for the period covered by the City's financial statements shall include a list of individual Federal programs by Federal agency, and provide total Federal awards expended for each individual Federal program.

Condition:

The City had incurred expenditures related to the use of program income for the CDBG program. These expenditures related to the use of program income were not reported in fiscal year 2011 Schedule of Expenditures of Federal Awards (SEFA). The City did not include \$99,879 in prior year's schedule.

Cause:

The City was not aware of this requirement.

Questioned Costs:

Not applicable.

Context and Effect:

The Schedule of Expenditure of Federal Awards may be incomplete and the City may not be complying with the requirements under OMB Circular A-133.

Recommendation:

We recommend that the City formalize a written grant reporting process to be communicated to all departments, whereby the department head or other designated personnel maintain a list of all grant awards used/obtained during the fiscal year by that department. Each department should provide this information to the finance department on an annual basis prior to the preparation of the schedule of expenditures of federal awards.

Management Response:

The City of Redwood City has been recording the CDBG grants and program income following the same Federal grants administrative requirement every fiscal year. During prior fiscal years, the City was not aware of the requirement to report expenditures related to the use of program income. Management is now aware of this requirement and will begin to report the program income related expenditures on the Schedule of Expenditures of Federal Award starting in fiscal year 2012.

City of Redwood City
Single Audit Reports
Schedule of Findings and Questioned Costs, Continued
For the Year Ended June 30, 2013

D. PRIOR YEAR FINDINGS AND QUESTIONED COSTS, Continued

A draft grant management policy has been completed and has been reviewed by the City Manager, City Attorney and department heads. The grant management policy is scheduled to be taken to the City Council for approval on January 14, 2013. Additionally, in order to improve the City's accounting for grants, a comprehensive list of all City grants has been completed and circulated to all departments for review and input.

Status:

There were no instances of non-reporting of federal expenditures noted in FY12/13.