



**CITY OF LONG BEACH, CALIFORNIA**

Single Audit Report

Year Ended September 30, 2021

(With Independent Auditors' Report Thereon)

**CITY OF LONG BEACH, CALIFORNIA**

Single Audit Report

Year Ended September 30, 2021

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**Independent Auditors' 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 (Reissued)**

The Honorable Mayor and City Council  
City of Long Beach, California:

**Report on Compliance for Each Major Federal Program**

We have audited the City of Long Beach, California's (the City's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City's financial statements include the operations of the Long Beach Transportation Company, a discretely presented component unit of the City, which expended \$31,442,415 in federal awards which is not included in the City's schedule of expenditures of federal awards for the year ended September 30, 2021. Our audit, described below, did not include the operations of the discretely presented component unit because Long Beach Transportation Company engaged other auditors to perform an audit of compliance.

*Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

*Auditors' 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 September 30, 2021.



### *Other Matters*

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as finding 2021-001. Our opinion on each major federal program is not modified with respect to this matters.

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The City's response and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or the corrective action plan.

### **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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding 2021-002 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding 2021-001 to be a significant deficiency.

The City's responses to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The City's responses and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses or the corrective action plan.



The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 29, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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.

### **Other Matter – Reissuance of Reports**

The report on compliance for each major federal program, the report on internal control over compliance, and the report on the schedule of expenditures of federal awards replace our previously issued reports dated June 24, 2022. As discussed in note 5 to the schedule of expenditures of federal awards, expenditures for the Transportation Infrastructure Finance and Innovation Act (TIFIA) Program (ALN 20.223) were omitted from the schedule of expenditures of federal awards for the year ended September 30, 2021. The schedule of expenditures of federal awards has been restated to include the expenditures of the TIFIA Program. Our report on compliance for each major federal program, our report on internal control over compliance, and the accompanying schedule of findings and questioned costs have been reissued to include the TIFIA Program as a major federal program and finding 2021-002.

**KPMG LLP**

Los Angeles, California

June 24, 2022, except for our opinion on the TIFIA Program (ALN 20.223), finding 2021-002, and our report on the schedule of expenditures of awards, which are as of November 5, 2024.



KPMG LLP  
Suite 1500  
550 South Hope Street  
Los Angeles, CA 90071-2629

**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***

The Honorable Mayor and City Council  
City of Long Beach, 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 unit, each major fund, and the aggregate remaining fund information of the City of Long Beach, California (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 29, 2022. Our report includes a reference to other auditors who audited the financial statements of Long Beach Public Transportation Company (the Company), which is the City's only discretely presented component unit, as described in our report on the City's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the basic 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 basic 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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no



instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

KPMG LLP

Los Angeles, California  
March 29, 2022

**CITY OF LONG BEACH, CALIFORNIA**  
Schedule of Expenditures of Federal Awards (Restated)  
Year Ended September 30, 2021

Federal grantor/pass-through agency/program title	Assistance listing number (ALN)	Federal grantor/pass-through entity identifying number	Federal disbursements/expenditures	Passed through to subrecipients
Department of Agriculture Food and Nutrition Service:				
Passed through the State of California Department of Health Services:				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Non-Cash Value	\$ 11,017,619	—
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	15-10061	4,580,485	—
Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children (10.557)			<u>15,598,104</u>	<u>—</u>
Passed through the State of California Department of Health Services:				
Summer Food Service Program for Children	10.559	19-81908V	203,800	—
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	19-10327	705,875	38,262
Total Department of Agriculture Food and Nutrition Service			<u>16,507,779</u>	<u>38,262</u>
Department of Commerce Economic Development Administration:				
Direct:				
Economic Adjustment Assistance	11.307	07-49-05046	1,256,394	—
COVID-19 Economic Adjustment Assistance	11.307	07-79-07579	300,928	—
Total Economic Adjustment Assistance (11.307)			<u>1,557,322</u>	<u>—</u>
Total Department of Commerce Economic Development Administration			<u>1,557,322</u>	<u>—</u>
Department of Housing and Urban Development:				
Direct:				
Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-06-0522	64,012	—
Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-06-0522	224,022	—
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-06-0522	602,068	—
Community Development Block Grants/Entitlement Grants	14.218	B-20-MW-06-0522	6,782,881	—
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-06-0522	2,891,659	—
Community Development Block Grants/Entitlement Grants	14.218	PROGRAM INCOME	77,928	—
Total Community Development Block Grants/Entitlement Grants Cluster (14.218)			<u>10,642,570</u>	<u>—</u>
Emergency Solutions Grant Program	14.231	E-19-MC-06-0522	70,256	18,500
Emergency Solutions Grant Program	14.231	E-20-MW-06-0522	6,282,168	1,006,100
Emergency Solutions Grant Program	14.231	E-20-MC-06-0522	167,622	167,622
Total Emergency Solutions Grant Program (14.231)			<u>6,520,046</u>	<u>1,192,222</u>
Home Investment Partnerships Program	14.239	M-17-MC-06-0518	72,879,165	—
Home Investment Partnerships Program	14.239	M-18-MC-06-0518	1,543,945	—
Home Investment Partnerships Program	14.239	M-19-MC-06-0518	5,035	—
Home Investment Partnerships Program	14.239	PROGRAM INCOME	2,342,074	—
Total Home Investment Partnerships Program (14.239)			<u>76,770,219</u>	<u>—</u>
Passed through the City of Los Angeles:				
Housing Opportunities for Persons with AIDS	14.241	98256	1,464,585	—
Direct:				
Continuum of Care Program	14.267	CA0000U9D061900	355,858	355,858
Continuum of Care Program	14.267	CA0000U9D061907	6,795,781	4,170,214
Continuum of Care Program	14.267	CA0000U9D062008	1,776,928	1,776,928
Total Continuum of Care Program (14.267)			<u>8,928,567</u>	<u>6,303,000</u>



**CITY OF LONG BEACH, CALIFORNIA**  
Schedule of Expenditures of Federal Awards (Restated)  
Year Ended September 30, 2021

Federal grantor/pass-through agency/program title	Assistance listing number (ALN)	Federal grantor/pass-through entity identifying number	Federal disbursements/expenditures	Passed through to subrecipients
Department of Housing and Urban Development (continued):				
Section 8 Housing Choice Vouchers	14.871	CA068VO	\$ 102,868,539	—
COVID-19 Section 8 Housing Choice Vouchers	14.871	CA068VO	3,212,734	—
Total Section 8 Housing Choice Voucher			<u>106,081,273</u>	—
Family Self-Sufficiency Program	14.896	FSS21CA3966	266,505	—
Family Self-Sufficiency Program	14.896	FSS20CA3285	88,460	—
Total Family Self-Sufficiency Program (14.896)			<u>354,965</u>	—
Lead-Based Paint Hazard Control in Privately Owned Housing	14.900	CALHB0591-19	1,154,373	—
Total Department of Housing and Urban Development			<u>211,916,598</u>	<u>7,495,222</u>
Department of the Interior:				
Direct:				
Water Desalination Research and Development	15.506	R15AC00086	42,460	—
Reclamation States Emergency Drought Relief	15.514	R20AP00109	55,497	—
Total Department of the Interior			<u>97,957</u>	—
Department of Justice:				
Direct:				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1444	208,531	—
Passed through the State of California Office of Emergency Services:				
Services for Trafficking Victims	16.320	2018-VT-BX-0019	154,167	—
Passed through the California State University:				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	2019-R2-CX-0020	115,991	—
Passed through the State of California Office of Emergency Services:				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	CQ19157240	48,705	—
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	CQ20167240	19,489	—
Total Paul Coverdell Forensic Sciences Improvement Grant Program (16.742)			<u>68,194</u>	—
Direct:				
Smart Prosecution Initiative	16.825	2019-YX-BX-0001	4,396	—
Total Department of Justice			<u>551,279</u>	—
Department of Labor:				
Passed through the State of California Employment Development Department:				
WIOA Adult Program	17.258	AA011103	37,592	—
WIOA Adult Program	17.258	AA111013	1,129,671	—
WIOA Adult Program	17.258	AA011103	173,381	—
WIOA Adult Program	17.258	AA111013	89,340	—
			<u>1,429,984</u>	—

**CITY OF LONG BEACH, CALIFORNIA**  
Schedule of Expenditures of Federal Awards (Restated)  
Year Ended September 30, 2021

Federal grantor/pass-through agency/program title	Assistance listing number (ALN)	Federal grantor/pass-through entity identifying number	Federal disbursements/expenditures	Passed through to subrecipients
Department of Labor (continued):				
Passed through the State of California Employment Development Department:				
Passed through the City of Los Angeles:				
WIOA Adult Program	17.258	AA011103	\$ 146,882	—
WIOA Adult Program	17.258	C-134844	(714)	—
WIOA Adult Program	17.258	C-137191	458,429	—
Passed through the State of California Employment Development Department:				
Passed through the City of Los Angeles:				
Passed through Southeast Los Angeles County Workforce Board (SELACO):				
WIOA Adult Program	17.258	N/A	4,741	—
Total WIA/WIOA Adult Program (17.258)			2,039,322	—
WIOA Youth Activities	17.259	C-129810	1,575	—
WIOA Youth Activities	17.259	C-129810	24	—
WIOA Youth Activities	17.259	K8106641	468,300	—
WIOA Youth Activities	17.259	C138844	191,195	—
			661,094	—
Passed through the State of California Employment Development Department:				
WIOA Youth Activities	17.259	AA011013	291,153	84,965
WIOA Youth Activities	17.259	AA111013	89	—
WIOA Youth Activities	17.259	K8106641	1,031,401	29,020
WIOA Youth Activities	17.259	AA211013	96,487	—
			1,419,130	113,985
Total WIA/WIOA Youth Activities (17.259)			2,080,224	113,985
Passed through the State of California Employment Development Department:				
WIOA Dislocated Worker Formula Grants	17.278	AA111013	238,832	—
WIOA Dislocated Worker Formula Grants	17.278	AA211013	19,339	—
WIOA Dislocated Worker Formula Grants	17.278	AA111013	9,788	—
WIOA Dislocated Worker Formula Grants	17.278	AA211013	52	—
WIOA Dislocated Worker Formula Grants	17.278	AA111013	56,691	—
COVID-19 WIOA Dislocated Worker Formula Grants	17.278	AA011013	493,336	—
COVID-19 WIOA Dislocated Worker Formula Grants	17.278	AA011013	162,919	—
WIOA Dislocated Worker Formula Grants	17.278	K9110023	800	—
WIOA Dislocated Worker Formula Grants	17.278	K9110023	(38)	—
WIOA Dislocated Worker Formula Grants	17.278	AA111013	741,655	—
WIOA Dislocated Worker Formula Grants	17.278	AA011013	4,715	—
WIOA Dislocated Worker Formula Grants	17.278	AA011013	75,614	—
WIOA Dislocated Worker Formula Grants	17.278	AA111013	78,868	—
WIOA Dislocated Worker Formula Grants	17.278	AA111013	46,064	—

**CITY OF LONG BEACH, CALIFORNIA**  
Schedule of Expenditures of Federal Awards (Restated)  
Year Ended September 30, 2021

Federal grantor/pass-through agency/program title	Assistance listing number (ALN)	Federal grantor/pass-through entity identifying number	Federal disbursements/expenditures	Passed through to subrecipients
Department of Labor (continued):				
Passed through the City of Los Angeles:				
WIOA Dislocated Worker Formula Grants	17.278	C-137191	\$ 218,558	—
WIOA Dislocated Worker Formula Grants	17.278	C138800	113,181	—
WIOA Dislocated Worker Formula Grants	17.278	C-134844	(25)	—
WIOA Dislocated Worker Formula Grants	17.278	C-137191	8,818	—
WIOA Dislocated Worker Formula Grants	17.278	C-T6719	63,809	—
WIOA Dislocated Worker Formula Grants	17.278	T6847	30,422	—
Total WIOA Dislocated Worker Formula Grants (17.278)			<u>2,363,398</u>	—
Total WIOA Cluster			<u>6,482,944</u>	<u>113,985</u>
Direct:				
H-1B Job Training Grants	17.268	HG-29534-16-60-A-6	1,116,053	43,432
Passed through the State of California Employment Development Department:				
COVID-19 WIOA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	AA011013	516,632	—
Total Department of Labor			<u>8,115,629</u>	<u>157,417</u>
Department of Transportation:				
Direct:				
Airport Improvement Program	20.106	30601270452019	277,080	—
Airport Improvement Program	20.106	30601270462020	5,771,636	—
Airport Improvement Program	20.106	30601270482020	7,414,194	—
Airport Improvement Program	20.106	30601270492020	864,049	—
COVID-19 Airport Improvement Program	20.106	30601270512021	5,437,072	—
COVID-19 Airport Improvement Program	20.106	30601270472020	3,632,389	—
Total Airport Improvement Program (20.106)			<u>23,396,420</u>	—
Passed through the State of California Department of Transportation:				
Highway Planning and Construction	20.205	STPL 5108(175)	866,220	—
Highway Planning and Construction	20.205	HSIPL-5108(190)	43,907	—
Highway Planning and Construction	20.205	HSIPL-5108(188)	2,903	—
Highway Planning and Construction	20.205	HSIPL-5108(178)	33,949	—
Highway Planning and Construction	20.205	STPLR-5108(183)	597,627	—
Highway Planning and Construction	20.205	CMLN-5108 (159)	84	—
Highway Planning and Construction	20.205	STIPL-5108(199)	354,071	—
Highway Planning and Construction	20.205	BHLS-5108(197)	11,414	—
Highway Planning and Construction	20.205	BRLS-5108 (137)	549,561	—
Highway Planning and Construction	20.205	ACNH 7101-807	1,672,643	—
Highway Planning and Construction	20.205	ATPL-5108-182	373,928	—
Highway Planning and Construction	20.205	ATPL-5108-184-Z301	1,915,790	—
Highway Planning and Construction	20.205	5108-189	10,268,015	—
Passed through the Los Angeles Metropolitan Transportation Agency:				
Highway Planning and Construction	20.205	ATPL-5108-184-Z400	1,159,881	—
Total Highway Planning and Construction (20.205)			<u>17,849,993</u>	—
Direct:				
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program	20.223	N/A	500,000,000	—
Total Transportation Infrastructure Finance and Innovation Act (TIFIA) Program			<u>500,000,000</u>	—

**CITY OF LONG BEACH, CALIFORNIA**  
Schedule of Expenditures of Federal Awards (Restated)  
Year Ended September 30, 2021

Federal grantor/pass-through agency/program title	Assistance listing number (ALN)	Federal grantor/pass-through entity identifying number	Federal disbursements/expenditures	Passed through to subrecipients
Department of Transportation (continued):				
Passed through the State of California Department of Transportation:				
State and Community Highway Safety	20.600	0521-0890-101	\$ 133,324	—
State and Community Highway Safety	20.600	DD21005	113,984	—
Total State and Community Highway Safety (20.600)			<u>247,308</u>	<u>—</u>
National Priority Safety Programs	20.616	PS21028	202,073	—
National Priority Safety Programs	20.616	DI21026	132,366	—
Total National Priority Safety Programs (20.616)			<u>334,439</u>	<u>—</u>
Total Highway Safety Cluster			<u>581,747</u>	<u>—</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	0521-0890-101	209,136	—
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	319-40/HMEP19	9,328	—
Total Department of Transportation			<u>542,046,624</u>	<u>—</u>
Department of Treasury:				
Direct:				
Equitable Sharing Program	21.016	N/A	314,771	—
COVID-19 Coronavirus Relief Fund	21.019	137191	134,438	—
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	71,785,227	—
COVID-19 Emergency Rental Assistance Program (ERAP)	21.023	ERAE0209	10,245,998	—
Passed through the State of California:				
COVID-19 Emergency Rental Assistance Program (ERAP)	21.023	20-ERAP-00018	6,179,624	—
Total COVID-19 Emergency Rental Assistance Programs (21.023)			<u>16,425,622</u>	<u>—</u>
Total Department of Treasury			<u>88,660,058</u>	<u>—</u>
Environmental Protection Agency:				
Direct:				
National Clean Diesel Emissions Reduction Program	66.039	99T56001	469,680	469,680
Passed through the State of California Department of Health Services:				
Beach Monitoring and Notification Program Implementation Grants	66.472	SWRCB0000000000D1914103	103,389	—
Total Environmental Protection Agency			<u>573,069</u>	<u>469,680</u>
Department of Health and Human Services:				
Passed through the County of Los Angeles:				
Public Health Emergency Preparedness	93.069	PH-003348	819,832	—
Direct:				
Environmental Public Health and Emergency Response	93.070	NUE1EH001405	90,000	—
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	90ZJ0025	610,872	—
Passed through the State of California Department of Health Services:				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2175BASE00/ 2175FSIE00 NU52PS910219	47,775	—
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2075BASE00/2075FSIE00/2075ADDF00NU52PS910219	117,485	—
Total Project Grants and Cooperative Agreements for Tuberculosis Control Programs (93.116)			<u>165,260</u>	<u>—</u>

**CITY OF LONG BEACH, CALIFORNIA**  
Schedule of Expenditures of Federal Awards (Restated)  
Year Ended September 30, 2021

Federal grantor/pass-through agency/program title	Assistance listing number (ALN)	Federal grantor/pass-through entity identifying number	Federal disbursements/expenditures	Passed through to subrecipients
Department of Health and Human Services (continued):				
Childhood Lead Poisoning Prevention Projects State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	17-10224	\$ 279,348	—
Immunization Cooperative Agreements	93.268	17-10325 A03	1,636,075	—
Passed through the County of Los Angeles:				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	PH-003348	4,878,897	—
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	PH-003348	4,817,353	—
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	PH-003348	49,199	—
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (93.323)			<u>9,745,449</u>	<u>—</u>
Public Health Emergency Response:				
Cooperative Agreement for Emergency Response:				
COVID-19 Public Health Crisis Response	93.354	PH-003448	615,553	—
COVID-19 Public Health Crisis Response	93.354	PH-003448	80,692	—
Total Public Health Crisis Response (93.354)			<u>696,245</u>	<u>—</u>
Direct:				
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	1 NH75OT000004-01-00	201,426	—
Passed through the State of California Department of Health Services:				
Passed through the County of Los Angeles Department of Public Social Services:				
Passed through the City of Los Angeles:				
Temporary Assistance for Needy Families	93.558	C137033	85,164	—
Temporary Assistance for Needy Families	93.558	C139451	29,717	—
Passed through the State of California Department of Health Services:				
Passed through the County of Los Angeles Department of Public Social Services:				
Temporary Assistance for Needy Families	93.558	IA-0214	138,237	—
Temporary Assistance for Needy Families	93.558	IA-0214	50,230	—
Passed through the State of California Department of Health Services:				
Passed through the County of Los Angeles Department of Public Social Services:				
Passed through the City of Hawthorne/South Bay Workforce Investment Board:				
Temporary Assistance for Needy Families	93.558	16-W129	(3,423)	—
Total Temporary Assistance for Needy Families (93.558)			<u>299,925</u>	<u>—</u>
Passed through the State of California Department of Health Services:				
Medical Assistance Program	93.778	61-19Evrgrm	(64,050)	—
Medical Assistance Program	93.778	N/A	96,256	—
Medical Assistance Program	93.778	N/A	163,286	—
Medical Assistance Program	93.778	N/A	69,940	—
Passed through the County of Los Angeles:				
Medical Assistance Program	93.778	PH-002508-16	119,928	—
Medical Assistance Program	93.778	PH-002508-17	42,702	—
Total Medical Assistance Program (93.778)			<u>428,062</u>	<u>—</u>

**CITY OF LONG BEACH, CALIFORNIA**  
Schedule of Expenditures of Federal Awards (Restated)  
Year Ended September 30, 2021

Federal grantor/pass-through agency/program title	Assistance listing number (ALN)	Federal grantor/pass-through entity identifying number	Federal disbursements/expenditures	Passed through to subrecipients
Department of Health and Human Services (continued):				
Passed through the County of Los Angeles:				
HIV Emergency Relief Project Grants	93.914	PH-003753	\$ 77,156	—
HIV Emergency Relief Project Grants	93.914	PH-002900	58,720	—
HIV Emergency Relief Project Grants	93.914	PH-002900	37,137	—
HIV Emergency Relief Project Grants	93.914	PH-003754	474,301	—
Total HIV Emergency Relief Project Grants (93.914)			647,314	—
Passed through the State of California Department of Health Services:				
HIV Care Formula Grants	93.917	18-10872	1,027,465	—
HIV Care Formula Grants	93.917	15-11059	140,442	—
COVID-19 HIV Care Formula Grants	93.917	19-11154	125,835	—
Total HIV Care Formula Grants (93.917)			1,293,742	—
Passed through the State of California Department of Health Services:				
HIV Prevention Activities Health Department Based	93.940	19-10424	270,474	—
HIV Prevention Activities Health Department Based	93.940	PH-003492/NU62PS924569	284,251	—
HIV Prevention Activities Health Department Based	93.940	PH-003082 W1-2	39,112	—
HIV Prevention Activities Health Department Based	93.940	PH-003082 W2	6,104	—
Total HIV Prevention Activities Health Department Based (93.940)			599,941	—
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	20-10720	35,752	—
Passed through the State of California Department of Health Services:				
Maternal and Child Health Services Block Grant to the States	93.994	202060	140,673	—
Maternal and Child Health Services Block Grant to the States	93.994	202060	613,281	—
Maternal and Child Health Services Block Grant to the States	93.994	202160	115,229	—
Maternal and Child Health Services Block Grant to the States	93.994	202160	410,916	—
Maternal and Child Health Services Block Grant to the States	93.994	202016	279,896	—
Total Maternal and Child Health Services Block Grant to the States (93.994)			1,559,995	—
Total Department of Health and Human Services			19,109,238	—
Department of Homeland Security:				
Passed through the State of California – California Office of Emergency Services:				
Passed through the County of Los Angeles:				
Emergency Management Performance Grants	97.042	EMF-2019-EP-00003	78,170	—
Emergency Management Performance Grants	97.042	2020-EP-00019	33,554	—
Total Emergency Management Performance Grants (97.042)			111,724	—
Passed through the State of California – California Office of Emergency Services:				
Disaster Grants – Public Assistance	97.036	037-43000	2,334,096	—
Total Disaster Grants – Public Assistance (Presidentially Declared Disasters) (97.036)			2,334,096	—

**CITY OF LONG BEACH, CALIFORNIA**  
Schedule of Expenditures of Federal Awards (Restated)  
Year Ended September 30, 2021

Federal grantor/pass-through agency/program title	Assistance listing number (ALN)	Federal grantor/pass-through entity identifying number	Federal disbursements/expenditures	Passed through to subrecipients
Department of Homeland Security (continued):				
Direct:				
Port Security Grant Program	97.056	EMW2018PU00587	\$ 170,117	—
Port Security Grant Program	97.056	EMW-2017-PU-00542	620,969	—
Port Security Grant Program	97.056	EMW-2018-PU-00287	554,682	—
Port Security Grant Program	97.056	EMW2016PU00124	138,893	—
Port Security Grant Program	97.056	EMW2017PU00048	375,762	—
Port Security Grant Program	97.056	EMW2018PU00090	552,533	—
Port Security Grant Program	97.056	EMW2019PU00170	1,574,605	—
Port Security Grant Program	97.056	EMW2020PU00043	242,753	—
Total Port Security Grant Program (97.056)			<u>4,230,314</u>	<u>—</u>
Passed through the State of California – California Office of Emergency Services:				
Passed through the City of Los Angeles:				
Homeland Security Grant Program	97.067	EMW-2017-SS-00083	9,417	—
Homeland Security Grant Program	97.067	18LA0183	864,434	—
Homeland Security Grant Program	97.067	EMW-2017-SS-00035	681,695	—
Homeland Security Grant Program	97.067	2020-SS-00032	248,962	—
			<u>1,804,508</u>	<u>—</u>
Passed through the State of California – California Office of Emergency Services:				
Passed through the County of Los Angeles:				
Homeland Security Grant Program	97.067	2018-00054	520,566	—
Homeland Security Grant Program	97.067	EMW-2019-SS-00035	261,034	—
			<u>781,600</u>	<u>—</u>
Total Homeland Security Grant Program (97.067)			<u>2,586,108</u>	<u>—</u>
Total Department of Homeland Security			<u>9,262,242</u>	<u>—</u>
Total Expenditures of Federal Awards			<u>\$ 898,397,795</u>	<u>8,160,581</u>

See accompanying notes to schedule of expenditures of federal awards.

## CITY OF LONG BEACH, CALIFORNIA

Notes to Schedule of Expenditures of Federal Awards (Restated)

September 30, 2021

### (1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal financial assistance programs of the City of Long Beach, California (the City). All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through to the City by other government agencies, has been included in the Schedule. The Schedule did not include federal expenditures of \$31,442,415 for the year ended September 30, 2021 of the Long Beach Transportation Company (the Company), a discretely presented component unit of the City, as the Company engaged other auditors to perform audits in accordance with the Uniform Guidance. The City's reporting entity is defined in note 1 to the City's basic financial statements.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

### (2) Community-based Loan Programs with Continuing Compliance

The City considers loans advanced to eligible participants for the Home Investment Partnerships Program (HOME) to have continuing compliance requirements. As such, the amounts reported in the Schedule for the HOME program include current-year disbursements as well as the balance of the beginning of the year of loans with continuing compliance requirements.

As of September 30, 2021, the balance of loans with continuing compliance requirements for the HOME program was \$77,872,256.

### (3) Food Instruments/Vouchers

Food instruments/vouchers expenditures represent the estimated value of the Special Supplemental Nutrition Program for Women, Infants, and Children food instruments distributed during the year as communicated by the State of California Department of Health Services. The food instruments/vouchers totaled \$11,017,619 but do not represent cash expenditures in the City's basic financial statements for the year ended September 30, 2021.

### (4) Indirect Cost Rate

The City did not elect to use the 10% de minimis indirect cost rate as discussed in the Uniform Guidance Section 200.414.

### (5) Restatement of Schedule of Expenditures of Federal Awards

The City determined that expenditures of \$500,000,000 for the Transportation Infrastructure Finance and Innovation Act (TIFIA) Program (ALN 20.223) were inadvertently omitted from the Schedule. Additionally, the City determined that expenditures of \$2,334,096 for the Disaster Grants – Public Assistance (ALN 97.036) were inadvertently omitted from the Schedule. As a result, total expenditures of \$502,334,096 were added to the Schedule for the year ended September 30, 2021.



**CITY OF LONG BEACH, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Reissued)  
September 30, 2021

**(1) Summary of Auditors' Results**

- (a) Type of report issued on whether the basic financial statements were prepared in accordance with generally accepted accounting principles: **Unmodified opinions on the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information**
- (b) Internal control deficiencies over financial reporting disclosed by the audit of the basic financial statements:
- Material weaknesses: **No**
  - Significant deficiencies: **None Reported**
- (c) Noncompliance material to the basic financial statements: **No**
- (d) Internal control deficiencies over major programs disclosed by the audit:
- Material weaknesses: **Yes**
  - Significant deficiencies: **Yes**
- (e) Type of report issued on compliance for major programs: **Unmodified**
- (f) Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **Yes**
- (g) Major programs:
- WIC Special Supplemental Nutrition Program for Women, Infants, and Children, ALN 10.557
  - Community Development Block Grant/Entitlement Cluster, ALN 14.218
  - Emergency Solutions Grant Program, ALN 14.231
  - Airport Improvement Program and COVID-19 Airport Improvement Program, ALN 20.106
  - Highway Planning and Construction, ALN 20.205
  - COVID-19 Emergency Rental Assistance Program, ALN 21.023
  - COVID-19 Coronavirus State and Local Fiscal Recovery Funds, ALN 21.027
  - Epidemiology and Laboratory Capacity for Infectious Diseases, ALN 93.323
  - Port Security Grant Program, ALN 97.056
  - Transportation Infrastructure Finance and Innovation Act (TIFIA) Program, ALN 20.223

**CITY OF LONG BEACH, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Reissued)  
September 30, 2021

(h) Dollar threshold used to distinguish between Type A and Type B programs: **\$3,000,000**

(i) Auditee qualified as a low-risk auditee: **No**

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards***

None

**(3) Findings and Questioned Costs Relating to Federal Awards**

**Finding 2021-001**

**Federal Program Title** – Airport Improvement Program and COVID-19 Airport Improvement Program

**Assistance Listing No.** – 20.106

**Federal Agency** – U.S. Department of Transportation – Direct Program

**Federal Award Number** – 30601270472020

**Grant Award Periods** – May 7, 2020 to May 6, 2024

**Compliance Requirement** – Reporting

*Criteria:*

As set forth in 2 CFR 200.328, the Federal Financial Report, SF 425, must be collected with the frequency required by the terms and conditions of the federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances.

In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

*Conditions Found:*

The City did not have an effective system of internal control in place to ensure the reports that are required to be submitted to the U.S. Department of Transportation were accurate. We selected a sample of nine reports and determined that one report omitted \$18.4 million in payroll and payroll-related costs of which \$3.6 million are costs incurred during the fiscal year ended September 30, 2021.

*Questioned Costs:*

There are no questioned costs.

*Context:*

The City is required to submit annual federal financial reports related to the Airport Improvement Program that include all disbursements for direct charges for property and services; the amount of indirect expense

**CITY OF LONG BEACH, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Reissued)  
September 30, 2021

incurred; and the net increase or decrease in the amounts owed by the recipient for (1) goods and other property received; (2) services performed by employees, contractors, subrecipients, and other payees; and (3) programs for which no current services or performance are required.

*Cause and Effect:*

City management indicated that interpretation of the reporting requirements was that payments made to employees for services provided were required to be omitted from the SF 425 report. As a result, the reports submitted omitted \$18.4 million in payroll and payroll-related costs.

*Repeat Finding:*

A similar finding was not reported in the prior-year audit.

*Statistical Sampling:*

The sample was not intended to be, and was not, a statistically valid sample.

*Recommendations:*

We recommend the City strengthen processes and internal controls to ensure the City has an effective internal control in place to ensure that reports are complete and accurate prior to submitting to the U.S. Department of Transportation as required.

*View of Responsible Official:*

The subject Airport Improvement Program (AIP) grant for COVID-19 related funding was used solely for internal City payroll-related expenditures and debt service payments, which is different from other previous AIP grants received by the Airport Department. The misinterpretation of reporting requirements for the new grant led to an error on the Federal Financial Report SF 425. The Airport Department will be providing more training to staff that are involved with the preparation, review and approval of the reports to reduce the risk of misinterpreting reporting requirements. The Airport Department will also strengthen internal controls by requiring at least two levels of review for Federal Financial Report SF 425, prior to submission. These improvements to the process will ensure that reports are complete and accurate.

**CITY OF LONG BEACH, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Reissued)  
September 30, 2021

**Finding 2021-002**

**Federal Program:** Transportation Infrastructure Finance and Innovation Act (TIFIA) Program

**ALN Number:** 20.223

**Federal Agency:** U.S. Department of Transportation – Direct Program

**Federal Award Year:** 2021

**Grant number:** N/A

**Compliance Requirement:** Other – Inaccurate reporting of the Schedule of Expenditures of Federal Awards

*Criteria:*

According to 2 CFR 200.510(b), a recipient of federal awards is required to prepare a schedule of expenditures of Federal awards (SEFA) for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with 2 CFR 200.502.

Additionally, 2 CFR 200.303 requires non-Federal entities receiving Federal awards to establish and maintain internal controls designated to reasonably ensure compliance with Federal laws, regulations and program compliance requirements. Effective internal controls should include procedures to ensure federal expenditures are accurately and completely reported on the SEFA.

*Conditions Found:*

The City did not have adequate internal controls related to the reporting of expenditures on the SEFA for the Transportation Infrastructure Finance and Innovation Act (TIFIA) Program. In 2007, the City completed plans for the reconstruction of the Gerald Desmond Bridge (Harbor Bridge), which was a \$1.6 billion design, development, and construction project that included multiple funding sources, including federal, state, and private funds. During fiscal year 2014, the City entered into a loan agreement with the U.S. Department of Transportation for \$325,000,000 of TIFIA Program funds. During fiscal year 2020, the loan agreement was modified for \$500,000,000 of TIFIA Program funds. The executed loan agreement contained a clause that the TIFIA Program loan funds were not available to be drawn until the Harbor Bridge was certified as substantially complete. In January 2021 (fiscal year 2021) the Harbor Bridge was certified as substantially complete and the TIFIA Program loan was made. As a result, the City should have reported the \$500,000,000 TIFIA Program loan on the SEFA for the year ended September 30, 2021.

*Cause and Effect:*

In discussing these conditions with the City, they stated the error was primarily due to the TIFIA Program not being a traditional federal award where expenses were reimbursed as incurred. When the City certified the substantial completion of the Harbor Bridge project and the TIFIA Program loan was made during fiscal year 2021, the City was not aware the TIFIA Program loan was reportable on the SEFA. Additionally, the management review controls in place over the completeness and accuracy of the SEFA were not designed to detect the error.

**CITY OF LONG BEACH, CALIFORNIA**  
Schedule of Findings and Questioned Costs (Reissued)  
September 30, 2021

Failure to establish effective internal controls regarding financial reporting for the preparation of the Schedule may prevent the City from completing an audit in accordance with the timelines of Uniform Guidance.

*Questioned Costs:*

Not applicable.

*Statistical Sampling:*

Not applicable.

*Repeat Finding:*

A similar finding was reported in the prior year report.

*Recommendation:*

We recommend the City implement a system of internal control that is designed and operating at a level of precision to ensure the Schedule is complete and accurate.

*View of Responsible Official:*

The Harbor Department was not aware that a TIFIA loan was required to be reported on the SEFA. Our understanding of the SEFA is to report the federal share of expenditures. TIFIA loan expenditures are comprised of the expenses for which no grant reimbursement was sought, therefore, these expenses are the cost share or local share, not the federal share. The Harbor Department now understands that all federal assistance including loans should be reported on the SEFA.

KPMG has been the City's auditor since 2001 and was aware of the TIFIA loan agreement in 2014 and the TIFIA loan draw down in 2021. KPMG did not inform us that the TIFIA loan was required to be reported on the SEFA when they performed the single audit in 2021.