



CITY OF VALLEJO, CALIFORNIA

JUNE 30, 2021

SINGLE AUDIT REPORT

Focused
on YOU



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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 the City Council
City of Vallejo, 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 the City of Vallejo, California, (the City) as of and for the year ended June 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 December 6, 2021.

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.

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 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.





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

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.

Lance, Solt & Lughard, LLP

Sacramento, California
December 6, 2021



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Vallejo (the City), California'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 June 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Basis for Opinion

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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. 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 government programs.





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

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, 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 the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and 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 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.

Report on 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 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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.



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

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.

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, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 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 December 6, 2021, 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 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.

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.

Lance, Soll & Luyhard, LLP

Sacramento, California

March 25, 2022 (Except for the Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance, which is dated December 6, 2021)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Passed-Through to Subrecipients</i>	<i>Total Federal Expenditures</i>
CDBG - Entitlement Grants Cluster *				
Department of Housing and Urban Development Direct Programs:				
Direct programs:				
Community Development Block Grants/Entitlement Grants	14.218	N/A		
Grant Allocations			\$ -	\$ 2,326,880
Entitlement - Subgrants			143,589	143,589
Program Income - other			-	48,262
COVID-19 - CDBG program: CV1/CV3	14.218	N/A	-	859,847
CDBG Section 108 Loan Guarantees	14.218	N/A		
Loan Guarantee Assistance Issued			-	1,910
Neighborhood Stabilization Program	14.218	N/A		
Program Income - other			-	35,889
Subtotal - AL 14.218			<u>143,589</u>	<u>3,416,377</u>
Total Department of Housing and Urban Development Programs			<u>143,589</u>	<u>3,416,377</u>
Total CDBG - Entitlement Grants Cluster			<u>143,589</u>	<u>3,416,377</u>
Housing Voucher Cluster *				
Department of Housing and Urban Development Direct Programs:				
Direct programs:				
Section 8 Housing Choice Voucher Program (CA055)	14.871	N/A		
Grant allocations			-	22,149,470
COVID-19 - Section 8 Housing Choice Vouchers			-	154,036
Total Department of Housing and Urban Development Programs			<u>-</u>	<u>22,303,506</u>
Total Housing Voucher Cluster			<u>-</u>	<u>22,303,506</u>
Highway Planning and Construction Cluster *				
Department of Transportation				
Pass-Through the California Department of Transportation	20.205			
HSIP 6 Ped Crosswalks Rehab		94-900-7744 / HSIPL-5030(065)	-	67,843
HSIP 5 Intersections Rehab		94-900-7744 / BPMP 5030(066)	-	16,217
West Mare Island Causeway Bridge		94-900-7744 / BRLS-5030 (054)	-	183,766
Active Transportation Program		94-900-7744 / ATPL-5030 (062)	-	2,649,883
Bridge Preventive Maintenance Program		94-900-7744 / BPMP-5030 (060)	-	88,014
Surface Transportation Program		94-900-7744 / STPLZ-5030 (056)	-	3,817,155
Surface Transportation Program		94-900-7744 / STPL-5030 (061)	-	133,499
Total California Department of Transportation Programs			<u>-</u>	<u>6,956,377</u>
Total Highway Planning and Construction Cluster			<u>-</u>	<u>6,956,377</u>
Other Programs				
Department of Defense				
Direct programs:				
Community Base Reuse Plan *	12.612			
Mare Island Cooperative Agreement - Environmental Services East		N/A	-	3,342,297
Mare Island Coop Agreement - East administrative charges		N/A	-	92,342
Total Department of Defense Programs			<u>-</u>	<u>3,434,639</u>
Department of Housing and Urban Development				
Direct programs:				
Home Investment Partnerships Program *	14.239			
Grant Allocations (M-20-MC-06-0223)		N/A	-	1,626,977
Program Income		N/A	-	143,468
Subtotal - AL 14.239			<u>-</u>	<u>1,770,445</u>
Pass-Through Community Action Partnership (CAP) Solano JPA:	14.231			
COVID-19 - Project Roomkey ESG-CV1		14-625-5596	-	281,630
COVID-19 - Project Roomkey ESG-CV2		14-625-5596	-	10,770
Subtotal - AL 14.231			<u>-</u>	<u>292,400</u>
Total Department of Housing and Urban Development Programs			<u>-</u>	<u>2,062,845</u>
Department of Transportation				
Pass-Through Programs:				
State of California - Office of Traffic Safety				
Minimum Penalties for Repeat Drunk Driving Prevention Incentives	20.608			
Selective Traffic Enforcement Program		80-824-4842/ PT20133	-	26,015
Selective Traffic Enforcement Program		80-824-4842/ PT21070	-	26,515
Subtotal - AL 20.608			<u>-</u>	<u>52,530</u>
State of California - Office of Traffic Safety				
State Traffic Safety Information System Improvements	20.616	80-824-4842		
Traffic Records Improvement Project			-	24,800
Subtotal - AL 20.616			<u>-</u>	<u>24,800</u>
Total Department of Transportation Programs			<u>-</u>	<u>77,330</u>

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

CITY OF VALLEJO

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Department of Treasury				
Pass-Through Programs:				
California Department of Finance				
COVID-19 - Coronavirus Relief fund - Cares Act (State CRF Allocation to Cities) *	21.019	00-932-9764	-	1,470,087
Community Action Partnership (CAP) Solano JPA				
COVID-19 - County Coronavirus Relief fund - Cares Act (Project Roomkey) *	21.019	14-625-5596	-	1,652,544
Total Department of Treasury Programs			-	3,122,631
Department of Health and Human Services				
Pass-Through Programs:				
California Department of Community Services and Development				
Community Action Partnership (CAP) Solano JPA				
COVID-19 - Project Roomkey CSBG-CV	93.569	14-625-5596	-	20,185
Total Department of Health and Human Services Programs			-	20,185
Department of Homeland Security				
Direct programs:				
Staffing for Adequate Fire and Emergency Response Program (EMW-2016-FH-00452)	97.083	N/A	-	312,872
Staffing for Adequate Fire and Emergency Response Program (EMW-2018-FH-00278)	97.083	N/A	-	1,539,243
Subtotal - AL 97.083			-	1,852,115
Assistance to Firefighters Grant Program	97.044	N/A	-	550,829
COVID-19 - Assistance to Firefighters Grant Program-COVID 19 Supplemental	97.044	N/A	-	27,594
Subtotal - AL 97.044			-	578,423
Pass-Through Programs:				
California Governor's Office of Emergency Services				
Disaster Grants - Public Assistance (FEMA-4308-DR-CA) *	97.036	08-382-3682	-	37,500
COVID-19 - Disaster Grants - Public Assistance (FEMA-4482-DR-CA) *	97.036	08-382-3682	-	539,578
Subtotal - AL 97.036			-	577,078
Total Department of Homeland Security Programs			-	3,007,616
Department of Justice				
Direct programs:				
COVID-19 - BJA FY20 Coronavirus Emergency Supplemental Funding Program	16.034	N/A	-	100,621
Equitable Sharing Program	16.922	N/A	-	19,754
Community Oriented Policing Services Hiring Program	16.710	N/A	-	993,280
Pass-Through Programs:				
City of Fairfield, California				
Edward Byrne Memorial Justice Assistance Program	16.738	04-001-0019	-	20,298
Total Department of Justice Programs			-	1,133,953
Total Expenditures of Federal Awards			\$ 143,589	45,535,459
Federal Loan Balances with a Continuing Compliance Requirement				
Community Development Block Grants Loan (beginning balance)	14.218			1,560,362
Home Investment Partnerships Program Loan (beginning balance)	14.239			1,895,734
Community Development Block Grants Section 108 Loan Guarantees (beginning balance)	14.248			2,769,000
Total Federal Loan Balances with a Continuing Compliance Requirement				6,225,096
Total Expenditures of Federal Awards Including Loans			\$ 143,589	51,760,555

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CORONAVIRUS EMERGENCY ACTS FUNDING RECONCILIATION

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Passed-Through to Subrecipients</i>	<i>Total Federal Expenditures</i>
Department of Housing and Urban Development				
Direct programs:				
Section 8 Housing Choice Vouchers				
COVID-19 - Housing Choice Voucher Program - Admin (CA-055AF0134) *	14.871		\$ -	\$ 154,036
COVID-19 - CDBG program: CV1/CV3 - CARES Act funding *	14.218		-	859,847
Pass-Through Programs:				
Community Action Partnership (CAP) Solano JPA	14.231			
COVID-19 - Project Roomkey ESG-CV1			-	281,630
COVID-19 - Project Roomkey ESG-CV2			-	10,770
Total Department of Housing and Urban Development Programs			-	1,306,283
Department of Homeland Security				
Direct programs:				
COVID-19 - Assistance to Firefighters Grant Program-COVID 19 Supplemental	97.044		-	27,594
Pass-Through Programs:				
California Governor's Office of Emergency Services				
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters) *	97.036		-	539,578
Total Department of Housing and Urban Development Programs			-	567,172
Department of Treasury				
Pass-Through Programs:				
California Department of Finance				
COVID-19 - Coronavirus Relief fund - Cares Act (State CRF Allocation to Cities) *	21.019		-	1,470,087
Community Action Partnership (CAP) Solano JPA				
COVID-19 - County Coronavirus Relief fund - Cares Act *	21.019		-	1,652,544
Total Department of Housing and Urban Development Programs			-	3,122,631
Department of Justice				
Direct programs:				
COVID-19 - BJA FY20 Coronavirus Emergency Supplemental Funding Program	16.034		-	100,621
Total Department of Justice Programs			-	100,621
Department of Health and Human Services Pass-Through Programs:				
Pass-Through Programs:				
California Department of Community Services and Development				
Community Action Partnership (CAP) Solano JPA				
COVID-19 - Project Roomkey CSBG-CV	93.569		-	20,185
Total Department of Health and Human Services Programs			-	20,185
Total Coronavirus Emergency Acts Funding			\$ -	\$ 5,116,892

* Major Program

¹ There was no federal awards expended in the form of noncash assistance and insurance in effect during the year.

CITY OF VALLEJO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

a. Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the City of Vallejo, California, that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the City from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

b. Basis of Accounting

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the City becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

c. Loan Programs with Continuing Compliance Requirements

The program loans listed below are administered directly by the City, and balances and transactions relating to these programs are included in the City's basic financial statements. Loans made during the fiscal year, if any, are included in the federal expenditures presented in the Schedule of Expenditures of Federal Awards. The balance of loans outstanding at June 30, 2021 consists of:

Assistance Listing Number	Program Name	Outstanding Balance at June 30, 2021
14.218	Community Development Block Grants Program	\$ 1,560,362
14.239	Home Investment Partnerships Program	1,895,734
14.248	Community Development Block Grants Section 108 Loan Guarantees	2,533,000
		<u>\$ 5,989,096</u>

CITY OF VALLEJO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

- Significant deficiencies identified? yes none reported
- Material weaknesses identified? yes no

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Significant deficiencies identified? yes none reported
- Material weaknesses identified? yes no

Type of auditors' report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? yes no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
12.612	Community Base Reuse Plan
14.218	CDBG – Entitlement Grants Cluster
14.239	Home Investment Partnerships Program
14.871	Housing Voucher Cluster
20.205	Highway Planning and Construction Cluster
21.019	Coronavirus Relief Fund – CARES Act
97.036	Disaster Grants

Dollar threshold used to distinguish between type A and type B program \$1,553,492

Auditee qualified as low-risk auditee? yes no

CITY OF VALLEJO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.



SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SECTION II - FINANCIAL STATEMENT FINDINGS

Timely Completion of Journal Entries, Analyzing Activity in General Ledger

Reference Number: 2020-001 (Significant Deficiency)

Condition:

Prior to the year-end audit in October 2020, City staff had indicated that the general ledger provided for audit would not include the closing entries related to capital assets, which we worked into our audit plan. However, in addition to providing those expected journal entries in late October 2020, it was identified that entries posted in the interim were not properly reflected in the general ledger provided for audit. Three additional general ledgers were subsequently provided that did not reconcile.

Criteria:

After initial year-end closing entries are posted to the general ledger, all funds should be analyzed to ensure that additional closing entries are properly included in the general ledger reports provided for audit.

Cause of Condition:

General ledger reports provided for audit were improperly generated by City staff and as a result, final balances were not reconciled.

Effect or Potential Effect of Condition:

Errors in the general ledger may not be detected in a timely manner.

Recommendation:

City staff must develop procedures to ensure the year-end closing process includes an analysis of accounts to ensure that the presentation in each fund and account is appropriate prior to the start of the year-end audit.

Management's Response and Corrective Action:

City's general ledger reports are reconciled on a monthly basis along with regular fund analysis throughout the year. Historically, the City's year-end process has been to provide the auditors an initial year-end trial balance and continue with internal fund analysis for completeness and accuracy until the final year-end entries are posted.

With the new audit relationship, the City did not confirm this process with the auditors and did not mutually agree on a hard stop date to posting of the journal entries (JEs). Hence JEs continued to be posted after providing the initial trial balance to the auditors. Going forward the City will communicate and agree on JE posting timelines to avoid any misunderstandings.

City accepts that multiple versions of General Ledger reports were provided to the auditors. The general ledger reports provided were erroneously printed with the wrong search criteria and hence would not reconcile. Going forward, all general ledger report provided to the auditors will be reviewed and verified by a second staff member to ensure accuracy.

CITY OF VALLEJO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Status:

Prior year finding is now resolved. No similar instances noted in the current fiscal year.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.