

**CITY OF PALMDALE,
CALIFORNIA**

**SINGLE AUDIT REPORT
(UNIFORM GUIDANCE)**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2017**

CITY OF PALMDALE, CALIFORNIA

**SINGLE AUDIT REPORT
(UNIFORM GUIDANCE)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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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 City Council of
the City of Palmdale
City of Palmdale, 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, each major fund, and the aggregate remaining fund information of the City of Palmdale, California (City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 17, 2017. Our report contained an emphasis of matter regarding the City's adoption of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective July 1, 2016.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vavrinik, Trine, Day & Co. LLP

Rancho Cucamonga, California
November 17, 2017



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

The Honorable City Council of
the City of Palmdale
City of Palmdale, California

Report on Compliance for Major Federal Program

We have audited the City of Palmdale, California's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2017. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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 of the City's major federal program 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; 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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Major Federal Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

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 item 2017-001. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and separate corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

The City's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and separate corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 17, 2017, which contained unmodified opinions on those financial statements. Our report contained an emphasis of matter regarding the City's adoption of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective July 1, 2016. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Vavrinick, Trine, Day & Co. LLP

Rancho Cucamonga, California
March 28, 2018

CITY OF PALMDALE, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Grantor/ProgramTitle/Cluster	Federal CFDA Number	Federal Agency / Pass-Through Entity Identifying Number	Federal Program Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Housing and Urban Development:</u>				
Direct Programs:				
Community Development Block Grant - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants - Administration	14.218	B15/16MC060581	\$ 108,246	
Community Development Block Grants/Entitlement Grants - Fair Housing Council	14.218	B14/15MC060581	28,820	\$ 28,820
Community Development Block Grants/Entitlement Grants - Section 108 Loan Principal Payment	14.218	B15MC060581	255,000	
Community Development Block Grants/Entitlement Grants - Section 108 Loan Interest Payment	14.218	B15MC060581	159,983	
Community Development Block Grants/Entitlement Grants - SAVES Administration	14.218	B14/15/16MC060581	214,184	
Community Development Block Grants/Entitlement Grants - ADA Compliance	14.218	B14MC060581	1,339	
Community Development Block Grants/Entitlement Grants - ADA Improvements - Curbs & Sidewalks	14.218	B14MC060581	156,577	
Community Development Block Grants/Entitlement Grants - SAVES Courson Warehouse	14.218	B14MC060581	41,907	
Community Development Block Grants/Entitlement Grants - Courson Connection Infrastructure	14.218	B14MC060581	783	
Community Development Block Grants/Entitlement Grants - Cameras & Lights - Parks	14.218	B14/15MC060581	51,762	
Community Development Block Grants/Entitlement Grants - Airport Terminal Improvements	14.218	B14/15/16MC060581	298,431	
Community Development Block Grants/Entitlement Grants - Neighborhood Stabilization Prog - Administration	14.218	B08MN060515	65,452	
Community Development Block Grants/Entitlement Grants - Neighborhood Stabilization Prog - Capital	14.218	B08MN060515	54,643	
Community Development Block Grants/Entitlement Grants - Neighborhood Stabilization Prog - Forgive / Loss	14.218	B08MN060515	232,775	
Total Community Development Block Grant - Entitlement Grants Cluster			1,669,902	28,820
HOME Investment Partnerships Program:				
HOME Investment Partnerships Program - Administration	14.239	M-11-MC-06-0562	28,368	
HOME Investment Partnerships Program - HOME - TBRA Program	14.239	M-14-MC-06-0562	119,933	
HOME Investment Partnerships Program - MF Rental - New Construction	14.239	M12/13-MC-06-0562	56,751	
HOME Investment Partnerships Program - MF Residential Acq & Rehab (10th Place)	14.239	M12/13-MC-06-0562	2,249	
HOME Investment Partnerships Program - Transit Village Infrastructure - Loans	14.239	M-05/10-MC-06-0562	1,275,000	
HOME Investment Partnerships Program - Sr Housing SCHDC - PSHP 80 Unit - Loans	14.239	M-05/08-MC-06-0562	750,000	
HOME Investment Partnerships Program - Courson - AMCAL 78 Unit - Loans	14.239	M-05/07-MC-06-0562	1,000,000	
HOME Investment Partnerships Program - Transitional Housing Paving the Way - Loans	14.239	M-10/14-MC-06-0562	157,916	
HOME Investment Partnerships Program - MF Rental - New Construction (Duplex) - Loans	14.239	M10/11-MC-06-0562	283,933	
HOME Investment Partnerships Program - MF Rental - New Construction (Duplex) - Loans	14.239	M12/13-MC-06-0562	16,448	
HOME Investment Partnerships Program - MF Rental - New Construction (Duplex) - Loans	14.239	M12/13-MC-06-0562	10,436	
HOME Investment Partnerships Program - HOME Down Payment/Assistance Prog - Loans	14.239	M-08/10-MC-06-0562	82,165	
HOME Investment Partnerships Program - MF Rental - New Construction (Duplex) - New Loans	14.239	M10/11-MC-06-0562	43,182	
HOME Investment Partnerships Program - Courson Art Colony East - New Loans	14.239	M-13/16-MC-06-0562	432,000	
Passed-through the California Department of Housing and Community Development:				
HOME Investment Partnerships Program - CSP-Courson (HCD HOME)-Loan Receivable Balance	14.239	04-HOME-0662	2,850,000	
Total HOME Investment Partnerships Program			7,108,381	
Total U.S. Department of Housing and Urban Development			8,778,283	28,820
<u>U.S. Department of Justice:</u>				
Passed-through the City of Los Angeles:				
Edward Byrne Memorial Justice Assistance Grant Porogram - 2014	16.738	2015-DJ-BX-0948	64,321	
Total U.S. Department of Justice			64,321	
<u>U.S. Department of Labor:</u>				
Passed-through the County of Los Angeles:				
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
WIA/WIOA - Adult Program	17.258	A091003	494,475	476,724
WIA/WIOA - Adult Program - Veterans	17.258	A091003	676,344	658,403
Total WIA/WIOA - Adult Program			1,170,819	1,135,127
WIA/WIOA Dislocated Worker Formula Grants	17.278	DW091003	251,909	233,855
WIA/WIOA Dislocated Worker Formula Grants - Veterans	17.278	DW091003	339,144	321,150
Total WIA/WIOA Dislocated Worker Formula Grants			591,053	555,005
Total WIOA Cluster			1,761,872	1,690,132
Total U.S. Department of Labor			1,761,872	1,690,132

See accompanying notes to schedule of expenditures of federal awards.

CITY OF PALMDALE, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017 (Continued)

Federal Grantor/Pass-Through Grantor/ProgramTitle/Cluster	Federal CFDA Number	Federal Agency / Pass-Through Entity Identifying Number	Federal Program Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Transportation</u>				
Passed-through the State of California Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction - HSR Station Planning	20.205	HSR14-50	146,346	
Highway Planning and Construction - HSIP Ave R 10th St E	20.205	HSIPL-5378(028)	922,836	
Highway Planning and Construction - Street Resurfacing	20.205	STPL-5378(034)	42,002	
Highway Planning and Construction - Pearblossom Reconstruction	20.205	STPL-5378(041)	111,128	
Highway Planning and Construction - HSIP Trade Ctr & Technology Drive	20.205	HSIPL-5378(042)	544,852	
Highway Planning and Construction - 15th/ SR138 Intersection Impr	20.205	DEM95L-5378(035)	12,807	
Total Highway Planning and Construction Cluster			1,779,971	
Total U.S. Department of Transportation			1,779,971	
<u>U.S. Department of Homeland Security:</u>				
Passed-Through United Way-EFSP:				
Emergency Food and Shelter National Board Program:				
Emergency Food and Shelter National Board Program - SAVES - Food	97.024	26-0695-00	13,043	
Emergency Food and Shelter National Board Program - SAVES - Shelter	97.024	26-0695-00	8,736	
Total Emergency Food and Shelter National Board Program			21,779	
Total U.S. Department of Homeland Security			21,779	
Total Expenditures of Federal Awards			\$ 12,406,226	\$ 1,718,952

See accompanying notes to schedule of expenditures of federal awards.

CITY OF PALMDALE, CALIFORNIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the City of Palmdale, California (City) under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position or changes in net position of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles continued in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown in the SEFA represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

The City has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF PALMDALE, CALIFORNIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 4 – OUTSTANDING LOANS OF FEDERAL FUNDS

The following schedule presents the amount of outstanding loans receivable by CFDA number. All loans with continuing compliance requirements are included on the accompanying Schedule of Expenditures of Federal Awards. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented on the Schedule. The balance of loans outstanding at June 30, 2017, consist of:

CFDA No.	Federal Program	Loan Project	Outstanding Loans at June 30, 2017
14.239	HOME Investment Partnerships Program	Transit Village Infrastructure	\$ 1,275,000
14.239	HOME Investment Partnerships Program	Senior Housing SCHDC - PSHP 80 Unit	750,000
14.239	HOME Investment Partnerships Program	Courson - AMCAL 78 Unit	1,000,000
14.239	HOME Investment Partnerships Program	Transitional Housing - Paving the Way	157,916
14.239	HOME Investment Partnerships Program	MF Rental - New Construction (Duplex)	283,933
14.239	HOME Investment Partnerships Program	MF Rental - New Construction (Duplex)	16,448
14.239	HOME Investment Partnerships Program	MF Rental - New Construction (Duplex)	10,436
14.239	HOME Investment Partnerships Program	HOME Down Payment/Assistance Program	82,165
14.239	HOME Investment Partnerships Program	MF Rental - New Construction (Duplex)	43,182
14.239	HOME Investment Partnerships Program	Courson Art Colony East	432,000
14.239	HOME Investment Partnerships Program	CSP - Courson	2,850,000
			<u>\$ 6,901,080</u>

CITY OF PALMDALE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of report auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major federal programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>Yes</u>
Type of auditors' report issued on compliance for major federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>Yes</u>

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
17.258 / 17.278	WIOA Cluster
<u>20.205</u>	<u>Highway Planning and Construction Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

CITY OF PALMDALE, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
II. FINANCIAL STATEMENT FINDINGS

None reported.

CITY OF PALMDALE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING 2017-001

Program: Workforce Investment Act (WIA)/Workforce Opportunity Act (WIOA) Cluster

CFDA No.: 17.258 / 17.278

Federal Agency: U.S. Department of Labor

Passed-through: County of Los Angeles

Compliance Requirements: Subrecipient Monitoring

Award Year: FY 2016-17

Criteria:

Title 2 CFR Section 200.331(a) of the *Uniform Guidance* states that the pass-through entity must identify the award and applicable requirements to the subrecipient with certain information as well as all the requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations, and the terms and conditions of the award.

Condition:

Significant Deficiency, Instance of Non-Compliance – The City has one (1) subrecipient. We noted the City did not identify to the subrecipient all of the required elements of the subaward in accordance with 2 CFR 200.331(a) of the Uniform Grant Guidance.

Questioned Costs:

No questioned costs were identified as a result of our procedures.

Context:

We noted the City has one subrecipient for this program, of which, \$1,690,132 was paid in fiscal year 2017.

Effect:

The City did not identify the required elements of the subaward to the subrecipient, increasing the likelihood of noncompliance in relation to the program.

Cause:

The City did not maintain policies and procedures to ensure that award and subsequent sub-awards to the subrecipient were in compliance with the Uniform Guidance 2 CFR section 200.331(a)(1).

Recommendation:

It is recommended that the City prepare subaward agreements that contain all of the required elements as specified in 2 CFR 200.331(a)(1).

View of Responsible Official and Planned Corrective Actions:

See separate corrective action plan.

CITY OF PALMDALE, CALIFORNIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None reported.



PALMDALE

a place to call home

JAMES C. LEDFORD
Mayor

JUAN CARRILLO
Mayor Pro Tem

LAURA BETTENCOURT
Councilmember

AUSTIN BISHOP
Councilmember

STEVEN D. HOFBAUER
Councilmember

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Palmdale, CA 93550-4798

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Auxiliary aids provided for

communication accessibility

upon 72 hours notice and request.

CITY OF PALMDALE, CALIFORNIA

Corrective Action Plan

Year ended June 30, 2017

I. FINANCIAL STATEMENT FINDINGS

None Reported.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING 2017-001

Program: Workforce Investment Act (WIA)/Workforce Opportunity Act (WIOA) Cluster

CFDA No.: 17.258 / 17.278

Federal Agency: U.S. Department of Labor

Passed-through: County of Los Angeles

Compliance Requirements: Sub-recipient Monitoring

Award Year: FY 2016-17

Management's or Department's Response:

The City agrees with the findings and will develop and maintain policies and procedures to ensure that all award and subsequent sub-awards to sub-recipient agreements contain all the required elements as specified in 2 CFR 200.331 (a) (1).

Views of Responsible Officials and Corrective Action:

The City's contract with the Workforce Investment Act (WIA) terminated December 31, 2017 and the City will no longer have any future agreements with them. However, the City agrees with the findings and will develop and maintain policies and procedures to ensure that all award and subsequent sub-awards to sub-recipient agreements contain all the required elements as specified in 2 CFR 200.331 (a) (1).

Name of Responsible Person: Karen Johnston, Finance Manager, 661-267-5411

Implementation Date: March 12, 2018