

**CITY LA MIRADA, CALIFORNIA**

**SINGLE AUDIT REPORT**

**For the Fiscal Year Ended  
June 30, 2021**

# CITY LA MIRADA

Single Audit Report

For the Fiscal Year Ended June 30, 2021

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**INDEPENDENT AUDITOR'S 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  
of the City of La Mirada  
La Mirada, 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 La Mirada (City), California, as of and for the fiscal 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 November 11, 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) 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 the 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.

*Moss, Levy & Hartzheim*

Moss, Levy & Hartzheim, LLP  
Culver City, California  
November 11, 2021



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and Members of the City Council  
of the City of La Mirada  
La Mirada, California

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

We have audited the City of La Mirada'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 fiscal 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.

**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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 of La Mirada 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 fiscal year ended June 30, 2021.

## **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, 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.

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

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

## **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 fiscal 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 November 11, 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.

*Moss, Levy & Hartzheim*

Moss, Levy & Hartzheim, LLP  
Culver City, California  
March 23, 2022

# City of La Mirada

Single Audit Report

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2021

Federal Grantor/ Pass - Through Grantor Program Title	Federal CFDA Number	Agency or Pass-Through Program Number	Federal Expenditures
<b>U.S. Department of Housing and Urban Development:</b>			
Passed through the County of Los Angeles			
Community Development Block Grant (CDBG)			
	14.218	D96288	\$ 175,620 *
	14.218	602325	330,000 *
	14.218	CV1054-19	113,657 *
	14.218	600671	<u>57,993 *</u>
<b>Total Community Development Block Grant: Block Grant (CDBG)</b>			<u>677,270</u>
<b>U. S. Department of Treasury</b>			
Passed through the State of California			
Coronavirus Relief Funds (CRF)			
	21.019	BUDGET ACT 2020	<u>296,812</u>
<b>Total Department of Treasury</b>			<u>296,812</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 974,082</u></u>

\* - Denotes major program

See accompanying notes to Schedule of Expenditures of Federal Awards



**City of La Mirada**  
Notes to Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2021

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the City of La Mirada (City) under programs of the federal government for the fiscal year ended June 30, 2021. 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, 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 results of the City's operations.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying Schedule is presented using the modified accrual basis of accounting for governmental funds, which is described in Note 1 of the notes to the City's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Indirect Cost Rates**

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance. During the fiscal year 2020-2021, the City did not charge indirect costs to any federal programs.

**NOTE 3 – PROGRAM DESCRIPTIONS**

**U.S. Department of Housing and Urban Development**

**Community Development Block Grant (CDBG)**

The Community Development Block Grant (CDBG) Program was authorized under Title I of the Housing and Community Development Act of 1974. The primary objective of the CDBG Program is the development of viable urban communities, including adequate housing, a suitable living environment, and expansion of economic opportunities principally for persons of low to moderate income. Under this program, the Department of Housing and Urban Development (HUD) distributes funds based upon approved applications to eligible local governmental units for the purpose of community improvement and betterment. The City uses CDBG funds to finance a comprehensive home improvement program that assists low and moderate income residents through low interest subsidies and deferred loans, business assistance grants, mortgage and rental assistance grants, and code enforcement.

**U.S. Department of the Treasury**

**Coronavirus Relief Funds (CRF)**

The Coronavirus Relief Fund provides direct payments to state, territorial, tribal, and certain eligible local governments to cover (1) necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19); costs that were not accounted for in the government's most recently approved budget as of March 27, 2020; and (3) costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020, per section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

**City of La Mirada**  
Notes to Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2021

**NOTE 4 – AMOUNTS PROVIDED TO SUBRECIPIENTS**

For the fiscal year ended June 30, 2021, the City passed through \$0 to other agencies.

**City of La Mirada**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Section I – Summary of Auditor’s Results**

Financial Statements

Type of auditor’s report issued	<b><u>Unmodified</u></b>		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	<u>  X  </u>	No
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ Yes	<u>  X  </u>	None reported
Noncompliance material to financial statements noted?	_____ Yes	<u>  X  </u>	No

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	_____ Yes	<u>  X  </u>	No
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ Yes	<u>  X  </u>	None reported

Type of auditor’s report issued on compliance for major programs:

**Unmodified**

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, 2 CFR 200.516 (a)

\_\_\_\_\_ Yes   X   No

Identification of major programs:

**CFDA Number**

14.218

**Name of Federal Program**

Community Development Block Grants

Dollar threshold used to distinguish between Type A and Type B programs:

**\$ 750,000**

Auditee qualified as low-risk auditee:

\_\_\_\_\_ Yes   X   No

**City of La Mirada**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**Section II – Findings– Financial Statement Audit**

None reported in the current fiscal year.

**Section III – Findings and Questioned Costs – Major Federal Award Program Audit**

None reported in the current fiscal year.

**City of La Mirada**  
STATUS OF PRIOR YEAR'S FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**Section IV – Status of Prior Year Findings and Questioned Costs**

None reported in prior fiscal year.