



CITY OF BURBANK, CALIFORNIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SINGLE AUDIT REPORT

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CITY OF BURBANK, CALIFORNIA
Single Audit Report
For the Fiscal Year Ended June 30, 2023

CITY OF BURANK, CALIFORNIA

Single Audit Report

For the Fiscal Year Ended June 30, 2023

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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 Burbank, 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 Burbank, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 25, 2024

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 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 Burbank, 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, Soll & Lughard, LLP

Brea, California
January 25, 2024



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 Burbank, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Burbank, California (the "City")'s compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

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). 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. 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 federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, 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 generally accepted auditing standards,



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

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 each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the 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 the 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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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 material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.



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

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, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 25, 2024, which contained unmodified opinions on those financial statements. Our audit was performed 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.

Lance, Solt & Lughard, LLP

Brea, California

March 27, 2024 (Except for the Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance which is dated January 25, 2024)

CITY OF BURBANK
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Unique Entity ID	Federal Expenditures	Amounts Passed Through to Subrecipients
U.S. Department of Agriculture				
<i>Direct Program</i>				
Community Project Funding – Congressionally Designated Federal Financial Assistance Award for Water Tender	10.723	N/A	\$ 506,281	\$ -
Total Department of Homeland Security			506,281	-
U.S. Department of Housing and Urban Development				
<i>Direct Programs</i>				
Housing Voucher Cluster*				
Section 8 Housing Choice Vouchers	14.871	N/A	13,212,305	-
Total Housing Voucher Cluster*			13,212,305	-
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	N/A	371,745	-
Total CDBG - Entitlement Grants Cluster			371,745	-
Home Investment Partnership Program*				
Total Home Investment Partnership Program*	14.239	N/A	423,977	-
Continuum of Care				
Total Continuum of Care	14.267	N/A	361,856	-
Total Department of Housing and Urban Development			14,369,883	-
U.S. Department of Justice				
<i>Direct programs</i>				
2017 Justice Assistance Grant - Recovery	16.738	N/A	3,146	-
2018 Justice Assistance Grant - Recovery	16.738	N/A	5,148	-
2021 Justice Assistance Grant - Recovery	16.738	N/A	14,661	-
2022 Justice Assistance Grant - Recovery	16.738	N/A	13,252	-
Total Justice Assistance Grant Program 16.738			36,207	-
Total Department of Justice			36,207	-
U.S. Department of Transportation				
<i>Passed through the State of California</i>				
<i>Office of Traffic Safety</i>				
STEP Grant 2022	20.608	XCA4E3XL2KY7	29,789	-
STEP Grant 2023	20.608	XCA4E3XL2KY7	78,488	-
Total STEP Grant Program 20.608			108,277	-
Total Department of Transportation			108,277	-
U.S. Department of Treasury				
<i>Direct programs</i>				
Drug Asset Forfeiture	21.000	N/A	34,725	-
COVID-19 - SLFRF Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	277,359	-
Total Department of Treasury			312,084	-
U.S. Department of Health and Human Services				
<i>Passed through the Los Angeles County Workforce</i>				
<i>Special Programs for the Aging Cluster*</i>				
Development, Aging & Community Services:				
Special Programs for Aging-Title III, Part B - Grants for Supportive Services and Senior Centers*	93.044	JS7ACKMEB286	997	-
Special Programs for the Aging-Title III, Part C Nutrition Services (Congregate/Home Delivery)*	93.045	JS7ACKMEB286	791,905	-
Nutrition Services Incentive Program (NSIP)*	93.053	JS7ACKMEB286	85,200	-
Total Special Programs for the Aging Cluster*			878,102	-
Total Department of Health and Human Services			878,102	-
U.S. Department of Homeland Security				
<i>Direct Program</i>				
State Homeland Security Grant (SHSP) 2020	97.067	N/A	9,994	-
<i>Passed through the State of California</i>				
City of Los Angeles				
Urban Area Security Initiative (UASI) FY20	97.008	WCG9G7LWYLR9	456,183	-
Urban Area Security Initiative (UASI) FY21	97.008	WCG9G7LWYLR9	8,198	-
Total Urban Areas Security Initiative (UASI) Program 97.008			464,381	-
Total Department of Homeland Security			474,375	-
Total Expenditures of Federal Awards			\$ 16,685,209	\$ -

* Major Program

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

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

CITY OF BURBANK
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Burbank, California (City) under programs of the federal government, as well as federal financial assistance passed through other government agencies for the year ended June 30, 2023. 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, changes in net position, or cash flows of the City. The City's reporting entity is defined in Note 1 of the notes to the City's financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting for the governmental funds and the accrual basis of accounting for the proprietary funds, except for subrecipient expenditures, which are recorded on the cash basis. 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in the Schedule.

NOTE 3: INDIRECT COST RATE

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

CITY OF BURBANK
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.



CITY OF BURBANK
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CITY OF BURBANK
Schedule of Prior Year Finding and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Reference Number: 2022-001

Status of Finding: This matter is considered resolved in the current year.

Reference Number: 2022-002

Status of Finding: This matter is considered resolved in the current year.

Reference Number: 2022-003

Status of Finding: This matter is considered resolved in the current year.