

City of Allentown, Pennsylvania

Single Audit Report

Year Ended December 31, 2020 with

Independent Auditor's Reports

CITY OF ALLENTOWN, PENNSYLVANIA

SINGLE AUDIT REPORT

YEAR ENDED DECEMBER 31, 2020

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Zelenkofske Axlerod LLC

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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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of City Council
City of Allentown, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Allentown, Pennsylvania (City), as of and for the year ended December 31, 2020, 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 21, 2021. Our report includes a reference to other auditors who audited the financial statements of the Redevelopment Authority of the City of Allentown and the Allentown Parking Authority, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Redevelopment Authority of the City of Allentown and the Allentown Parking Authority were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Redevelopment Authority of the City of Allentown and the Allentown Parking Authority.

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 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.



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Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 of 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.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania
December 21, 2021



Zelenkofske Axlerod LLC

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of City Council
City of Allentown, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited the City of Allentown, Pennsylvania's (City) compliance with the types of compliance requirements described in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2020. The City's major federal program is 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 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; 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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Basis for Qualified Opinion on Community Development Block Grants/Entitlement Grants

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the following:



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Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2020-001	14.218	Community Development Block Grants/Entitlement Grants	Reporting

Qualified Opinion on Community Development Block Grants/Entitlement Grants

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 its Community Development Block Grants/Entitlement Grants major program for the year ended December 31, 2020.

Other Matter

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City'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 preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as Finding 2020-001 that we consider to be a material weakness.



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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. 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 City as of and for the year ended December 31, 2020 and have issued our report thereon dated December 21, 2021, which contained unmodified opinions on those financial statements. We did not audit the financial statements of the Redevelopment Authority of the City of Allentown or the Allentown Parking Authority. Our audit was conducted for the purpose of forming opinions on 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 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 financial statements as a whole.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania
January 18, 2022

CITY OF ALLENTOWN
SINGLE AUDIT REPORT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number	Grant/Pass-Through Grantor's Number	(Accrued)/Deferred Revenue at 12/31/2019	Federal Grant Receipts	Federal Grant Expenditures	(Accrued)/Deferred Revenue at 12/31/2020	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development:							
CDBG - Entitlement Grants Cluster:							
Community Development Block Grant/Entitlement Grants	14.218	B-14-MC-42-0002	\$ (293,576)	\$ 293,576	\$ 17,686	\$ (17,686)	\$ 17,686
Community Development Block Grant/Entitlement Grants	14.218	B-15-MC-42-0002	(9,846)	14,340	4,494	-	4,494
Community Development Block Grant/Entitlement Grants	14.218	B-16-MC-42-0002	-	-	21,744	(21,744)	1,540
Community Development Block Grant/Entitlement Grants	14.218	B-17-MC-42-0002	(301,432)	323,314	57,815	(35,933)	56,131
Community Development Block Grant/Entitlement Grants	14.218	B-18-MC-42-0002	(120,796)	885,207	764,411	-	764,411
Community Development Block Grant/Entitlement Grants	14.218	B-19-MC-42-0002	(222,911)	1,062,802	1,484,518	(644,627)	1,484,518
Community Development Block Grant/Entitlement Grants	14.218	B-20-MC-42-0002	-	788,646	577,788	210,858	496,100
COVID Community Development Block Grant/Entitlement Grants	14.218	B-20-MW-42-0002	-	702,738	823,189	(120,451)	253,373
Subtotal 14.218 Total CDBG - Entitlement Grants Cluster			<u>(948,561)</u>	<u>4,070,623</u>	<u>3,751,645</u>	<u>(629,583)</u>	<u>3,078,253</u>
Emergency Solutions Grant Program	14.231	E-18-MC-42-0011	-	63,101	63,101	-	23,869
Emergency Solutions Grant Program	14.231	E-19-MC-42-0011	-	98,927	193,078	(94,151)	114,688
COVID Emergency Solutions Grant Program	14.231	E-20-MW-42-0011	-	63,360	308,462	(245,102)	186,517
Subtotal 14.231			<u>-</u>	<u>225,388</u>	<u>564,641</u>	<u>(339,253)</u>	<u>325,074</u>
Home Investment Partnerships Program	14.239	M-16-MC-42-0200	(273,300)	273,300	-	-	-
Home Investment Partnerships Program	14.239	M-17-MC-42-0200	(23,316)	262,139	324,631	(85,808)	-
Home Investment Partnerships Program	14.239	M-18-MC-42-0200	(102,349)	102,349	-	-	-
Home Investment Partnerships Program	14.239	M-19-MC-42-0200	(3,843)	38,843	-	35,000	-
Subtotal 14.239			<u>(402,808)</u>	<u>676,631</u>	<u>324,631</u>	<u>(50,808)</u>	<u>-</u>
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	FR-6000-N 012	(167,663)	193,134	25,471	-	25,471
Total U.S. Department of Housing and Urban Development - Direct			<u>(1,519,032)</u>	<u>5,165,776</u>	<u>4,666,388</u>	<u>(1,019,644)</u>	<u>3,428,798</u>
U.S. Department of Interior:							
Passed through the Commonwealth of Pennsylvania, Pennsylvania Historical and Museum Commission:							
Historic Preservation Fund Grants-In-Aid	15.904	42-00-000000	(8,510)	-	16,590	(25,100)	-
Total U.S. Department of Interior			<u>(8,510)</u>	<u>-</u>	<u>16,590</u>	<u>(25,100)</u>	<u>-</u>

CITY OF ALLENTOWN
SINGLE AUDIT REPORT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number	Grant/ Pass-Through Grantor's Number	(Accrued)/ Deferred Revenue at 12/31/2019	Federal Grant Receipts	Federal Grant Expenditures	(Accrued)/ Deferred Revenue at 12/31/2020	Passed Through to Subrecipients
U.S. Department of Justice:							
Passed through the Commonwealth of Pennsylvania,							
Pennsylvania Department of Justice:							
COVID Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1730	-	44,585	44,585	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0879	-	25,648	25,648	-	-
Body Worn Camera Policy and Implementation	16.835	2018-BC-BX-0005	(94,885)	133,065	55,115	(16,935)	-
Equitable Sharing Program	16.922	N/A	-	6,979	6,979	-	-
Total U.S. Department of Justice			<u>(94,885)</u>	<u>210,277</u>	<u>132,327</u>	<u>(16,935)</u>	<u>-</u>
U.S. Department of Transportation:							
Passed through the Commonwealth of Pennsylvania,							
Pennsylvania Department of Transportation:							
Highway Planning and Construction Cluster							
Highway Planning and Construction	20.205	050278	-	31,143	31,143	-	-
Highway Planning and Construction	20.205	R18050008	-	117,461	117,461	-	-
Subtotal 20.205 Total Highway Planning and Construction Cluster			<u>-</u>	<u>148,604</u>	<u>148,604</u>	<u>-</u>	<u>-</u>
Highway Safety Cluster							
Alcohol Impaired Driving Countermeasures:							
National Priority Safety Programs	20.616	IPD 2019-S Whitehall-00015	(6,210)	6,210	-	-	-
National Priority Safety Programs	20.616	PTS 2021-S Whitehall-00055	-	5,155	6,225	(1,070)	-
Subtotal 20.616 Total Highway Safety Cluster			<u>(6,210)</u>	<u>11,365</u>	<u>6,225</u>	<u>(1,070)</u>	<u>-</u>
Total U.S. Department of Transportation			<u>(6,210)</u>	<u>159,969</u>	<u>154,829</u>	<u>(1,070)</u>	<u>-</u>
U.S. Department of Treasury:							
Passed through the Commonwealth of Pennsylvania,							
Department of Community and Economic Development:							
Passed through Lehigh County:							
COVID Coronavirus Relief Fund	21.019	C000073967	-	1,992,372	679,088	1,313,284	-
Passed through the Commonwealth of Pennsylvania,							
Office of the State Fire Commissioner:							
COVID Coronavirus Relief Fund	21.019	C950000487	-	24,657	24,657	-	-
Subtotal 21.019			<u>-</u>	<u>2,017,029</u>	<u>703,745</u>	<u>1,313,284</u>	<u>-</u>
Total U.S. Department of Treasury			<u>-</u>	<u>2,017,029</u>	<u>703,745</u>	<u>1,313,284</u>	<u>-</u>
U.S. Department of Health and Human Services:							
Passed through the Commonwealth of Pennsylvania,							
Pennsylvania Department of Human Services:							
Public Health Emergency Preparedness	93.069	4100083767	(45,913)	173,284	157,133	(29,762)	-
Public Health Emergency Preparedness	93.069	4100085990	-	-	188,780	(188,780)	-
Subtotal 93.069			<u>(45,913)</u>	<u>173,284</u>	<u>345,913</u>	<u>(218,542)</u>	<u>-</u>
Injury Prevention and Control Research and State and Community Based Programs	93.136	4100085604	-	125,846	164,055	(38,209)	-
Childhood Lead Poisoning Prevention Projects, State and Local							
Childhood Lead Poisoning Prevention and Surveillance of Blood							
Lead Levels in Children	93.197	4100082847	(5,743)	27,322	25,823	(4,244)	-
Immunization Cooperative Agreements	93.268	4100083981	(34,132)	92,196	58,064	-	-
Immunization Cooperative Agreements	93.268	4100085962	-	17,690	72,961	(55,271)	-
Subtotal 93.268			<u>(34,132)</u>	<u>109,886</u>	<u>131,025</u>	<u>(55,271)</u>	<u>-</u>

CITY OF ALLENTOWN
SINGLE AUDIT REPORT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number	Grant/ Pass-Through Grantor's Number	(Accrued)/ Deferred Revenue at 12/31/2019	Federal Grant Receipts	Federal Grant Expenditures	(Accrued)/ Deferred Revenue at 12/31/2020	Passed Through to Subrecipients
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) COVID - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.323	4100087739	-	-	230,180	(230,180)	-
	93.354	4100083767 SAF2	-	1,573	408,295	(406,722)	-
Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498	HHS-05021763938	-	78,008	78,008	-	-
Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498	HHS-05021763938	-	3,161	3,161	-	-
Subtotal 93.498			-	81,169	81,169	-	-
Preventive Health & Health Services Block Grant	93.991	4100077241 SAF1	(35,910)	193,011	157,101	-	-
Preventive Health & Health Services Block Grant	93.991	4100085926	-	81,520	122,163	(40,643)	-
Subtotal 93.991			(35,910)	274,531	279,264	(40,643)	-
HIV Prevention Activities Health Department Based	93.940	4100079935	(33,351)	141,591	126,736	(18,496)	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	19-DA-33	(2,590)	20,860	18,270	-	-
			(2,590)	20,860	18,270	-	-
Maternal and Child Health Services Block Grant to the States	93.994	4100080468	(35,584)	158,026	144,522	(22,080)	-
Maternal and Child Health Services Block Grant to the States	93.994	4100073550 R1	(14,972)	77,091	62,119	-	-
Maternal and Child Health Services Block Grant to the States	93.994	4100073550 R2	-	37,136	60,821	(23,685)	-
Subtotal 93.994			(50,556)	272,253	267,462	(45,765)	-
Total U.S. Department of Health and Human Services			(208,195)	1,228,315	2,078,192	(1,058,072)	-
Federal Emergency Management Agency: Passed through the Commonwealth of Pennsylvania, Pennsylvania Emergency Management Agency: Assistance to Firefighters Grant	97.044	EMW-2019-FG-05828	-	-	45,455	(45,455)	-
Total Federal Emergency Management Agency			-	-	45,455	(45,455)	-
Total Expenditures of Federal Awards			<u>\$ (1,836,832)</u>	<u>\$ 8,781,366</u>	<u>\$ 7,797,526</u>	<u>\$ (852,992)</u>	<u>\$ 3,428,798</u>

* Denotes tested as major program

CITY OF ALLENTOWN
SINGLE AUDIT REPORT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020

1. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards (Schedule) presents the expenditures of all federal awards programs of the City of Allentown, Pennsylvania (City) using the modified accrual basis of accounting.

2. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the City's basic 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.

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

CITY OF ALLENTOWN
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020

I. Summary of Audit Results

1. Type of auditor's report issued: Unmodified

2. Internal control over financial reporting:

Material weakness(es) identified? ___Yes XNo

Significant deficiency(ies) identified that are not considered to be material weakness(es)?
___Yes X None reported

3. Noncompliance material to financial statements noted? ___Yes XNo

4. Internal control over major programs:

Material weakness(es) identified? XYes ___No

Significant deficiency(ies) identified that are not considered to be material weakness(es)?
___Yes X None reported

5. Type of auditor's report issued on compliance for major programs: Qualified

6. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? XYes ___No

7. Major Programs:

Assistance Listing Numbers

Name of Federal Program

14.218

Community Development Block Grants/Entitlement Grants

8. Dollar threshold used to distinguish between type A and type B programs: \$750,000

9. Auditee qualified as low-risk auditee? ___Yes XNo

CITY OF ALLENTOWN
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

II. Findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

None noted

III. Findings and questioned costs for federal awards.

Finding 2020-001 Reporting
Repeat Finding – See Finding 2019-003

U.S. Department of Housing and Urban Development – Community Development Block Grants/Entitlement Grants (Assistance Listing #14.218).

Condition: The City did not accurately report amounts on the Form SF-425 for the year ended December 31, 2020. The City did not provide a reconciliation to the general ledger for the C04PR26 – CDBG Financial Summary for the year.

Criteria: Pursuant to 24 CFR the grantee must accurately report amounts to U.S. Department of Housing and Urban Development.

Cause: The City does not have procedures in place to ensure that SF-425 and the C04PR26 reconcile to the general ledger in accordance with federal reporting requirements.

Effect: The City did not accurately report amounts on the SF-425 and the C04PR26 for the year ended December 31, 2020.

Questioned Costs: This finding does not result in questioned costs.

Recommendation: We recommend that the City implement procedures to ensure that all required reports are reconciled to the general ledger.

Management's Response: The City will take this recommendation and review current procedures and implement revised procedures based on the reporting requirements.

CITY OF ALLENTOWN, PENNSYLVANIA
SINGLE AUDIT REPORT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2020

Finding 2017-004: Reporting (Assistance Listing #14.218)
Repeat Finding 2019-003

Condition: The City did not accurately report amounts on the SF-425 for the year ended December 31, 2017. The City did not provide a reconciliation to the general ledger for the C04PR26 – CDBG Financial Summary for the year.

Current Status: See current year finding 2020-001

Finding 2018-004 Procurement Suspension, and Debarment

Condition: The City did not have the required language for Uniform Guidance procurement standards in their contracts or contract policies.

Current Status: Unresolved



Seth O'Neill
Finance Director
Department of Finance
435 Hamilton Street
Allentown PA 18101-1699
610.437.7500 x2145
Seth.ONeill@AllentownPA.gov
www.AllentownPA.gov

January 18, 2022

CORRECTIVE ACTION PLAN

U.S. Department of Housing and Urban Development

The City of Allentown respectfully submits the following corrective action plan for the year ended December 31, 2020.

As audited by:
Zelenkofske Axelrod LLC
2370 York Road, Suite A-5
Jamison, PA 18929

Audit Period: January 1, 2020 thru December 31, 2020.

The findings from the December 31, 2020 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Finding 2020-001 Reporting

U.S. Department of Housing and Urban Development — Community Development Block Grants/Entitlement Grants (CFDA #14.218).

Recommendation: We recommend that the City implement procedures to ensure that all required reports are reconciled to the general ledger.

Corrective Action: The City will take this recommendation and review current procedures and implement revised procedures based on the reporting requirements.

Finding 2018-004 Procurement Suspension, and Debarment

U.S. Department of Housing and Urban Development — Community Development Block Grants/Entitlement Grants (CFDA #14.218).

Recommendation: We recommend that the City implement procedures to ensure that all required provisions are included in contracts and contract policies.

Corrective Action: The City will amend contract language moving forward to include all necessary requirements.

If HUD has any questions regarding this plan, please contact me at 610-437-7621.

Sincerely,

A handwritten signature in black ink, appearing to read "Seth O'Neill", written in a cursive style.

Seth O'Neill

Finance Director