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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

FILED
By the Board of Directors of
The Metropolitan Water District
of Southern California
at its meeting held

40999

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AUG 19 1994

Karen E. Duff
EXECUTIVE SECRETARY

July 5, 1994

To: Board of Directors (Special Audit Committee--Information)
Board of Directors (Finance and Insurance Committee--Information)

From: Auditor

Subject: Single Audit Reports for the Fiscal Year Ended June 30, 1993

Report

The Federal Single Audit Act of 1984 (Single Audit Act) (P.L. 98-502) requires state or local government units that receive, directly or indirectly, \$100,000 or more of federal financial assistance in any one year to have an audit conducted for that year. The District's accrual basis financial statements are audited annually by the firm of KPMG Peat Marwick, CPAs, in accordance with generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants (AICPA). In the event that a so-called "Single Audit" is required to be conducted for a particular year, the cost of such an audit is included as part of the required audit services provided by that firm under its agreement with the District.

Auditors who conduct audits pursuant to the Single Audit Act are required to comply with government auditing standards issued by the Comptroller General of the United States (the so-called "Yellow Book"), as well as requirements of the Single Audit Act and OMB Circular A-128, Audits of State and Local Governments. These standards require that various reports be issued by the auditor in addition to the traditional auditor's report on the entity's general purpose financial statements. The AICPA has established authoritative guidance on the form and content of the reports required by the Single Audit Act.

Due to the magnitude of federal source monies received, directly or indirectly, during the fiscal year ended June 30, 1993, the District was required to have a Single Audit performed. The necessary additional auditing procedures were performed by staff from KPMG Peat Marwick and the required audit reports were received just prior to the deadline of June 30, 1994. KPMG Peat Marwick also sent copies of their audit reports to the respective cognizant agencies who require such reports, namely:

July 5, 1994

- o The State Controller of California
- o The U.S. Federal Emergency Management Agency
- o The U.S. Environmental Protection Agency

Copies of the required Single Audit Act audit reports from KPMG Peat Marwick are attached to this letter for information purposes.

Board Committee Assignments


This letter is referred for information to:

The Special Audit Committee because of its responsibility regarding auditors' periodic and annual reports, pursuant to Administrative Code Section 2561(a)(1); and

The Finance and Insurance Committee because of its interest in the form and content of financial statements and reports, pursuant to Administrative Code Section 2441(k).

Recommendation

For information only.


Michael W. Hondorp

MWH:lo

Enclosure



Peat Marwick

Certified Public Accountants

40999

**THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA**

Single Audit Reports

Year ended June 30, 1993

**THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA**

Single Audit Reports

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Certified Public Accountants

725 South Figueroa Street
Los Angeles, CA 90017

**INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION –
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

The Board of Directors
The Metropolitan Water District of Southern California:

We have audited the financial statements of The Metropolitan Water District of Southern California (District) as of and for the year ended June 30, 1993 and have issued our report thereon, dated September 8, 1993. These financial statements are the responsibility of the management of the District. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the financial statements of the District taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

KPMG Peat Marwick

June 24, 1994

**THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA**

Schedule of Federal Financial Assistance

Year ended June 30, 1993

Federal grantor/pass-through grantor/program title	Federal CFDA number	Grant number/ pass-through grantor's number	Federal entitlement amount	Accrued (deferred) grant revenue at July 1, 1992	Grant revenue received	Matching and other grant revenue			Grant expenses			Accrued (deferred) grant revenue at June 30, 1993
						MWD	Other	Total	Federal	Non-Federal	Total	
U.S. Environmental Protection Agency												
Passed-through the California Department of Health Services - Safe Drinking Water Research and Demonstration	66.506	—	\$ 182,029	—	—	18,762	18,762	37,524	—	37,524	37,524	—
Total U.S. Environmental Protection Agency			182,029	—	—	18,762	18,762	37,524	—	37,524	37,524	—
U.S. Federal Emergency Management Agency												
Passed-through the California Office of Emergency Services - Disaster Assistance:												
1987 Earthquake Damage:	83.516	FEMA-799-DR-CA/ OES-87-01-051										
Headquarters Parking Structure Repairs			27,547	—	—	—	3,105	3,105	—	3,105	3,105	—
Diemer Plant Roof Repairs			—	—	—	—	3,061	3,061	—	3,061	3,061	—
Facility Inspection			—	—	—	—	3,284	3,284	—	3,284	3,284	—
Headquarters Sunscreens Removal			10,384	—	—	—	830	830	—	830	830	—
Headquarters General Repairs			—	—	—	—	1,538	1,538	—	1,538	1,538	—
1992 Storm Damage:	83.516	FEMA-935-DR-CA/ OES-92-01-037										
Bull Creek Channel Restoration			303,849	—	9,222	—	74,054	74,054	—	—	—	(9,222)
Bull Creek Channel Debris Removal			13,703	—	13,703	4,568	—	4,568	13,703	4,568	18,271	—
Bull Creek Concrete Slopes Damage			10,117	—	7,802	—	—	—	—	—	—	(7,802)
Bull Creek Slope Magazine Canyon Debris Removal			600	—	450	150	—	150	450	150	600	—
1993 Storm Damage:	83.516	FEMA-979-DR-CA/ FIPS-037-9117										
San Diego Pipeline No. 4			101,260	—	—	11,817	—	11,817	35,452	11,817	47,269	35,452
San Diego Pipeline No. 1, 2 & 3			7,703	—	—	1,290	—	1,290	3,868	1,290	5,158	3,868
Colorado River Aqueduct			102,664	—	—	74,915	—	74,915	96,359	74,915	171,274	96,359
Etiwanda Reservoir, Power Plant and Control Facilities			7,694	—	—	5,567	—	5,567	5,771	5,567	11,338	5,771
Box Springs Feeder Patrol Road			5,605	—	—	10,026	—	10,026	4,204	10,026	14,230	4,204
Rialto Pipeline Road, Cajon Blvd., San Silvano Creek			3,883	—	—	91	—	91	273	91	364	273
Lake Mathews Upper Feeder Patrol Road			5,386	—	—	812	—	812	4,040	812	4,852	4,040
Lake Mathews Lower Feeder Patrol Road			47,692	—	—	14,325	—	14,325	24,690	14,325	39,015	24,690
San Diego Pipeline Patrol Road, Rainbow Canyon			9,690	—	—	61	—	61	184	61	245	184
San Diego Pipeline No. 4 Patrol Road			32,902	—	—	2,346	—	2,346	7,038	2,346	9,384	7,038
San Diego Pipeline No. 4 & 5 Patrol Road			77,283	—	—	6,075	—	6,075	18,225	6,075	24,300	18,225
San Diego Pipeline No. 1, 2 & 3 Structural Integrity			48,996	—	—	53	—	53	160	53	213	160
Colorado River Aqueduct, Verbania			10,778	—	—	1,043	—	1,043	3,128	1,043	4,171	3,128
Live Oak Canyon, Webb Canyon			3,800	—	—	13,555	—	13,555	2,850	13,555	16,405	2,850
Total U.S. Federal Emergency Management Agency			831,536	—	31,177	146,694	85,872	232,566	220,395	158,512	378,907	189,218
Total Federal assistance			\$ 1,013,565	—	31,177	165,456	104,634	270,090	220,395	196,036	416,431	189,218

See accompanying notes to Schedule of Federal Financial Assistance.

**THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA**

Notes to Schedule of Federal Financial Assistance

Year ended June 30, 1993

(1) General

The accompanying Schedule of Federal Financial Assistance presents the activity of Federal financial assistance programs of The Metropolitan Water District of Southern California (District). All Federal financial assistance is passed through other government agencies and included in the schedule. The schedule does not include 12 U.S. Federal Emergency Management Agency (FEMA) claims (DSRs), totaling approximately \$500,000, for which the claim has been made, but for which no expenses have been incurred or revenue received through June 30, 1993.

(2) Basis of Accounting

The accompanying Schedule of Federal Financial Assistance is presented using the accrual basis of accounting, whereby grant revenues are recognized when they become measurable and available and expenses are recognized when they are incurred.

(3) Definition of Major Federal Financial Assistance Program

The Single Audit Act of 1984 defines major Federal financial assistance programs based upon total Federal expenditures of the grantee during the period reported. For grantee total Federal expenditures between \$300,000 and \$10,000,000, the Act defines a major program as a program with total Federal expenditures equal to or greater than \$300,000. Accordingly, the District had no major Federal financial assistance programs during the year ended June 30, 1993.

Certified Public Accountants

725 South Figueroa Street
Los Angeles, CA 90017

**INDEPENDENT AUDITORS' REPORT ON THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA'S COMPLIANCE BASED ON THE AUDIT OF THE
FINANCIAL STATEMENTS**

The Board of Directors
The Metropolitan Water District of Southern California:

We have audited the financial statements of The Metropolitan Water District of Southern California (District) as of and for the year ended June 30, 1993 and have issued our report thereon, dated September 8, 1993.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the District is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the District complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

This report is intended for the information of the Board of Directors and management of the District, its granting agencies and the California State Controller. However, this report is a matter of public record and its distribution is not limited.

KPM & Peat Marwick

June 24, 1994



Certified Public Accountants

725 South Figueroa Street
Los Angeles, CA 90017

**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE
OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
BASED ON THE AUDIT OF THE FINANCIAL STATEMENTS**

The Board of Directors
The Metropolitan Water District of Southern California:

We have audited the financial statements of The Metropolitan Water District of Southern California (District) as of and for the year ended June 30, 1993 and have issued our report thereon, dated September 8, 1993.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of the District for the year ended June 30, 1993, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

The management of the District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- Accounting controls:
 - Revenue/receipts
 - Purchases/disbursements
 - Payroll.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal controls structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses, as defined above.

This report is intended for the information of the Board of Directors and management of the District, its granting agencies and the California State Controller. However, this report is a matter of public record and its distribution is not limited.

KPM & Rent Marwick

June 24, 1994

Certified Public Accountants

725 South Figueroa Street
Los Angeles, CA 90017

INDEPENDENT AUDITORS' REPORT ON THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA'S COMPLIANCE WITH GENERAL REQUIREMENTS

The Board of Directors
The Metropolitan Water District of Southern California:

We have audited the financial statements of The Metropolitan Water District of Southern California (District) as of and for the year ended June 30, 1993 and have issued our report thereon, dated September 8, 1993.

We have applied procedures to test the District's compliance with the following requirements applicable to its Federal financial assistance programs for the year ended June 30, 1993:

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Relocation assistance and real property acquisition
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the District's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed one instance of noncompliance with those requirements, which we believe to be immaterial, but which is described in the accompanying Schedule of Finding and Recommendation.

This report is intended for the information of the Board of Directors and management of the District, its granting agencies and the California State Controller. However, this report is a matter of public record and its distribution is not limited.

KPM & Rent Marwich

June 24, 1994

Certified Public Accountants

725 South Figueroa Street
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**INDEPENDENT AUDITORS' REPORT ON THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA'S COMPLIANCE WITH ITS NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Board of Directors
The Metropolitan Water District of Southern California:

We have audited the financial statements of The Metropolitan Water District of Southern California (District) as of and for the year ended June 30, 1993 and have issued our report thereon, dated September 8, 1993.

In connection with our audit of the financial statements of the District and with our consideration of the District's control structure used to administer Federal financial assistance programs, as required by Office of Management and Budget Circular A-128, Audits of State and Local Governments, we selected certain transactions applicable to certain nonmajor Federal financial assistance programs for the year ended June 30, 1993. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing:

- Types of services allowed or unallowed
- Eligibility
- Matching, level of effort or earmarking
- Reporting
- Cost allocation
- Special tests and provisions for Federal Emergency Management Agency – Disaster Assistance Grants (CFDA No. 83.516), as described in the accompanying Attachment (page 16)
- Claims for advances and reimbursements
- Amounts claimed or used for matching

that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the District's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those requirements.

This report is intended for the information of the Board of Directors and management of the District, its granting agencies and the California State Controller. However, this report is a matter of public record and its distribution is not limited.

KPM & Rent Marwich

June 24, 1994

Certified Public Accountants

725 South Figueroa Street
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**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE OF THE
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA USED IN
ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Board of Directors
The Metropolitan Water District of Southern California:

We have audited the financial statements of The Metropolitan Water District of Southern California (District) as of and for the year ended June 30, 1993 and have issued our report thereon, dated September 8, 1993.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the District complied with laws and regulations, noncompliance with which would be material to a Federal financial assistance program.

In planning and performing our audit for the year ended June 30, 1993, we considered the internal control structure of the District in order to determine our auditing procedures for the purpose of expressing our opinions on the District's financial statements, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to Federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated June 24, 1994.

The management of the District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that Federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure,

errors, irregularities or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering Federal financial assistance programs in the following categories:

- Accounting controls:
 - Revenue/receipts
 - Purchases/disbursements
 - Payroll
- Administrative controls used in administering Federal financial assistance programs:
 - General requirements:
 - Political activity
 - Davis-Bacon Act
 - Civil rights
 - Cash management
 - Relocation assistance and real property acquisition
 - Federal financial reports
 - Allowable costs/cost principles
 - Drug-Free Workplace Act
 - Administrative requirements
 - Specific requirements:
 - Types of services allowed or unallowed
 - Eligibility
 - Matching, level of effort or earmarking
 - Reporting
 - Cost allocation
 - Special tests and provisions of Federal Emergency Management Agency – Disaster Assistance Grants (CFDA No. 83.516) as described in the accompanying Attachment (page 16)
 - Claims for advances and reimbursements
 - Amounts claimed and used for matching.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1993, the District had no major Federal financial assistance programs and expended 100% of its total Federal financial assistance under the following nonmajor Federal financial program:

- Federal Emergency Management Agency – Disaster Assistance Grants (CFDA No. 83.516).

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering Federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a Federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Directors and management of the District, its granting agencies and the California State Controller. However, this report is a matter of public record and its distribution is not limited.

KPM & Rent Marwich

June 24, 1994

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Schedule of Finding and Recommendation

Year ended June 30, 1993

General Requirement – Allowable Costs/Cost Principles (OMB Circular A-87)

Finding

In order to receive reimbursement for indirect costs, recipients of Federal financial assistance are generally required to prepare a cost allocation plan (CAP) and/or indirect cost allocation rate proposal (IDCRP) that provide a basis for allocating indirect costs to Federal programs. Each State, State department and major local unit of government, as well as any other organization specifically requested to do so, must submit its CAP/IDCRP to its cognizant agency for approval. Other unlisted organizations must prepare the appropriate plans/proposals and maintain them on file for later review but may use their results in the meantime.

CAPs and IDCRPs are usually prepared on a prospective basis using actual financial data from a prior fiscal year or budgeted data for the current year. When the actual costs for the year are determined, the difference between the originally proposed costs and the actual costs are either carried forward to a subsequent CAP/IDCRP or adjusted with the granting Federal agency on a retrospective basis. In cases where fixed rates are determined and approved by the cognizant Federal agency, subsequent adjustments are not made.

During the year ended June 30, 1993, The Metropolitan Water District of Southern California (District) did not charge or allocate any indirect costs to its Federal financial assistance programs (neither Federal nor matching costs) and so an active CAP/IDCRP was not required. Additionally, the District has not been required to submit its CAP and IDCRP to its cognizant agency. However, the District has not updated its CAP or IDCRP since it prepared its fiscal year 1990/91 CAP and IDCRP.

Recommendation

While indirect costs are generally not allocable to U.S. Federal Emergency Management Agency (FEMA) Disaster Assistance Grants (the majority of the District's Federal financial assistance activity to date), we understand that the District expects to participate in Federal grant programs in the future in which allocation of allowable direct or indirect costs will be a factor. Accordingly, we recommend that the District update its CAP and IDCRP on an annual basis. These plans should be developed prospectively as described above, and differences between the originally proposed costs of the plan and the actual costs should be carried forward to subsequent CAPs and IDCRPs or adjusted with the granting Federal agency on a retrospective basis, as appropriate. After the plans are revised under the new computer system, automatic allocation in accordance with the approved plans to the grant programs and future updates to the plans based upon actual results should be facilitated.

Management's Response

We agree with the recommendations and will develop an automatic system of allocation in accordance with the approved plans to the grant programs. This allocation methodology will be developed after the implementation of the new computer system in fiscal 1994-1995.

**THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA**

Status of Prior Year Finding

Year ended June 30, 1993

None

**THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA**

Attachment – Special Tests and Provisions

June 30, 1993

Nonmajor Program: Federal Emergency Management Agency (FEMA) – Disaster Assistance Grants
(CFDA No. 83.516):

- All costs of administering public assistance programs at the subgrantee level are covered by a statutorily established percentage, and no costs of administering the program other than that percentage should be included in that subgrantee's claim. At the grantee level, a statutorily established percentage covers all costs of administering the public assistance program except the cost of regular time of employees approved by FEMA. Only this cost above the percentage should be included in the grantee's claim. (44 CFR 206.228)