



# CITY OF POMONA, CALIFORNIA

JUNE 30, 2022

SINGLE AUDIT REPORT

Focused  
on YOU



CITY OF POMONA, CALIFORNIA

SINGLE AUDIT REPORT

JUNE 30, 2022

CITY OF POMONA, CALIFORNIA

SINGLE AUDIT REPORT

JUNE 30, 2022

TABLE OF CONTENTS

	<u>Page Number</u>
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 <i>Government Auditing Standards</i> .....	1
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 .....	3
Schedule of Expenditures of Federal Awards for the Fiscal Year Ended June 30, 2022.....	6
Notes to the Schedule of Expenditures of Federal Awards .....	7
Schedule of Findings and Questioned Costs for the Fiscal Year Ended June 30, 2022.....	8
Schedule of Prior Year Findings and Questioned Costs for the Fiscal Year Ended June 30, 2021.....	11



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 Pomona, 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 Pomona, California, (the City) as of and for the year ended June 30, 2022, 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 14, 2022.

### 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 Pomona, 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  
December 14, 2022



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 Pomona, California

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

***Opinion on Each Major Federal Program***

We have audited the City of Pomona, 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, 2022. 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, 2022.

***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.



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

### ***Auditor's 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, *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 GAAS, *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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.



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

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.

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 14, 2022, 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, Soll & Luyhard, LLP*

Brea, California

March 21, 2023 (Except for the Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance, which is dated December 14, 2022)



CITY OF POMONA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Unique Entity ID	Program Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
<b><u>CDBG - Entitlement Grants Cluster</u></b>					
<u>U.S. Department of Housing and Urban Development</u>					
Direct Assistance:					
Community Development Block Grants/Entitlement Grants	14.218	N/A	B-21-MC-06-0527	\$ 2,212,004	\$ 92,136
COVID 19 - Community Development Block Grants/Entitlement Grants	14.218	N/A	B-20-MW-06-0527	369,264	-
CDBG Loans Program	14.218	N/A		1,547,696	-
Neighborhood Stabilization Loans Program	14.218	N/A		231,716	-
<b>Total CDBG - Entitlement Grants Cluster</b>				<b>4,360,680</b>	<b>92,136</b>
<b><u>Housing Voucher Cluster</u></b>					
<u>U.S. Department of Housing and Urban Development</u>					
Direct Assistance:					
Housing Choice Vouchers	14.871	N/A	CA123VO	516,102	-
Mainstream Vouchers	14.879	N/A	CA123VO	468,448	-
Emergency Housing Voucher	14.EHV	N/A	CA123VO	285,482	-
COVID 19 - Housing Choice Vouchers	14.HCC	N/A	CA123VO	1,072,679	-
COVID 19 - Mainstream Vouchers	14.MSC	N/A	CA123VO	4,817	-
<b>Total Housing Voucher Cluster</b>				<b>2,347,528</b>	<b>-</b>
<b><u>Highway Planning and Construction Cluster</u></b>					
<u>U.S. Department of Transportation</u>					
Passed through State of California Department of Transportation					
Highway Planning and Construction	20.205	EHEGWCLJEVJ4	HSIPL-5070(034)	342,827	-
Highway Planning and Construction	20.205	EHEGWCLJEVJ4	HSIPL-5070(037)	1,986	-
Highway Planning and Construction	20.205	EHEGWCLJEVJ4	LSRSPL-5070(039)	69,237	-
Highway Planning and Construction	20.205	EHEGWCLJEVJ4	ATPL - 5070(035)	27,915	-
<b>Total Highway Planning and Construction Cluster</b>				<b>441,965</b>	<b>-</b>
<b><u>Highway Safety Cluster</u></b>					
<u>U.S. Department of Transportation</u>					
Passed through State of California Office of Traffic Safety					
State and Community Highway Safety	20.600	XCA4E3XL2KY7	PT21103	51,277	-
State and Community Highway Safety	20.600	XCA4E3XL2KY7	PT22058	84,213	-
<b>Total State and Community Highway Safety</b>				<b>135,490</b>	<b>-</b>
National Priority Safety Programs	20.616	XCA4E3XL2KY7	PS21026	7,040	-
National Priority Safety Programs	20.616	XCA4E3XL2KY7	PS22010	16,884	-
<b>Total National Priority Safety Programs</b>				<b>23,924</b>	<b>-</b>
<b>Total Highway Safety Cluster</b>				<b>159,414</b>	<b>-</b>
<b><u>Aging Cluster</u></b>					
<u>U.S. Department of Health and Human Services</u>					
Passed through County of Los Angeles Workforce Development, Aging and Community Services					
California Department of Aging (CDA) American Rescue Plan Act (ARPA) II Nutrition Services Incentive Program	93.044	T2JVAUBNJ4E5	AAA-ENP-202109	218,998	-
	93.053	T2JVAUBNJ4E5	AAA-ENP-202109	27,569	-
Passed through County of Los Angeles Community and Senior Special Programs for the Aging - Title III, Park C--Nutrition Services	93.045	T2JVAUBNJ4E5	AAA-ENP-202109	233,368	-
<b>Total Aging Cluster</b>				<b>479,936</b>	<b>-</b>

CITY OF POMONA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Other Programs

U.S. Department of Housing and Urban Development

Direct Assistance:

Emergency Solutions Grants Program	14.231	N/A	E-21-MC-060527	132,650	-
COVID 19 - Emergency Solutions Grants Program	14.231	N/A	E-20-MW-060527	3,481,330	-
Total Emergency Solutions Grants Program				3,613,980	-
HOME Investment Partnerships Program	14.239	N/A	M-15-MC-06-0528	117,856	-
HOME Investment Partnerships Program	14.239	N/A	M-19-MC-06-0528	139,049	-
HOME Investment Partnerships Program	14.239	N/A	M-20-MC-06-0528	236,502	-
HOME Investment Partnerships Program	14.239	N/A	M-21-MC-06-0528	176,382	-
HOME American Rescue Plan	14.239	N/A	MS21-MP060528	14,355	-
HOME Loans Program	14.239	N/A		16,650,528	-
Total HOME Investment Partnership Program				17,334,673	-
Moving to Work Demonstration*	14.881	N/A	CA123VO	14,133,615	-
Family Self-Sufficiency Program	14.896	N/A	CA123VO	59,526	-
Lead Paint Hazard Control Grant*	14.900	N/A	CALHB0750-19	474,728	-
Healthy Homes Grant*	14.900	N/A	CALHB0750-19	65,747	-
Total Lead-Based Paint Hazard Control in Privately-Owned Housing Program*				540,475	-
Healthy Homes Production Program	14.913	N/A	CAHH0078-22	4,772	-
Continuum of Care Program*	14.267	N/A	CA0462L9D001912	467,555	-
Continuum of Care Program*	14.267	N/A	CA0462L9D002013	1,182,892	-
Passed through Los Angeles Homeless Services Authority					
Continuum of Care Program*	14.267	HAW8D5MS9JE4	CA0358L9D001912	569,225	-
Continuum of Care Program*	14.267	HAW8D5MS9JE4	CA0358L9D002013	344,131	-
Total Continuum of Care Program*				2,563,803	-
Total U.S. Department of Housing and Urban Development				38,250,844	-

U.S. Department of the Interior

Passed through State of California Department of Parks and Recreation					
Historic Preservation Fund Grants-In-Aid	15.904	VY39GJE3DQG1	C08421003	8,450	-
Total U.S. Department of the Interior				8,450	-

U.S. Department of Justice

Direct Assistance:

Equitable Sharing Program	16.922	N/A	CA195500	424,343	-
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	2019-DJ-BX-0760	7,873	-
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	2020-DJ-BX-0320	46,539	-
Total U.S. Department of Justice				478,754	-

U.S. Department of Transportation

Passed through State of California Office of Traffic Safety					
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	XCA4E3XL2KY7	PT21103	83,576	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	XCA4E3XL2KY7	PT22058	150,172	-
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated				233,748	-

U.S. Department of Transit

Passed through Los Angeles County Department of Workforce Development, Aging and Community Services					
COVID 19 - Coronavirus Relief Funds	21.019	T2JVAUBNJ4E5	AAA-ENP-202109	147,114	-
Total COVID 19 - Corona Virus Relief Funds				147,114	-
Passed through State of California Department of Housing and Community Development					
Emergency Rental Assistance Program	21.023	L4JQPJ7N5NT4	ERA0003	109,350	-
Total U.S. Department of Transit				256,464	-

U.S. Department of Treasury

Direct Assistance:

COVID 19 - Coronavirus State and Local Fiscal Recovery Funds*	21.027	N/A		2,298,894	-
Federal Equitable Sharing	21.016	N/A	CA195500	96,528	-
Passed through California State Water Resources Control Board					
COVID 19 - SWRCB Waste water arrearage program*	21.027	TGFTZM2DN5Z2	CA1910126	911,144	-
Total Coronavirus State and local Fiscal Recovery Funds				3,306,566	-
Total U.S. Department of Treasury				3,306,566	-
<b>Total Other Programs</b>				<b>42,534,826</b>	<b>-</b>
<b>Total Expenditures of Federal Awards</b>				<b>\$ 50,324,348</b>	<b>92,136</b>

\* Major Program

Note a: Refer to Note 1 to the schedule of expenditures of federal awards for a description of significant accounting policies used to prepare this schedule.

Note b: There were no federal awards expended in the form of non-cash assistance and insurance in effect during the year.

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

---

**Note 1: Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards**

**a. Scope of Presentation**

The accompanying schedule presents only the expenditures incurred by the City of Pomona, California, that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the City from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

**b. Basis of Accounting**

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the City becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program.

**c. Indirect Cost Rate**

The City did not elect to use the 10% de minimis cost rate.

**Note 2: Federal Loan Programs with Compliance Requirements**

Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the accompanying schedule. The balance of loans outstanding with compliance requirements at June 30, 2022, consists of:

<u>Assistance Listing Number</u>	<u>Program Name</u>	<u>Balance at June 30, 2022</u>
14.218	CDBG Loans Program	\$ 1,552,699
14.218	Neighborhood Stabilization Loans Program	207,516
14.239	HOME Loans Program	16,724,459
Total loans subject to continuing compliance requirements		<u>\$ 18,484,674</u>



**CITY OF POMONA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

---

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

# THE CITY OF POMONA

Finance Department



**CITY OF POMONA**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

---

### **SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

### **SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.