City of Chula Vista, California

Single Audit Report on Federal Awards

Year Ended June 30, 2024

City of Chula Vista

Single Audit Report on Federal Awards
Table of Contents

	Page
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	1
Independent Auditor's Report on Compliance for Each Major Federal Program; Report 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	7
Notes to the Schedule of Expenditures of Federal Awards	9
Schedule of Findings and Questioned Costs	10
Summary Schedule of Prior Audit Findings	12

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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

To the Honorable Mayor and Members of the City Council
City of Chula Vista, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chula Vista (the entity) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements, and have issued our report thereon dated December 11, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the entity's internal control over financial reporting (internal control) as a basis for designing 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 entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity'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 entity'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*.

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.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 11, 2024

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL 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

To the Honorable Mayor and Members of the City Council
City of Chula Vista, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Chula Vista's (the entity'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 entity's major federal programs for the year ended June 30, 2024. The entity'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 entity complied, in all material respects, with the 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, 2024.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 entity 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 entity'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 entity's federal programs.

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 entity'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 GAAS, *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 entity'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 entity'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 entity'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 entity'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.

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 entity as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements. We issued our report thereon, dated December 11, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
March 17, 2025 (except for our report on the Schedule of Expenditures of Federal Awards, for which the date is December 11, 2024)

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	*Assistance Listing Number*	*Unique Entity ID*	*Passed through to Subrecipients*	*Federal Expenditures*
U.S. Department of Housing and Urban Development				
CDBG - Entitlement Grants Cluster:				
Direct Assistance:				
Community Development Block Grants/Entitlement Grants (CDBG)	14.218	B-21-MC-06-0540, B-23-MC-06-0540	$ 458,083	$ 3,565,449
CDBG - Beginning Loan Balances	14.218	N/A	-	2,081,007
Total CDBG - Entitlement Grants Cluster / AL 14.218			458,083	5,646,456
Direct Assistance:				
Emergency Solutions Grant Program	14.231	E-21-MC-06-0540, E-23-MC-06-0540	311,302	428,966
Home Investment Partnerships Program	14.239*	M21-MC060505, M23-MC060505	744,737	1,215,926
Home Investment Partnerships Program - Beginning Loan Balances	14.239*	N/A	-	14,691,668
Neighborhood Stabilization Program (Recovery Act Funded)	14.256	B-08-MN-06-0504	-	1,010
Total U.S. Department of Housing and Urban Development			**1,514,122**	**21,984,026**
U.S. Department of Justice				
Direct Assistance:				
Bulletproof Vest Partnership Program	16.607	N/A	-	4,423
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-22-GG-04525-PPSE	-	183,757
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-003167-JAGX, 15PBJA-24-GG-05142-JAGX	-	75,986
Equitable Sharing Program	16.922	CA0370200	-	232,025
Passed-through the Federal Bureau of Investigation (FBI):				
Organized Crime Drug Enforcement Task Forces	16.922	Various	-	6,074
Passed-through the U.S Drug Enforcement Administration (DEA):				
Narcotics Task Force	16.922	NTF2024-02	-	20,491
Total AL 16.922			-	258,590
Passed-through the County of San Diego District Attorney Office:				
Law Enforcement Assistance FBI Crime Laboratory Support	16.301	FXLBZ53DXK61	-	85,769
Passed-through the City of San Diego:				
Missing Children's Assistance	16.543	00-958-1208	-	44,452
Passed-through the California Governor's Office of Emergency Services:				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	CQ20 10 6364	-	64,734
Total U.S. Department of Justice			**-**	**717,711**
U.S. Department of Transportation				
Highway Safety Cluster:				
Passed-through the State of California Office of Traffic Safety:				
State and Community Highway Safety	20.600	96-505-3908	-	50,000
Total Highway Safety Cluster			-	50,000
Passed-through the State of California Department of Transportation:				
Highway Planning and Construction	20.205	02-549-9144	-	1,943,282
Passed-through the State of California Office of Traffic Safety:				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PS240008, PS25039, PT24043, PT25151	-	669,146
Total U.S. Department of Transportation			**-**	**2,662,428**

See accompanying notes to the Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Federal Awards (continued)
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	*Assistance Listing Number*	*Unique Entity ID*	*Passed through to Subrecipients*	*Federal Expenditures*
U.S. Department of the Treasury				
Direct Assistance:				
Equitable Sharing	21.016	CA0370200	$ -	$ 1,393,997
COVID-19 Emergency Rental Assistance Program	21.023	20-ERAP-00028, 21-ERAP-20028	-	170,541
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027*	N/A	386,856	34,610,846
Passed-through the California Department of Community Services and Development:		TGFTZM2DN5Z2		
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027*	N/A	-	22,117
Passed-through the California State Water Resources Control Board:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027*	A00066	-	709,736
Total AL 21.027			386,856	35,342,699
Passed-through Immigration and Customs Enforcement (ICE):				
Organized Crime Drug Enforcement Task Forces	21.016	MOU	-	3,411
Total U.S. Department of Treasury			**386,856**	**36,910,648**
U.S. Institute of Museum and Library Services				
Passed-through the California State Library:				
Grants to States	45.310	SEF8B2944EP9	-	28,028
Total U.S. Institute of Museum and Library Services			**-**	**28,028**
U.S Department of Health and Human Services				
Direct Assistance:				
Community Programs to Improve Minority Health	93.137	1 CPIMP211287-01-00	130,592	159,573
Total U.S. Department of Health and Human Services			**130,592**	**159,573**
U.S. Executive Office of the President				
Direct Assistance:				
High Intensity Drug Trafficking Areas Program	95.001	G23SC0002A, G24SC0002A	-	2,654,393
Total U.S. Executive Office of the President			**-**	**2,654,393**
U.S. Department of Homeland Security				
Direct Assistance:				
Hazard Mitigation Grant	97.039	DR-4308-305-46R	1,312,738	1,312,738
Assistance to Firefighters Grant	97.044	EMW-2022-FG-00711	-	78,945
Passed-through the California Governor's Office of Emergency Services:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	073-13392	-	1,223,925
Passed-through the County of San Diego Office of Emergency Services:		TG3UJKLLSA87		
Emergency Management Performance Grants	97.042	04-774-0925	-	149,661
Homeland Security Grant Program	97.067	04-774-0925	-	3,529,249
Total U.S. Department of Homeland Security			**1,312,738**	**6,294,518**
Total Expenditures of Federal Awards			**$ 3,344,308**	**$ 71,411,325**

* Major Program

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

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Chula Vista (the "City") under programs of the federal government for the year ended June 30, 2024. 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized according to 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 prior years. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3: LOAN PROGRAMS

The federal housing loan programs listed subsequently are administered directly by the City, and balances and transactions relating to these programs are included in the City's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented on the Schedule. The balance of loans outstanding at June 30, 2024 consist of:

Assistance Listing Number	*Program Name*	*Outstanding Balance at June 30, 2024*
14.218	CDBG Loan	$ 2,081,007
14.239	HOME Loans	14,641,668

SECTION I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	X	No
Significant deficiency(ies) identified?	_____	Yes	X	None reported
Noncompliance material to financial statements noted?	_____	Yes	X	No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	_____	Yes	X	No
Significant deficiency(ies) identified?	_____	Yes	X	None reported

Type of auditor's report issued on compliance for major federal programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	_____	Yes	X	No

Identification of major federal programs:

Assistance Listing Number	Name of Federal Program/Cluster
14.239	Home Investment Partnerships
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs $ 2,142,340

Auditee qualified as low-risk auditee?	_____	Yes	X	No

SECTION II. FINANCIAL STATEMENT FINDINGS

No findings to report.

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings to report.

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

CURRENT STATUS OF PRIOR YEAR FINDINGS:

No prior year findings to report.