

**CITY OF PITTSBURG**  
**SINGLE AUDIT REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

This Page Left Intentionally Blank

**CITY OF PITTSBURG**  
**SINGLE AUDIT REPORT**  
**For The Year Ended June 30, 2022**

**TABLE OF CONTENTS**

|   | <u>Page</u> |
|---|-------------|
| Schedule of Findings and Questioned Costs.....  | 1           |
| Section I – Summary of Auditor’s Results .....  | 1           |
| Section II – Financial Statement Findings .....   | 2           |
| Section III – Federal Award Findings and Questioned Costs.....  | 2           |
| Schedule of Expenditures of Federal Awards.....   | 4           |
| Notes to the Schedule of Expenditures of Federal Awards .....   | 7           |
| Independent Auditor’s Report on Internal Control over Financial Reporting<br>and on Compliance and Other Matters Based on an Audit of Financial<br>Statements Performed in Accordance with <i>Government Auditing Standards</i> ..... | 9           |
| Independent Auditor's Report on Compliance for Each Major Program and on<br>Internal Control Over Compliance; and Report on the Schedule of Expenditures<br>of Federal Awards Required by the Uniform Guidance .....                  | 11          |

This Page Left Intentionally Blank

CITY OF PITTSBURG

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2022

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? X Yes 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)? X Yes No

Identification of major program(s):

Table with 2 columns: Assistance Listing Number(s) and Name of Federal Program or Cluster. Row 1: 14.871, Section 8 Housing Choice Vouchers Program

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

Auditee qualified as low-risk auditee? X Yes No

## SECTION II – FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any significant deficiencies, or material weaknesses or instances of noncompliance material to the basic financial statements. We have also issued a separate Memorandum on Internal Control dated January 20, 2023, which is an integral part of our audit and should be read in conjunction with this report.

## SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Our audit disclosed the following findings and questioned costs required to be reported in accordance with Uniform Guidance.

### **Finding SA2022-001: *Housing Quality Inspections***

**Assistance Listing Number: 14.871**

**Assistance Listing Title:** Section 8 Housing Choice Vouchers Program

**Name of Federal Agency:** Department of Housing and Urban Development

**Federal Award Identification Number and Year:** CA060VO (2022)

**Criteria:** 24 CFR Section 982 requires recipients of Section 8 Housing Choice Vouchers to inspect housing units for compliance with Housing Quality Standards (HQS). For units under a Housing Assistance Payment (HAP) contract that fail to meet HQS, the Housing Authority must require the owner to correct deficiencies within a specified period. Normal deficiencies of units should be corrected within thirty days of the initial failed inspection date, unless other circumstances occur. Life threatening deficiencies should be corrected within 24 hours of the initial failed inspection. Furthermore, if the Housing Authority does not verify the landlord corrected of the deficiency within sixty days of the failed inspection date, a termination notice for the contract will be issued and the HAP will be terminated.

**Condition:** We tested thirteen failed HQS inspections in fiscal year 2022 and reviewed supporting documents for re-inspections to determine if deficiencies were corrected within the required periods for the units under the Housing Authority's Section 8 Housing Choice Vouchers Program. During our review, we noted the following four deficiencies:

1. We noted two units that had failed inspections due to non-life threatening (normal) deficiencies on an initial inspection in November 2021. We noted that the Housing Authority had documentation of work orders to correct the units' deficiencies in October 2022. The Housing Authority was unable to provide documentation of any re-inspections due to the fact that the Housing Authority's legacy software with the documentation is no longer available. During fiscal year 2022, the Housing Authority converted the Housing software to a new program and the data migration did not provide the requested documents.
2. We noted four units that had failed inspections within the timeframe of November 2021 through January 2022. Although the Housing Authority inspection results letters indicated that a reinspection would occur a month later, we noted that the Housing Authority re-inspections were not completed until October 2022 for one unit, January 2023 for the second unit, and February 2023 for the remaining two units.

### SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

#### Finding SA2022-001: *Housing Quality Inspections* (Continued)

3. We noted two units that had failed initial inspections due to non-life threatening (normal) deficiencies on an initial inspection in November 2021 and January 2022, respectively. Although we noted that the Housing Authority worked with the tenants and reinspected the units, we noted that the repairs were not made until October 2022 and November 2022, respectively. We also noted that the Housing Authority did not abate the HAPs for the tenants after the sixty days lapsed from the initial failed inspections.
4. We noted two units that had failed initial inspections due to life threatening deficiencies from deficient smoke detectors, however, the Housing Authority did not maintain documentation that the follow up on the units' deficiencies occurred within 24 hours of the failed initial inspections to ensure the smoke detectors were operable.

**Effect:** The Housing Authority is not in compliance with the requirements set forth by 24 CFR Section 982 regarding HQS inspections.

**Cause:** The Housing Authority's re-inspection delays discussed above were due to understaffing at the Housing Authority during fiscal year 2022. Furthermore, the Housing Authority converted its Housing software during fiscal year 2022. During the data migration process, certain inspection documents did not transfer into the new Housing software and the Housing Authority no longer has access to certain inspection documents.

**Questioned Costs:** There are no known questioned costs for this finding and any potential questioned costs would be de minimus, based on the number of tenants who participate in the program and the dollar amount of Housing Choice Vouchers for Section 8 during fiscal year 2021-22.

**Identification As a Repeat Finding:** No.

**Recommendation:** We recommend that the Housing Authority develop procedures to ensure that re-inspections are performed timely and to ensure that life threatening deficiencies are corrected and re-inspected within 24 hours of the failed inspection, and maintain documentation to confirm the failure has been addressed and corrected. We also recommend that the Housing Authority terminate the HAP contract if a unit deficiency is not corrected within sixty days. Furthermore, we recommend that the Housing Authority maintain a system to backup data for documentation of all inspections performed.

**View of Responsible Officials and Planned Corrective Actions:** Please see Corrective Action Plan separately prepared by the City.

CITY OF PITTSBURG

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2022

| Federal Grantor/<br>Pass-Through Grantor/Program or Cluster Title                            | Federal<br>Assistance<br>Listing<br>Number | Pass-Through<br>Identifying<br>Number | Pass-Through To<br>Subrecipients | Federal<br>Expenditures |
|--|--|---------------------------------------|----------------------------------|-------------------------|
| <b>US Department of Housing &amp; Urban Development Direct Programs:</b>                     |  |                                       |                                  |                         |
| Community Development Block Grants/Entitlement Grants  | 14.218                                     |                                       |                                  |                         |
| Entitlement Program  |  |                                       |                                  | \$72,760                |
| Subgrants  |  |                                       | \$541,431                        | 541,431                 |
| COVID-19 - CDBG-CV   |  |                                       |                                  | 14,815                  |
| Subtotal Community Development Block Grants/Entitlement Grants                               |  |                                       | 541,431                          | 629,006                 |
| Section 8 Housing Choice Voucher Program   |  |                                       |                                  |                         |
| Housing Choice Voucher Program   | 14.871                                     |                                       |                                  | 21,390,769              |
| COVID-19 - Housing Choice Voucher Program (CARES Act)  | 14.871                                     |                                       |                                  | 262,900                 |
| Subtotal Section 8 Housing Choice Voucher Program  |  |                                       |                                  | 21,653,669              |
| Total Department of Housing and Urban Development  |  |                                       | 541,431                          | 22,282,675              |
| <b>Department of Justice Direct Programs:</b>  |  |                                       |                                  |                         |
| Edward Byrne Memorial Justice Assistance Grant Program                                       | 16.738                                     |                                       |                                  | 48,828                  |
| COVID-19 - Coronavirus Emergency Supplemental Funding Program                                | 16.034                                     |                                       |                                  | 6,205                   |
| Total Department of Justice  |  |                                       |                                  | 55,033                  |
| <b>Department of Labor Employment and Training Administration Pass-Through Program From:</b> |  |                                       |                                  |                         |
| Contra Costa County Employment and Human Services  |  |                                       |                                  |                         |
| WIOA Adult Program   |  |                                       |                                  |                         |
| Pre-Apprenticeship Construction Program  | 17.258                                     | 18-426-2                              | 250,000                          | 250,000                 |
| <b>Department of Transportation Pass-Through Programs From:</b>                              |  |                                       |                                  |                         |
| California Department of Transportation  |  |                                       |                                  |                         |
| Highway Planning and Construction Program (Federal-Aid Highway Program)                      |  |                                       |                                  |                         |
| ST-42 West Leland High Friction Surface  | 20.205                                     | HSIP7-04-020                          |                                  | 230,742                 |
| Stoneman Avenue Interaction Improvements   | 20.205                                     | HSIPL-5127(034)                       |                                  | 160,739                 |
| Metropolitan Transportation Commission   |  |                                       |                                  |                         |
| One Bay Area Grants (OBAG) Program   |  |                                       |                                  |                         |
| 2018-03 BART Pedestrian & Bicycle Connectivity   | 20.205                                     | CML-5127(036)                         |                                  | 149,997                 |
| Highway Planning and Construction Program (Federal-Aid Highway Program)                      |  |                                       |                                  |                         |
| 2019-01 Traffic Signal Improvements  | 20.205                                     | HSIPL-5127(037)                       |                                  | 50,547                  |
| Subtotal Highway Planning and Construction Program   |  |                                       |                                  | 592,025                 |
| State of California-Office of Traffic Safety   |  |                                       |                                  |                         |
| Minimum Penalties for Repeat Offenders for Driving While Intoxicated                         |  |                                       |                                  |                         |
| Selective Traffic Enforcement Program  | 20.608                                     | PT21099                               |                                  | 32,020                  |
| Selective Traffic Enforcement Program  | 20.608                                     | PT22056                               |                                  | 12,777                  |
| Subtotal Minimum Penalties for Repeat Offenders for Driving While Intoxicated                |  |                                       |                                  | 44,797                  |
| State and Community Highway Safety Program   |  |                                       |                                  |                         |
| Selective Traffic Enforcement Program  | 20.600                                     | PT21099                               |                                  | 33,775                  |
| Selective Traffic Enforcement Program  | 20.600                                     | PT22056                               |                                  | 2,094                   |
| Subtotal State and Community Highway Safety Program  |  |                                       |                                  | 35,869                  |
| Total Department of Transportation   |  |                                       |                                  | 672,691                 |

(Continued)



CITY OF PITTSBURG

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2022

| Federal Grantor/<br>Pass-Through Grantor/Program or Cluster Title   | Federal<br>Assistance<br>Listing<br>Number | Pass-Through<br>Identifying<br>Number | Pass-Through To<br>Subrecipients | Federal<br>Expenditures |
|---|--|---------------------------------------|----------------------------------|-------------------------|
| <b>US Department of Homeland Security Pass-Through Program From:</b>  |  |                                       |                                  |                         |
| California Governor's Office of Emergency Services<br>Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036                                     | FEMA-4482-DR-CA                       |                                  | <u>52,548</u>           |
| <b>Department of the Treasury Pass-Through Program From:</b>  |  |                                       |                                  |                         |
| California State Water Resources Control Board<br>California Water & Wastewater Arrearage Payment Program                     | 21.027                                     | Not available                         |                                  | <u>206,836</u>          |
| <b>US Environmental Protection Agency Direct Program:</b>   |  |                                       |                                  |                         |
| Brownfields Assessment and Cleanup Cooperative Agreements   | 66.818                                     |                                       |                                  | <u>39,428</u>           |
| Total Expenditures of Federal Awards  |  |                                       | <u>\$791,431</u>                 | <u>\$23,559,211</u>     |

See Accompanying Notes to Schedule of Expenditures of Federal Awards

This Page Left Intentionally Blank

## CITY OF PITTSBURG

### NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended June 30, 2022

#### NOTE 1 – REPORTING ENTITY

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the City of Pittsburg, California (City) and its component units as disclosed in the notes to the Basic Financial Statements.

The City was incorporated under the General Laws of the State of California and enjoys all the rights and privileges pertaining to such “General Law” cities. The City uses the Council/Manager form of government. The financial reporting entity consists of (a) the primary government, the City, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government’s exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The following component units are included in the basic financial statements of the City:

- Housing Authority
- Public Infrastructure Financing Authority
- Pittsburg Power Company
- Pittsburg Arts & Community Foundation
- Southwest Pittsburg GHAD II

#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. The proprietary and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Expenditures of Federal Awards reported on the Schedule are recognized when incurred.

#### NOTE 3 – INDIRECT COST ELECTION

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

**CITY OF PITTSBURG**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended June 30, 2022**

**NOTE 4 – LOAN AND/OR LOAN GUARANTEE PROGRAM**

The following loan program balance and transaction relating to these programs are included in 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 in the Schedule. The balance of loans outstanding at June 30, 2022 consists of the following:

| CFDA<br>Number | Program Name   | Outstanding<br>Balance<br>at June 30, 2022 |
|----------------|--|--|
| 14.218         | Community Development Block Grant/Entitlement Grants | \$235,800                                  |

**NOTE 5 – CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUND PROGRAM  
(AL# 21.027)**

The Schedule for the year ended June 30, 2022 includes expenditures for the American Rescue Plan Coronavirus State and Local Fiscal Recovery Fund Program (AL# 21.027) for the period of March 4, 2020 to June 15, 2021. The period of performance for the grant began on March 4, 2020.

**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***

To the Honorable Members of the City Council  
City of Pittsburg, 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 Pittsburg (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 January 20, 2023. Our report included an emphasis of a matter paragraph disclosing the implementation of new accounting principles.

***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 City’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*.

We have also issued a separate Memorandum on Internal Control dated January 20, 2023, which is an integral part of our audit and should be read in conjunction with this report.

***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 result 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.

*Maze & Associates*

Pleasant Hill, California  
January 20, 2023

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

To the Honorable Members of the City Council  
City of Pittsburg, California

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

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

We have audited City of Pittsburg's (City) 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 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 (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 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.

### ***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 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 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.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item SA2022-001. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* require the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



## **Report on Internal Control Over Compliance**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

*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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item SA2022-001 to be a significant deficiency.

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.

*Government Auditing Standards* require the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the other 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining funds 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 January 20, 2023, which contained an unmodified opinion 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 basic 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.

*Mazze & Associates*

Pleasant Hill, California  
March 22, 2023



## City of Pittsburg

916 Cumberland Street, Pittsburg, CA 94565  
Tel: (925) 252-4060 FAX (925) 427-2715 TTY: (925) 427-7950

### SINGLE AUDIT FOR THE YEAR ENDED JUNE 30, 2022

#### CORRECTIVE ACTION PLAN FOR THE CITY OF PITTSBURG

##### FINANCIAL STATEMENT FINDINGS-CURRENT YEAR:

There were no financial statement findings in the current year.

##### FEDERAL AWARD FINDINGS-CURRENT YEAR:

**Finding SA2022-001:** *Housing Quality Inspections and Re-Inspections for Units with Deficiencies*

**Assistance Listing Number:** 14.871

**Assistance Listing Title:** Section 8 Housing Choice Vouchers Program

**Name of Federal Agency:** Department of Housing and Urban Development

**Federal Award Identification Number and Year:** CA060VO (2022)

**Fiscal Year of Initial Finding: 2022:**

**Name(s) of the contact person:**

- Bruce Smargiasso, Tanya Ray

**Corrective Action Plan:**

- The Housing Authority of the City of Pittsburg encountered many challenges post COVID operations. After 15 months of suspended inspections, the Housing Authority utilized a third-party vendor to conduct HQS inspections as well as send all inspection notices in a very short, compacted time period. In addition, two staff members were absent for several months near the end of this period making follow-up reporting difficult.
- As a result, HA Management & Staff have reinstated a tracking log for 24-hour deficiencies and informed all Inspectors to notify the Housing Authority (HA) immediately. The HA has provided inspectors batteries for smoke detectors so 24-hour deficiencies can be more accurately tracked.

- In addition, the Housing Authority plans to implement a Request for Proposals (if needed under the HA Purchasing Policy) to execute a contract with a third-party vendor that will complete all aspects of HUD's required inspection process.

**Anticipated Completion Date:**

- The Housing Authority Manager has requested a quote for Inspection Services and will pursue an RFP if required. This process is anticipated to be executed within 90-120 days.