



## CITY OF PASADENA, CALIFORNIA

FOR THE YEAR ENDED JUNE 30, 2025

SINGLE AUDIT REPORT

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on YOU



CITY OF PASADENA, CALIFORNIA

Single Audit Report

For the Year Ended June 30, 2025

CITY OF PASADENA, CALIFORNIA

Single Audit Report

For the Year Ended June 30, 2025

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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 Pasadena, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pasadena, California (hereafter, the City), as of and for the year ended June 30, 2025, 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 23, 2025.

#### **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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

#### **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 Pasadena, 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.

*LSL, LLP*

Irvine, California  
December 23, 2025



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 Pasadena, California

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

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

We have audited the City of Pasadena, California (hereafter, 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, 2025. The City's major federal programs are identified in the summary of auditors' 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, 2025.

***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 Auditors' 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.

***Auditors' 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.



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

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 generally accepted auditing standards, *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 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.



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

**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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 23, 2025, 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.

*LSL, LLP*

Irvine, California

March 26, 2026 (Except for the Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance, which is dated December 23, 2025)

CITY OF PASADENA, CALIFORNIA  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2025

<i>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Passed-through to Subrecipients</i>	<i>Total Federal Expenditures</i>
<b><u>U.S. Department of Agriculture:</u></b>				
SNAP Cluster				
Pass Through Programs:				
State of California Department of Health Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	JE73CDQUAPA7	\$ -	\$ 244,076
Total SNAP Cluster			-	244,076
State of California Department of Agriculture:				
WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557	W7NKNDHMRD27	-	1,039,874
<b>Total U.S. Department of Agriculture</b>			-	<b>1,283,950</b>
<b><u>U.S. Department of Housing and Urban Development:</u></b>				
Direct Programs:				
CDBG - Entitlement/Special Purpose Grants Cluster				
Community Development Block Grants/ Entitlement Grants	14.218	N/A	\$ 219,222	\$ 1,533,157
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	N/A	58,943	58,943
Subtotal for 14.218			278,165	1,592,100
Total CDBG - Entitlement/Special Purpose Grants Cluster			278,165	1,592,100
Home Investment Partnerships Program *	14.239	N/A	-	1,652,076
Home Investment Partnerships Program - Beginning Loan Balances *	14.239	N/A	-	14,836,484
Subtotal for 14.239			-	16,488,560
Emergency Solutions Grant Program	14.231	N/A	7,235	64,842
Community Development Block Grants Section 108 Loan Guarantees	14.248	N/A	-	408,396
Continuum of Care	14.267	N/A	2,787,632	4,099,062
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	N/A	-	22,197,305
COVID-19 Section 8 Housing Choice Vouchers (CARES Act)	14.871	N/A	-	3,093,207
Beginning loan balances	14.871	N/A	-	50,000
Subtotal for 14.871			-	25,340,512
Total Housing Voucher Cluster			-	25,340,512
Pass Through Programs:				
City of Los Angeles				
Home Opportunities for Persons with AIDS	14.241	NL4ZWF6VEJT8	-	297,135
<b>Total U.S. Department of Housing and Urban Development</b>			<b>3,073,032</b>	<b>48,290,607</b>
<b><u>U.S. Department of Labor:</u></b>				
WIOA Cluster				
Pass Through Programs:				
State of California Department:				
WIOA Adult Program	17.258	JK7YAK6HPFM6	607,715	607,715
WIOA Youth Activities	17.259	JK7YAK6HPFM6	694,055	694,055
WIOA Dislocated Worker Formula Grants	17.278	JK7YAK6HPFM6	477,019	477,019
WIOA Dislocated Worker Formula Grants - Rapid Response	17.278	JK7YAK6HPFM6	235,875	235,875
WIOA Dislocated Worker Formula Grants - Rapid Response Layoff Aversion	17.278	JK7YAK6HPFM6	92,077	92,077
WIOA Dislocated Worker Formula Grants - Foothill CalTech	17.278	JK7YAK6HPFM6	133,401	133,401
WIOA Dislocated Worker Formula Grants - LA Wildfire	17.278	JK7YAK6HPFM6	92,929	92,929
County of Los Angeles:				
WIOA Dislocated Worker Formula Grants - CalWorks	17.278	JK7YAK6HPFM6	31,731	31,731
Subtotal for 17.278			1,063,032	1,063,032
Total WIOA Cluster			2,364,802	2,364,802
<b>Total U.S. Department of Labor</b>			<b>2,364,802</b>	<b>2,364,802</b>
<b><u>U.S. Department of Justice:</u></b>				
Direct Programs:				
Equitable Sharing Program - Justice	16.922	N/A	-	812,700
Justice Reinvestment Initiative	16.827	N/A	-	70,904
<b>Total U.S. Department of Justice</b>			-	<b>883,604</b>

CITY OF PASADENA, CALIFORNIA  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2025

<u>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed-through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<b><u>U.S. Department of Transportation:</u></b>				
Direct Programs:				
Federal Transit Cluster				
Job Access and Reverse Commute Program *	20.516	N/A	-	4,754,836
Pass Through Programs:				
LA County Regional Park and Open Space District:				
Enhanced Mobility of Seniors and Individuals with Disabilities *	20.513	C2BXZ6YF52A5	-	145,800
Total Transit Cluster			-	4,900,636
Pass Through Programs:				
California Department of Transportation:				
Highway Planning and Construction	20.205	EHEGWCLJEVJ4	-	1,496,333
California Department of Transportation:				
Highway Safety Cluster				
State and Community Highway Safety	20.600	EHEGWCLJEVJ4	-	186,079
Total Highway Safety Cluster			-	186,079
Federal Highway Administration				
Local Roadway Safety Plan - Safety Improvements	20.939	JK7YAK6HPFM6	-	192,550
Reconnecting Communities Pilot Program	20.940	JK7YAK6HPFM6	-	318,271
<b>Total U.S. Department of Transportation</b>			-	<b>7,093,869</b>
<b><u>U.S. Department of Health and Human Services</u></b>				
Direct Programs:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance (MHAT)	93.243	N/A	-	87,290
Substance Abuse and Mental Health Services Projects of Regional and National Significance (CDS)	93.243	N/A	-	483,250
Subtotal for 93.243			-	570,540
Public Health Preparedness, Emergency and Response/Monkeypox	93.354	N/A	-	14,956
Pass Through Programs:				
County of Los Angeles, Department of Public Health:				
COVID-19 Epidemiology Laboratory Capacity	93.323	DN3NGS58SMT9	-	1,147,795
Public Health Emergency Preparedness	93.354	DN3NGS58SMT9	-	227,040
HIV Prevention Activities Health Department Based	93.940	DN3NGS58SMT9	-	278,177
CDC PH Infrastructure	93.967	DN3NGS58SMT9	-	218,473
State of California Department of Health Services:				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	JE73CDQUAPA7	-	14,018
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	JE73CDQUAPA7	-	83,044
Immunization Cooperative Agreements	93.268	JE73CDQUAPA7	-	68,652
COVID-19 Immunization Cooperative Agreements	93.268	JE73CDQUAPA7	-	257,793
Subtotal for 93.268			-	326,445
CDC Work Force Development	93.391	JE73CDQUAPA7	-	116,420
DIS Workforce Development	93.977	JE73CDQUAPA7	-	171,220
Maternal and Child Health Services Block Grant to the States	93.994	JE73CDQUAPA7	-	111,380
Maternal and Child Health Services Block Grant to the States	93.994	JE73CDQUAPA7	-	898,420
Subtotal for 93.994			-	1,009,800
<b>Total U.S. Department of Health and Human Services</b>			-	<b>4,177,928</b>
<b><u>U.S. Department of Homeland Security:</u></b>				
Direct Programs:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters) *	97.036	N/A	-	5,633,761
Pass Through Programs:				
County of Los Angeles:				
Homeland Security Grant Program	97.067	DN3NGS58SMT9	308,118	308,118
<b>Total U.S. Department of Homeland Security</b>			<b>308,118</b>	<b>5,941,879</b>
<b>Total Expenditures of Federal Awards Including Loans</b>			<b>\$ 5,745,952</b>	<b>\$ 70,036,639</b>

\* Major Program

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

**CITY OF PASADENA, CALIFORNIA**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2025**

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**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 Pasadena (the "City"), 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. The City has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 2: SECTION 108 LOAN GUARANTEE PROGRAM**

On October 29, 2015, the City entered into a Contract for Loan Guarantee Assistance under Section 108 with the U.S. Department of Housing and Urban Development in the amount of \$6,000,000 for the Robinson Park Project. On March 28, 2019 the loan was refinanced at \$5,100,000 to lock in permanent fixed interest rates. Principal is payable in annual installments of \$300,000 commencing on August 1, 2019 and ending August 1, 2035. Interest rate is fixed between 2.54%-3.635%. Interest payment is paid semi-annually from the effective date of March 28, 2019. The balance outstanding as of June 30, 2025, is \$3,900,000.

**NOTE 3: LOAN PROGRAMS WITH CONTINUING COMPLIANCE REQUIREMENTS**

The program costs listed below are administered directly by the City of Pasadena, and balances and transactions relating to these programs are included in the City's basic financial statements. Loans made during the year are included in the federal expenditures presented in the Schedule of Expenditures of Federal Awards. The balance of loans outstanding at June 30, 2025, consists of:

<u>Assistance Listing Number</u>	<u>Program Name</u>	<u>Outstanding Balance at June 30, 2025</u>
14.239	Home Investment Partnerships Program	\$ 15,799,514
14.871	Section 8 Housing Choice Vouchers	50,000
		<u><u>\$ 15,849,514</u></u>

Federal loan programs reported on the Schedule of Expenditures of Federal Awards (SEFA) for the Community Development Block Grants/Entitlement Grants have been removed in the current year. In accordance with Uniform Guidance (2 CFR §200.502(b)-(d)), loan and loan guarantee programs are required to be reported on the SEFA only for the value of new loans made during the fiscal year and for prior-year loan balances for which the federal government imposes continuing compliance requirements. Accordingly, these loan programs are not included on the SEFA for the current fiscal year as management has determined that there are no federally imposed continuing compliance requirements.

**CITY OF PASADENA, CALIFORNIA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2025**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

- Material weaknesses identified?  yes  no
- Significant deficiencies identified?  yes  none identified

Noncompliance material to financial statements noted?  yes  No

Federal Awards

Internal control over major programs:

- Material weaknesses identified?  yes  No
- Significant deficiencies identified?  yes  none identified

Type of auditors' report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in Accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)  yes  no

Identification of major programs:

<u>Assistance Listing Numbers:</u>	<u>Name of Federal Program or Cluster</u>
20.513, 20.516, 20.521	Transit Services Programs Cluster
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
14.239	Home Investment Partnerships Program

Dollar threshold used to distinguish between type A and type B program \$2,119,913

Auditee qualified as low-risk auditee?  yes  no

**CITY OF PASADENA, CALIFORNIA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2025**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

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

No matters were reported.



**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Finding: 2024-001 – Year-End Close and Financial Reporting**

Appropriate corrective actions were taken; this finding is considered resolved and is not repeated in the fiscal year ended June 30, 2025.

**Finding: Finding 2024-002: Continuing Loan Compliance**

Appropriate corrective actions were taken; this finding is considered resolved and is not repeated in the fiscal year ended June 30, 2025.