

**CITY OF FRESNO, CALIFORNIA
MEASURE P FUND**

**BASIC FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
AND
GOVERNMENT AUDITING STANDARDS REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2022**

CITY OF FRESNO, CALIFORNIA
MEASURE P FUND

JUNE 30, 2022

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1
BASIC FINANCIAL STATEMENTS	
Balance Sheet.....	5
Statement of Revenues, Expenditures and Changes in Fund Balance	6
Notes to the Basic Financial Statements	7
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – Measure P Fund	14
Notes to the Budgetary Comparison Schedule	15
OTHER SUPPLEMENTARY INFORMATION:	
Measure P Fund Expenditure Plan.....	18
OTHER INDEPENDENT AUDITOR’S REPORT	
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 <i>Government Auditing Standards</i> and the Rules and Regulations of the Measure P Ordinance	25
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	27



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Fresno, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Measure P Fund of the City of Fresno, 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 as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure P Fund of the City of Fresno, California, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540
fax 559.299.2344

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Measure P Fund of the City of Fresno, are intended to present the financial position and the changes in financial position of the Measure P Fund of the City of Fresno. They do not purport to, and do not present fairly the financial position of the City as of June 30, 2022, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 14–15 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Measure P Expenditure Plan is presented for purposes of additional analysis 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 Measure P Expenditure Plan is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2022, on our consideration of the Measure P Fund of the City of Fresno's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
December 7, 2022

THIS PAGE IS LEFT BLANK INTENTIONALLY.

**CITY OF FRESNO, CALIFORNIA
 MEASURE P FUND
 BALANCE SHEET
 JUNE 30, 2022**

ASSETS

Cash and investments	\$ 23,633,568
Intergovernmental receivable	7,510,966
Interest receivable	78,195
Prepaid expenses	<u>980,025</u>

Total assets \$ 32,202,754

LIABILITIES

Accounts payable	\$ 320,619
Accrued liabilities	215,398
Due to other City funds	<u>12,360</u>

Total liabilities 548,377

FUND BALANCES

Nonspendable	980,025
Restricted	<u>30,674,352</u>

Total fund balance 31,654,377

Total liabilities and fund balance \$ 32,202,754

The notes to the basic financial statements are an integral part of this statement.

**CITY OF FRESNO, CALIFORNIA
MEASURE P FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022**

REVENUES

Taxes	\$ 43,124,530
Use of money and property	125,017
Miscellaneous	<u>14,357</u>
Total revenues	<u>43,263,904</u>

EXPENDITURES

General government	392,478
Public ways and facilities	23,690
Culture and recreation	6,055,666
Capital outlay	<u>5,128,379</u>
Total expenditures	<u>11,600,213</u>

Excess (deficiency) of revenues over (under) expenditures	<u>31,663,691</u>
--	-------------------

OTHER FINANCING SOURCES (USES)

Transfers out to other City funds	<u>(9,314)</u>
Total other financing sources (uses)	<u>(9,314)</u>

Net change in fund balance	31,654,377
Fund balance (deficit) - beginning	<u>-</u>
Fund balance (deficit) - ending	<u>\$ 31,654,377</u>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF FRESNO, CALIFORNIA
MEASURE P FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The accompanying financial statements present only the Measure P Fund of the City of Fresno, California (the City) and are not intended to present fairly the financial position, and changes in financial position of the City with accounting principles generally accepted in the United States of America.

Fresno is located in the central part of California and is in the county seat of Fresno County. It is the 34th largest city in the United States and the fifth largest in California. Fresno has a land area of 115.2 square miles and a population of approximately 546,770 within city limits.

The City was incorporated in 1885. It operates under a charter and is governed by a directly elected strong mayor and a seven-member City Council. The City provides a full range of services to residents including police, fire, utilities, parks and public works.

On July 18, 2018, the City Clerk received an Initiative Petition proposing the Fresno Clean and Safe Neighborhood Parks Tax (Measure P). On February 18, 2021, the City Council certified Measure P as passed, and collection of the special sales tax began July 1, 2021, and the first deposits of the special sales tax were received in September 2021. The revenues generated by the Measure P use tax are allocated by the City on an annual basis with additional independent oversight provided by a new Parks, Recreation and Arts Commission (Commission) consisting of nine (9) members.

More information about the City can be found in the annual budget and ACFR, both of which are available on the City's website, www.fresno.gov.

B. Measurement Focus

Governmental Fund Financial Statements

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balance) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers property tax revenues, local taxes, licenses, interest, and other intergovernmental revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives cash. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

**CITY OF FRESNO, CALIFORNIA
MEASURE P FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

Measure P Fund – The revenues generated by the Measure P use tax are allocated by the City on an annual basis. Under the provisions set forth by the Fresno Clean and Safe Neighborhood Parks Tax Ordinance and expenditure purposes defined in the ballot measure, funds are received and expended through six separate categories.

1. Improving and Maintaining Safe, Clean Neighborhood Parks and Playgrounds.
2. New Neighborhood Parks; Senior and Youth Recreation Facilities.
3. Youth and Senior Recreation Programs; After School Programs; and Job Training for Youth and Veterans.
4. Expanded Access to Arts and Culture.
5. Safe Walking and Biking Trails; Street Beautification and Litter Removal; and the San Joaquin River Parkway.
6. Program implementation, planning and plan updates, program and project innovation, and audit and oversight support.

The City adopts annual appropriated budgets for its Measure P Fund. A budgetary comparison schedule has been provided for this fund to demonstrate compliance with the budget.

C. Basis of Accounting

The City uses the modified accrual basis of accounting in the governmental funds. In accordance with the provision of the Government Code and other statutory provisions, the City prepares and adopts a budget for each fiscal year. The City adopts annual budgets for the Measure P Fund on the cash basis of accounting plus encumbrances. Expenditures, revenues, appropriations, estimated revenues and encumbrances are recorded in the applicable funds.

D. Assets, Liabilities and Net Position/Fund Balance

Cash and Investments

Cash for the Measure P Fund is pooled with the City's cash and investments. Investment income is allocated to the Measure P Fund by the City Treasury based on its average daily cash balances. The City manages its pooled idle cash and investments under a formal investment policy that is adopted and reviewed by the City, and that follows the guidelines of the State of California Government Code.

**CITY OF FRESNO, CALIFORNIA
MEASURE P FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position/Fund Balance (Continued)

Capital Assets

Capital assets, which include property and equipment, are reported in the City of Fresno's Annual Comprehensive Financial Report (ACFR). As Measure P is included as a Special Revenue fund of the City's ACFR, these financial statements will only detail the related capital outlay activity. See Note 3 for more information. Please refer to the City's ACFR for more information regarding the Capital Asset Policy and related depreciation lives/methods.

Fund Balance

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council remove or change the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by legislation or action of the City Council, the Mayor, or the City Manager, which legislation has delegated the authority to assign amounts for specific purposes.

Unassigned – This classification includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the City.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to deter the use of these other classified funds.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

**CITY OF FRESNO, CALIFORNIA
MEASURE P FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 – CASH AND INVESTMENTS

Cash and investments are pooled within the City-wide Treasurer's Pool. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by the Treasury Investment Pool for the entire Treasury Investment Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the Treasury Investment Pool, which are recorded on an amortized cost basis. Income from the investment of pooled cash is allocated based upon the actual balance of the fund as a percentage of the total pooled cash balance. The City manages its pooled idle cash and investments under a formal investment policy that is adopted and reviewed by the City, and that follows the guidelines of the State of California Government Code.

City-wide information concerning cash and investments for the year ended June 30, 2022, including fair value hierarchy, authorized investments, deposit and investment risk, concentration of credit risk, interest rate risk, default credit risk, and custodial credit risk, may be found in the notes of the City's Annual Comprehensive Financial Report (ACFR), which is available on the City's website.

NOTE 3 – CAPITAL OUTLAY

The following is a summary of changes in capital outlay:

	Balance <u>June 30, 2021</u>	<u>Additions</u>	Dispositions/ <u>Adjustments</u>	Balance <u>June 30, 2022</u>
Capital Outlay:				
Land	\$ -	\$ 4,410,850	\$ -	\$ 4,410,850
Buildings	-	100,000	-	100,000
Improvements	-	509,528	-	509,528
Machinery and equipment	-	65,238	-	65,238
Furniture and fixtures	-	42,763	-	42,763
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total capital outlay	<u>\$ -</u>	<u>\$ 5,128,379</u>	<u>\$ -</u>	<u>\$ 5,128,379</u>

See Note 1(d) for more information related to Measure P Capital Outlay.

**CITY OF FRESNO, CALIFORNIA
MEASURE P FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 – INTERFUND ACTIVITY

A. Due from/Due to Other Funds

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed and are expected to be repaid shortly after the end of the fiscal year.

Activities within due from/due to other fund balances at June 30, 2022 are as follows:

	<u>Due From</u>	<u>Due To</u>
Measure P Fund	\$ -	\$ 12,360
Total	<u>\$ -</u>	<u>\$ 12,360</u>

B. Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue through which the resources are to be expended. The Measure P Fund transferred \$5,414 to the General Fund for the purpose of overhead allocation adjustments and \$3,900 to the Debt Service Fund for its share of pension costs.

Interfund transfers for the year ended June 30, 2022 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Measure P Fund	\$ -	\$ 9,314
Total	<u>\$ -</u>	<u>\$ 9,314</u>

THIS PAGE IS LEFT BLANK INTENTIONALLY.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF FRESNO, CALIFORNIA
MEASURE P FUND
BUDGETARY COMPARISON SCHEDULE – MEASURE P FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Over (Under)	Budget	Actual	Variance with Final Budget
	Original	Final	Budgetary Basis	Final Budget	To GAAP Reconciliation	GAAP Basis	
REVENUES							
Taxes	\$ 29,573,100	\$ 29,723,100	\$ 35,613,564	\$ 5,890,464	\$ 7,510,966	\$ 43,124,530	\$ 13,401,430
Use of money and property	-	-	125,017	125,017	-	125,017	125,017
Miscellaneous	-	-	14,357	14,357	-	14,357	14,357
Other financing sources:							
Transfers from other funds	-	2,100	-	(2,100)	-	-	(2,100)
Total revenues	29,573,100	29,725,200	35,752,938	6,027,738	7,510,966	43,263,904	13,538,704
EXPENDITURES							
General government	1,043,200	1,043,200	882,259	(160,941)	(489,781)	392,478	650,722
Public ways and facilities	-	901,900	217,010	(684,890)	(193,320)	23,690	878,210
Culture and recreation	10,476,200	12,656,900	6,313,823	(6,343,077)	(258,157)	6,055,666	6,601,234
Capital outlay	10,652,800	10,958,100	4,622,639	(6,335,461)	505,740	5,128,379	5,829,721
Other financing uses:							
Transfers to other funds	-	-	5,414	5,414	3,900	9,314	(9,314)
Total expenditures	22,172,200	25,560,100	12,041,145	(13,518,955)	(431,618)	11,609,527	13,950,573
Net change in fund balance	\$ 7,400,900	\$ 4,165,100	\$ 23,711,793	\$ 19,546,693	7,942,584	31,654,377	\$ 27,489,277
Fund balance (deficit) - beginning						-	
Fund balance (deficit) - ending						\$ 31,654,377	

**CITY OF FRESNO, CALIFORNIA
MEASURE P FUND
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2022**

NOTE 1 – BUDGETARY INFORMATION

An annual nonappropriated budget, which establishes the total spending authority for the Measure P Fund, is adopted by the City Council just prior to the beginning of the City's fiscal year. The City Council may authorize amendments to the budget during the year as deemed necessary. Budgeted amounts are reported as amended.

The City's budgetary process is based upon an accounting basis other than generally accepted accounting principles (GAAP). The results of operations (actual) are presented in the budget and actual comparison schedule in accordance with the budgetary process (Budget Basis) to provide a meaningful comparison with the budget, while the financial statements are presented using the GAAP basis.

One of the major differences between the Budget basis and GAAP basis is timing differences. Timing differences represent transactions that are accounted for in different periods for the Budget Basis as opposed to the GAAP basis of reporting. Revenues such as grant revenues recognized on a cash basis are unavailable for GAAP reporting, while various expenditures, not recognized on a cash basis, have been accrued for GAAP reporting.

Please refer to the City's ACFR for more information regarding the City's budgetary process and development.

THIS PAGE IS LEFT BLANK INTENTIONALLY.

OTHER SUPPLEMENTARY INFORMATION

**CITY OF FRESNO, CALIFORNIA
MEASURE P FUND
EXPENDITURE PLAN
JUNE 30, 2022**

EXPENDITURE PLAN — FMC §7-1506(b)	Constraint in Measure	Within Subpara. %	Within Paragraph %	Within Measure %	& Implied or Stated	Made Available (Budgeted FY22)	YTD Adjusted Revenue	YTD Adjusted Expenses
(1) Improving and Maintaining Safe, Clean Neighborhood Parks and Playgrounds				46.000%	\$ 15,663,000	\$ 13,605,700	\$ 19,902,381	\$ 4,537,716
FMC §7-1508(e) (2) - Administration	No more than	2.00%			313,260	-		
(C) for highest-need neighborhoods	No less than		50.000%		7,831,500	7,528,432		2,145,874
(E) improving operations and maintenance of existing parks and facilities	No less than				5,000,000			4,116,581
(2) New Neighborhood Parks; Senior and Youth Recreation Facilities				21.500%	7,320,750	6,345,600	9,303,917	4,643,612
FMC §7-1508(e) (2) - Administration	No more than	2.00%			146,415	-		-
(C) for highest-need neighborhoods	No less than		50.000%		3,660,375	6,345,600		4,618,456
(3) Youth and Senior Recreation Programs; After School Programs; and Job Training for Youth and Veterans				8.500%	2,894,250	2,513,700	3,666,071	2,257,941
FMC §7-1508(e) (2) - Administration	No more than	2.00%			57,885	-		-
(C) job training or career development [as specified]	No less than		50.000%		1,447,125	2,090,100		1,376,152
(4) Expanded Access to Arts and Culture				12.000%	4,086,000	150,000	5,193,865	37,500
FMC §7-1508(e) (2) - Administration	No more than	2.00%			81,720	-		-
(5) Safe Walking and Biking Trails; Street Beautification and Litter Removal; and the San Joaquin River Parkway				11.250%	3,830,625	2,887,300	4,867,607	1,103,292
FMC §7-1508(e) (2) - Administration	No more than	2.00%			76,613			96,858
(B) acquisition, development, improvement, restoration, operations, maintenance, or rehabilitation projects			47.000%		1,764,386			542,600
(C) operations and maintenance of trails	No more than	20.000%			352,877			217,010
(D) prioritized for Class I and Class IV trails in the ATP	No less than	25.000%			441,096			
(E) operations and projects consistent with the San Joaquin River Parkway Master Plan			18.000%		675,722			
(F) litter and debris removal, beautification and restoration of major streets and highways			35.000%		1,313,904			71,319
PROGRAM IMPLEMENTATION AND FISCAL CONTROLS — FMC §7-1508(e)								
(4) Program implementation, planning and plan updates, program and project innovation, and audit and oversight support				0.750%	255,375	57,800	324,620	178
TOTALS				100.00%	\$ 34,050,000	\$ 25,560,100	\$ 43,258,461	\$ 12,580,239
Reconciling Items:								
Transfers out to other City funds								9,314
Audit adjustments								(980,026)
Total reconciling items:								(970,712)
ADJUSTED TOTALS				100.00%	\$ 34,050,000	\$ 25,560,100	\$ 43,258,461	\$ 11,609,527

**CITY OF FRESNO, CALIFORNIA
MEASURE P FUND
EXPENDITURE PLAN – PROJECT STATUS
JUNE 30, 2022**

**EXPENDITURE PLAN — FMC §7-1506(b)
(1) Improving and Maintaining Safe, Clean Neighborhood Parks and Playgrounds
Operating Projects**

<u>Section Name</u>	<u>Project Name</u>	<u>Total Budgeted</u>	<u>Expended</u>	<u>Balance</u>	<u>Description of Program or Service / Status</u>
Parks & Rec Admin & Management		\$ 220,400	\$ 92,101	\$ 128,299	PARCS Department administrative and management team leads the department in Measure P funded projects, programs, and services and ensures proper administration of Measure P funding.
Parks Planned Maintenance		1,345,900	1,164,044	181,856	Planned Maintenance includes maintaining and improving existing park locations, including operations and maintenance expenses such as personnel, utilities, and supplies/equipment for expanded guest services enabled by Measure P.
Parks Custodial Maintenance		535,900	551,248	(15,348)	Custodial Maintenance includes maintaining and improving conditions at existing park locations through enhanced janitorial services, including repairs, personnel, and supply expenses.
COVID-19 Response		2,100	388	1,712	Personnel expenses for temporary employee providing disinfectant and sanitation services to ensure the health and safety of employees and the public.
After Schl, Rec & Comm Svcs Adm		50,000	8,734	41,266	After School Program administration includes expenses associated with customer service, planning, and preparation of parks programming.
Neighborhood Parks & Centers		780,400	646,071	134,329	PARCS Department includes more than 80 park facilities located throughout the City, including neighborhood, pocket and regional parks and community centers. Amenities offered across facilities include athletic fields with lighting, swimming pools, splashpads, dog parks, BMX tracks, skate parks, tennis courts, pickleball courts, futsal courts, basketball courts, picnic shelters, and play structures. The Department strives to provide safe and clean park facilities for all members of the community to enjoy. The PARCS Department Custodial Team and Park Attendants make this possible by providing customer service to the community, cleaning and sanitizing restrooms, removing litter from parks, opening gates for entry, submitting work orders for any broken or damaged equipment, reporting graffiti and pressure washing high traffic areas. Additionally, Park Attendants monitor high use park amenities such as splash pads, tot lots and sports courts for safety and functionality.
Adult Sports		219,500	161,406	58,094	The Adult Sports Program offers year-round competitive and non-competitive sports for adults ages 18 and up including baseball, softball, flag football, basketball, and soccer.
Senior Citizens Program		-	134	(134)	Senior Programming provides specialized activities tailored to the unique needs and interests of Fresno's senior population. Senior programming aims to improve quality of life in a safe and enjoyable environment through recreation and community-building. Programming is currently offered at seven sites: Inspiration, Lafayette, Mary Ella Brown, Mosqueda, Pinedale, Senior Citizens Village, and Ted C. Wills. Programming for seniors includes informational workshops, crafts, ceramics, exercise, billiards, and the opportunity to connect with other seniors in the area. Senior Recreation Programming is offered from 9:00 a.m. to 12:00 p.m.
Aquatics		-	193	(193)	Aquatics Programming runs from June through September at up to 18 locations throughout Fresno. Services provided include swim lessons, senior aerobics, junior lifeguards, and open recreational swim. October through May, the aquatics program offers Adult and Pediatric CPR, First Aid, AED certifications and Lifeguard Certification Courses to the community and PARCS employees.
Action Sports		-	202	(202)	Action Sports Programming occurs at the Woodward Park Bike Complex and include BMX Racing practices and competitive events. Additionally, skatepark and BMX facilities are included in action sports and are located at over 10 parks throughout the City of Fresno.
Polynesian Dance		-	1,617	(1,617)	Polynesian Dance is program offered through the neighborhood parks/community centers to provide the community an opportunity to learn and practice Polynesian Dance and Culture.
Community Science		-	1,180	(1,180)	Science Programming includes hands-on workshops at Highway City Science Center, mobile science workshops, family science night events, camps, and after school science programs. The Highway City Community Science Center serves to encourage curiosity and a love for science through hands-on learning, investigation, and exploration. The Highway City Community Science Workshops provide a variety of opportunities for kids ages 7 and up, to engage in STEM activities. Additionally, the mobile science unit allows PARCS to bring hands-on science to youth and families at parks, schools and special events citywide.
Youth Sports		-	232	(232)	Youth Sports Programming operates year-round. PARCS serves youth ages 3-6 and 7-12 and provides programming for basketball, indoor and outdoor soccer, t-ball, flag football, and various skills camps and clinics.
Contract After School		-	332	(332)	Sports Play Active Recreation for Kids (SPARK) After School Programming at up to 29 schools through a partnership with Fresno Unified School District as well as science programming at school sites. Charges to Measure P are expenses related to administrative delivery of the programs.
Graffiti		75,000	-	75,000	This program moved to another Department and thus no expenditures.
ONSCE Admin		15,000	9,448	5,552	Office of Neighborhood Safety and Community Engagement Program administration includes expenses related to equipment, supplies and training to allow for program delivery.
Youth Jobs		-	928	(928)	Description listed below.
Irrigation Charges		338,200	82,375	255,825	Irrigation charges include expenses associated with utility costs and repairs to maintain irrigation systems at existing parks.
Landscape and Mowing Charges		1,365,700	647,235	718,465	Landscape and Mowing includes expenses associated with maintaining existing park green spaces and landscapes.
Special Project DPW Direct Charges		-	2,450	(2,450)	Expenses associated with improving landscaping, mowing and irrigation at existing parks.
Total Category 1 - Operating expenditures		<u>4,948,100</u>	<u>3,370,318</u>	<u>1,577,782</u>	

**CITY OF FRESNO, CALIFORNIA
MEASURE P FUND
EXPENDITURE PLAN – PROJECT STATUS
JUNE 30, 2022**

(1) Improving and Maintaining Safe, Clean Neighborhood Parks and Playgrounds (CONTINUED)

Capital Projects

Section Name	Project Name	Total Budgeted	Expended	Balance	Description of Program or Service / Status
Parks & Rec Capital Section	Slurry Seal Various Parks	\$ 164,600	\$ -	\$ 164,600	Planning
Parks & Rec Capital Section	Tot Lot Replacement - Var Pks	54,900	-	54,900	Underway
Parks & Rec Capital Section	Dickey Improvements II	20,800	15,336	5,464	Underway
Parks & Rec Capital Section	Pilibos Improvements-F19 17-3a	790,000	38,715	751,285	Underway
Parks & Rec Capital Section	Granny's Sec Light -F19 17-3a	101,900	40,622	61,278	Underway
Parks & Rec Capital Section	Len Ross Improvements	30,000	26,341	3,659	Complete pending final payment
Parks & Rec Capital Section	Maxie Parks HVAC Design	929,200	3,700	925,500	Underway
Parks & Rec Capital Section	Roeding Dog Park Reloc-F21CR24	498,800	49,548	449,252	Underway
Parks & Rec Capital Section	JSK Field Re-Seed-F21CR25	5,000	5,560	(560)	Complete pending final payment
Parks & Rec Capital Section	Vinland Addtl Lighting-F21CR30	233,800	27,119	206,681	Complete pending final payment
Parks & Rec Capital Section	River Bottom Sec Upgrd-F21CR38	10,000	938	9,062	Planning
Parks & Rec Capital Section	Logan Shade Structure-F21CR39	100,000	83,350	16,650	Complete pending final payment
Parks & Rec Capital Section	Maxie Parks Mitigation-F21F4	10,000	8,582	1,418	Underway
Parks & Rec Capital Section	Logan Improvements-F21F31	243,800	70,007	173,793	Underway
Parks & Rec Capital Section	TCW Sr Ctr HVAC Replacement	16,000	9,502	6,498	Complete pending final payment
Parks & Rec Capital Section	Irrig Pump/Controller	259,400	17,084	242,316	Underway
Parks & Rec Capital Section	Prop68 Renovation Funding Gap	3,233,800	-	3,233,800	Not started
Parks & Rec Capital Section	Carryover -F21F13	1,136,900	265,225	871,675	Underway
Parks & Rec Capital Section	Granny Modular Removal	29,400	21,291	8,109	Complete pending final payment
Parks & Rec Capital Section	Quigley HVAC	32,600	-	32,600	Underway
Parks & Rec Capital Section	Pilibos Roof Replacement	28,700	28,700	-	Complete pending final payment
Parks & Rec Capital Section	Lingo F21F13	150,000	5,910	144,090	Underway
Parks & Rec Capital Section	WPark Amphi Shade Structure	382,500	9,168	373,332	Underway
Parks & Rec Capital Section	Dickey Ctr Parking Lot Gate	79,200	3,711	75,489	Underway
Parks & Rec Capital Section	FRESNO BARRIOS CO F21F13	100,000	-	100,000	Not Started
Parks & Rec Capital Section	Mary Ella Brown Walk In UNIT	16,300	15,853	447	Underway
Total Category 1 - Capital expenditures		<u>8,657,600</u>	<u>746,262</u>	<u>7,911,338</u>	
Total Category 1 Expenditures		<u>13,605,700</u>	<u>4,116,580</u>	<u>9,489,120</u>	

(2) New Neighborhood Parks; Senior and Youth Recreation Facilities

Capital Projects

Section Name	Project Name	Total Budgeted	Expended	Balance	Description of Program or Service / Status
Parks & Rec Capital Section	Milburn/Dakota Park-F19 17-3a	500	-	500	Underway
Parks & Rec Capital Section	South Tower CIP-F19 17-3a	-	-	-	Underway
Parks & Rec Capital Section	Bulldog/6th Building-F20 48,52	600,500	46,498	554,002	Underway
Parks & Rec Capital Section	Van Ness Triangle Park	130,000	11,843	118,157	Underway
Parks & Rec Capital Section	Citywide Senior Center	1,065,100	50,579	1,014,521	Underway
Parks & Rec Capital Section	El Dorado Park ACQ-F22M98&102	49,500	9,536	39,964	Underway
Parks & Rec Capital Section	Tower Theatre	4,500,000	4,500,000	-	Complete
Total Category 2 - Capital expenditures		<u>6,345,600</u>	<u>4,618,456</u>	<u>1,727,144</u>	

**CITY OF FRESNO, CALIFORNIA
MEASURE P FUND
EXPENDITURE PLAN – PROJECT STATUS
JUNE 30, 2022**

**(3) Youth and Senior Recreation Programs; After School Programs; and Job Training for Youth and Veterans
Operating Projects**

<u>Section Name</u>	<u>Project Name</u>	<u>Total Budgeted</u>	<u>Expended</u>	<u>Balance</u>	<u>Description of Program or Service / Status</u>
Neighborhood Parks & Centers		\$ 1,064,000	\$ 975,780	\$ 88,220	After School Programming provides services that keep children and teens engaged. Programming occurs at 18 parks from 3:00 p.m. to 7:00 p.m. After School Programming includes arts and crafts, tournaments, cooking classes, outside games and sports, karate, break dancing, zumba, movie nights as well as educational components including homework help and tutoring, teen leadership development, mentoring, and community services projects.
Adult Sports		-	62	(62)	Adult sports listed description listed above.
Senior Citizens Program		157,500	27,818	129,682	Senior Programming provides specialized activities tailored to the unique needs and interests of Fresno's senior population. Senior programming aims to improve quality of life in a safe and enjoyable environment through recreation and community-building. Programming is currently offered at seven sites: Inspiration, Lafayette, Mary Ella Brown, Mosqueda, Pinedale, Senior Citizens Village, and Ted C. Wills. Programing for seniors includes informational workshops, crafts, ceramics, exercise, billiards, and the opportunity to connect with other seniors in the area. Senior Recreation Programming is offered from 9:00 a.m. to 12:00 p.m.
Aquatics		449,300	330,303	118,997	Aquatics Programming runs from June through September at up to 18 locations throughout Fresno. Services provided include swim lessons, senior aerobics, junior lifeguards, and open recreational swim. October through May, the aquatics program offers Adult and Pediatric CPR, First Aid, AED certifications and Lifeguard Certification Courses to the community and PARCS employees.
Action Sports		199,000	188,252	10,748	Action Sports Programming occurs at the Woodward Park Bike Complex and include BMX Racing practices and competitive events. Additionally, skatepark and BMX facilities are included in action sports and are located at over 10 parks throughout the City of Fresno.
Weekend Recreation & Fitness		-	1,993	(1,993)	Temporary employee personnel charges as part of the Park Attendant Program, which is also captured under Parks Custodial Maintenance and Neighborhood Parks & Centers. The Park Attendant Program provides staff oversight at existing parks to provide guest services, light janitorial, and provide presence to activate the park spaces and promote safety. This program improves existing park spaces.
Community Science		8,700	94,739	(86,039)	Science Programming includes hands-on workshops at Highway City Science Center, mobile science workshops, family science night events, camps, and after school science programs. The Highway City Community Science Center serves to encourage curiosity and a love for science through hands-on learning, investigation, and exploration. The Highway City Community Science Workshops provide a variety of opportunities for kids ages 7 and up, to engage in STEM activities. Additionally, the mobile science unit allows PARCS to bring hands-on science to youth and families at parks, schools and special events citywide.
Youth Sports		155,000	65,710	89,290	Youth Sports Programming operates year-round. PARCS serves youth ages 3-6 and 7-12 and provides programming for basketball, indoor and outdoor soccer, t-ball, flag football, and various skills camps and clinics.
Camp Fresno Youth Recreation		100,000	104,633	(4,633)	Camp Fresno Youth Recreation Programming is offered during the summer to youth for free 1 and 3 day camps. Transportation is provided by the City and participants get a full experience of camp food, hikes, bond fires, story telling and making new friends. Programming also includes access to the outdoors, nature, as well as instruction in leadership, career readiness, civic engagement, and team building.
ONSCE Admin		240,200	235,252	4,948	Office of Neighborhood Safety and Community Engagement Programming facilitates community-wide collaborative efforts to prevent and mitigate violence. This is achieved by providing support for Fresno's youth and families through job readiness programs, training opportunities, tutoring, tattoo removal, hospital-based intervention programs, and street outreach. The Programming brings together over 100 local service providers to provide wrap-around resources for youth and young adults including: substance abuse intervention, anger management, mental health, education, food, housing, mentoring, health services, activities, and other basic life skill needs and services. The ONSCE team also facilitates Fresno Summer Nights. Fresno Summer Nights offers a series of late-night structured events aimed at reducing violence and gang-related activities in areas with past incidence of violence.
Youth Jobs		140,000	136,069	3,931	Youth with varying employment experience participate in a 7-week summer employment development program. Participants are hired as City of Fresno PARCS employees and a earn a paycheck by supporting existing staff. At their job, youth assist in the completion of daily functions at parks and in community centers throughout Fresno. Participants also attend paid employment training workshops that are aligned with youth development principles and infused with life skill education. Workshops provide structured, incremental guidance to help develop the non-cognitive skills that a work environment cannot provide. Workshops also include team building recreation activities to demonstrate services PARCS offers the community, engage participants, and promote a sense of community among peers.
Total Category 3 - Operating expenditures		<u>2,513,700</u>	<u>2,160,611</u>	<u>353,089</u>	
Total Category 3 Expenditures		<u>2,513,700</u>	<u>2,160,611</u>	<u>353,089</u>	

**CITY OF FRESNO, CALIFORNIA
MEASURE P FUND
EXPENDITURE PLAN – PROJECT STATUS
JUNE 30, 2022**

**(4) Expanded Access to Arts and Culture
Capital Projects**

<u>Section Name</u>	<u>Project Name</u>	<u>Total Budgeted</u>	<u>Expended</u>	<u>Balance</u>	<u>Description of Program or Service / Status</u>
Parks & Rec Capital Section	Cultural Arts Plan	\$ 150,000	\$ 37,500	\$ 112,500	Underway
Total Category 4 - Capital expenditures		<u>150,000</u>	<u>37,500</u>	<u>112,500</u>	

(5) Safe Walking and Biking Trails; Street Beautification and Litter Removal; and the San Joaquin River Parkway

Dept of Public Utilities-Solid Waste	Beautify Fresno	985,400	882,081	103,319	An initiative directed to clean and beautify the city through the elimination of trash, graffiti, and blight, and the creation of community-based beautification projects
Public Works Projects	Public Works Projects	<u>1,901,900</u>	<u>217,019</u>	<u>1,684,881</u>	Public Works Projects
Total Category 5 - Operating expenditures		<u>2,887,300</u>	<u>1,099,100</u>	<u>1,788,200</u>	

PROGRAM IMPLEMENTATION AND FISCAL CONTROLS — FMC §7-1508(e)

(6) Program implementation, planning and plan updates, program and project innovation, and audit and oversight support

Operating Projects

Program implementation	Administrative tasks	<u>57,800</u>	<u>178</u>	<u>57,622</u>	Administrative tasks
Total Category 6 - Operating expenditures		<u>57,800</u>	<u>178</u>	<u>57,622</u>	

TOTALS

		<u>25,560,100</u>	<u>12,032,425</u>	<u>13,527,675</u>	
--	--	-------------------	-------------------	-------------------	--

Reconciling Items:

Year-end City accruals			544,507		
Transfers out to other City funds			9,314		
Audit adjustments			(980,026)		
Other reconciling items			<u>3,307</u>		
Total reconciling items:			<u>(422,898)</u>		

ADJUSTED TOTALS

		<u>\$ 25,560,100</u>	<u>\$ 11,609,527</u>	<u>\$ 13,527,675</u>	
--	--	----------------------	----------------------	----------------------	--

OTHER INDEPENDENT AUDITOR'S REPORT

THIS PAGE IS LEFT BLANK INTENTIONALLY.



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* AND THE
RULES AND REGULATIONS OF THE MEASURE P ORDINANCE

To the Honorable Mayor and City Council
City of Fresno, 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 Measure P Fund of the City of Fresno, California (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City's basic financial statements and have issued our report thereon dated December 7, 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

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*.

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540
fax 559.299.2344

City of Fresno's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and 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 the financial statements and, accordingly, we express no opinion on the response.

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.

Price Pange & Company

Clovis, California
December 7, 2022

**CITY OF FRESNO, CALIFORNIA
 MEASURE P FUND
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2022**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting				
Material weakness(es) identified?	<u> X </u>	Yes	<u> </u>	No
Significant deficiency(ies) identified -				
not considered to be material weaknesses?	<u> </u>	Yes	<u> X </u>	None reported
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u>	No

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2022-001 – Financial Close and Reporting Process (Material Weakness)

Condition: The City did not properly record prepaid expenses and expenses during the year-end closing process. We identified this error during our audit and proposed the necessary accounting entry to correct the balances of the related accounts. Management agrees with our adjustment and will post the entry, so the City’s trial balance reconciles to the issued financial statements.

Criteria: A strong system of internal controls and management review requires that general ledger account balances be properly reconciled to a subsidiary ledger or other adequate supporting documentation on a periodic basis, as well as during the year-end financial close process. Management is responsible for maintaining accounting records in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cause: Internal controls over the year-end financial reporting process were not properly designed and were not placed in operation.

Effect: As a result of this condition, prepaid expenses and expenses were initially misstated.

Recommendation: The City should enhance its year-end financial close procedures to include the additional steps necessary to ensure proper reconciliation and reporting of all significant account balances, in addition to ensuring there are supporting schedules to support those balances.

Response: We agree with the recommendation. Staff, including Finance and Fleet, have implemented additional procedures and controls to properly review and record billings near year-end. The additional processes will be embedded into year-end closing tasks annually including updating the status of the prior year on ordered equipment, two-party review of pre-billings, and two-party review of the journal to record appropriate adjusting tracking journal and the due to/due from between Fleet Internal Service Fund and other City funds.