



Finance Department

2600 Fresno Street, Suite 2156 □ (559) 621-7001 □ FAX (559) 488-4636
Fresno, California 93721-3622

www.fresno.gov

Santino Danisi
Finance Director/City Controller

CITY OF FRESNO CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2024

The City of Fresno, California had no financial statement findings noted for the year ended June 30, 2024.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The City of Fresno, California respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2024.

Audit period: The finding below was reported in the June 30, 2023 reporting period.

The finding from the prior audit's schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the prior year.

Reference Number:

Financial Statement Finding 2023-001 (Significant Deficiency)

Audit Finding:

The City's monthly bank reconciliation process was not properly completed during the period of the audit. During our review of the bank reconciliation process, we found that the bank reconciliations for fiscal year 2022/23 had not been finalized timely.

Status of Management's Corrective Action:

Implemented.

City of Fresno

Fresno, California

Single Audit and Independent Auditors' Reports

For the Year Ended June 30, 2024



City of Fresno
Single Audit and Independent Auditors' Reports
For the Year Ended June 30, 2024

Table of Contents

| | <u>Page</u> |
|--|--------------------|
| <u>Single Audit:</u> | |
| Independent Auditors' Reports: | |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 1 |
| Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance | 3 |
| Schedule of Expenditures of Federal Awards | 7 |
| Notes to the Schedule of Expenditures of Federal Awards | 11 |
| Schedule of Findings and Questioned Costs | 15 |
| Summary Schedule of Prior Audit Findings..... | 19 |

This page intentionally left blank.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditors' Report

To the Honorable Mayor and Members of City Council
of the City of Fresno
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 basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fresno, California (the "City") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 20, 2025. Our report includes a reference to other auditors who audited the financial statements of the Successor Agency to the Fresno Redevelopment Agency Private-Purpose Trust Fund, the Low and Moderate Income Housing Asset Special Revenue Fund, the Fire and Police Retirement System Pension Trust Fund, and the Employees Retirement System Pension Trust Fund, blended component units of the City, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

To the Honorable Mayor and Members of City Council
of the City of Fresno
Fresno, California
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
March 20, 2025



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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Fresno, California's (the "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, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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. 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 auditing standards generally accepted in the United States of America, *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 Auditors' 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.

To the Honorable Mayor and Members of City Council
of the City of Fresno
Fresno, California
Page 3

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. Other auditors audited the financial statements the Successor Agency to the Fresno Redevelopment Agency Private-Purpose Trust Fund, the Low and Moderate Income Housing Asset Special Revenue Fund, the Fire and Police Retirement System Pension Trust Fund, and the Employees Retirement System Pension Trust Fund, as described in our report on the City's financial statements. We issued our report thereon dated March 20, 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.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
March 20, 2025

This page intentionally left blank.

City of Fresno
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

| Federal Grantor/Pass - Through Grantor/Program Title | Assistance Listing Number | Grant Identification Number | Federal Expenditures | Amount Provided to Subrecipients |
|---|---------------------------------|-----------------------------------|-------------------------|--|
| <u>U.S. Department of Commerce</u> | | | | |
| Economic Development Cluster: | | | | |
| <i>Direct Programs:</i> | | | | |
| COVID-19 - Economic Adjustment Assistance | 11.307 | EDA 07-39-02434 | \$ 934,024 | \$ 934,024 |
| Revolving Loan Fund - Economic Adjustment Assistance | 11.307 | EDA 07-39-02434 | 1,822,553 | 1,822,553 |
| Subtotal - Program 11.311 | | | 2,756,577 | 2,756,577 |
| Total Economic Development Cluster | | | 2,756,577 | 2,756,577 |
| Total U.S. Department of Commerce | | | 2,756,577 | 2,756,577 |
| <u>U.S. Department of Housing and Urban Development</u> | | | | |
| Community Development Block Grant (CDBG) - Entitlement Grants Cluster: | | | | |
| <i>Direct Programs:</i> | | | | |
| Community Development Block Grant | 14.218 | B-17-MC-06-0001 | 77,878 | - |
| Community Development Block Grant | 14.218 | B-18-MC-06-0001 | 158,080 | 111,894 |
| Community Development Block Grant | 14.218 | B-19-MC-06-0001 | 350,993 | - |
| Community Development Block Grant | 14.218 | B-20-MC-06-0001 | 754,170 | 195,480 |
| COVID-19 - Community Development Block Grant | 14.218 | B-20-MW-06-0001 | 2,625,253 | 2,617,625 |
| Community Development Block Grant | 14.218 | B-21-MC-06-0001 | 1,766,329 | 1,042,174 |
| Community Development Block Grant | 14.218 | B-22-MC-06-0001 | 2,698,802 | 395,544 |
| Community Development Block Grant | 14.218 | B-23-MC-06-0001 | 5,118,557 | 994,104 |
| Total CDBG - Entitlement Grants Cluster | | | 13,550,062 | 5,356,821 |
| COVID-19 - Emergency Solutions Grant Program | 14.231 | E-20-MW-06-0001 | 511,489 | 451,798 |
| Emergency Solutions Grant Program | 14.231 | E-20-MC-06-0001 | 2,300 | 2,300 |
| Emergency Solutions Grant Program | 14.231 | E-21-MC-06-0001 | 42,789 | 42,682 |
| Emergency Solutions Grant Program | 14.231 | E-22-MC-06-0001 | 377,023 | 363,583 |
| Emergency Solutions Grant Program | 14.231 | E-23-MC-06-0001 | 110,046 | 109,475 |
| Total Emergency Solutions Grant Program | | | 1,043,647 | 969,838 |
| HOME Investment Partnership | 14.239 | M-17-MC-06-0204 | 186,274 | 84,182 |
| HOME Investment Partnership | 14.239 | M-18-MC-06-0204 | 994,572 | 164,771 |
| HOME Investment Partnership | 14.239 | M-19-MC-06-0204 | 1,150,973 | - |
| HOME Investment Partnership | 14.239 | M-20-MC-06-0204 | 674,811 | - |
| HOME Investment Partnership | 14.239 | M-21-MC-06-0204 | 144,968 | - |
| HOME Investment Partnership - ARP | 14.239 | M-21-MP-06-0204 | 17,477 | 4,976 |
| HOME Investment Partnership | 14.239 | M-22-MC-06-0204 | 320,317 | - |
| HOME Investment Partnership | 14.239 | M-23-MC-06-0204 | 395,825 | - |
| Total HOME Investment Partnership | | | 3,885,217 | 253,929 |
| Housing Opportunities for Persons with AIDS (HOPWA) | 14.241 | CAH21F011 | 583,137 | 579,487 |
| Housing Opportunities for Persons with AIDS (HOPWA) | 14.241 | CAH22F011 | 362,513 | 341,062 |
| Housing Opportunities for Persons with AIDS (HOPWA) | 14.241 | CAH23F011 | 171,836 | 171,277 |
| Total Housing Opportunities for Persons with AIDS (HOPWA) | | | 1,117,486 | 1,091,826 |
| FY 2022 Community Project Funding | 14.251 | B-22-CP-CA-0155 | 665,000 | 665,000 |
| Subtotal - Program 14.251 | | | 665,000 | 665,000 |
| Total U.S. Housing and Urban Development | | | 20,261,412 | 8,337,414 |
| <u>U.S. Department of Interior</u> | | | | |
| <i>Direct Program:</i> | | | | |
| WaterSMART (Sustain and Manage America's Resources for Tomorrow) | 15.507 | R22AP00498-00 | 100,410 | - |
| Total - Program 15.507 | | | 100,410 | - |
| Total U.S. Department of Interior | | | 100,410 | - |

City of Fresno
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2024

| Federal Grantor/Pass - Through Grantor/Program Title | Assistance Listing Number | Grant Identification Number | Federal Expenditures | Amount Provided to Subrecipients |
|--|---------------------------------|---|-------------------------|--|
| <u>U.S. Department of Justice</u> | | | | |
| <i>Direct Programs:</i> | | | | |
| Patrick Leahy Bulletproof Vest Partnership Program | 16.607 | 2023BUBX23034388 | 3,511 | - |
| Patrick Leahy Bulletproof Vest Partnership Program | 16.607 | BA-3A00S-SX02 | 7,622 | - |
| Total - Program 16.607 | | | 11,133 | - |
| Edward Byrne Memorial Justice Assistance Grant | 16.738 | 15PBJA-21-GG-01222-JAGX | 142,652 | - |
| Edward Byrne Memorial Justice Assistance Grant | 16.738 | 15PBJA-22-GG-02061-JAGX | 47,765 | - |
| Total - Program 16.738 | | | 190,417 | - |
| Sexual Assault Kit Initiative Grant | 16.833 | 2019-AK-BX-0021 | 15,186 | - |
| Sexual Assault Kit Initiative Grant | 16.833 | 2020-AK-BX-0002 | 1,025,356 | 71,031 |
| Sexual Assault Kit Initiative Grant | 16.833 | 15PBJA-21-GG-04321-SAKI | 221,064 | 949 |
| Total - Program 16.883 | | | 1,261,606 | 71,980 |
| Community Policing Development (CPD) De-Escalation Training | 16.710 | 15JCOPS-21-GG-02451-SPPS | 5,014 | - |
| 2022 FY 2022 COPS Hiring Program | 16.710 | 15JCOPS-22-GG-03443-UHPX | 303,373 | - |
| Total - Program 16.710 | | | 308,387 | - |
| Equitable Sharing Program | 16.922 | N/A | 164,181 | - |
| Project Safe Neighborhoods | 16.609 | 15PBJA-22-GG-00714-GUNP | 70,405 | - |
| <i>Passed through San Diego Association of Governments:</i> | | | | |
| Project Safe Neighborhoods | 16.609 | 15PBJA-21-GG-03005-GUNP | 309,381 | - |
| Total - Program 16.609 | | | 379,786 | - |
| | | Total U.S. Department of Justice | 2,315,510 | 71,980 |
| <u>U.S. Department of Transportation</u> | | | | |
| Airport Improvement Program: | | | | |
| <i>Direct Programs:</i> | | | | |
| Airport Improvement Program | 20.106 | 3-06-0087-086-2020 | 19,161 | - |
| Airport Improvement Program | 20.106 | 3-06-0087-091-2021 | 145,105 | - |
| Airport Improvement Program | 20.106 | 3-06-0087-092-2021 | 6,292,154 | - |
| Airport Improvement Program | 20.106 | 3-06-0087-094-2022 | 7,679,110 | - |
| Airport Improvement Program | 20.106 | 3-06-0087-095-2022 | 481,360 | - |
| Airport Improvement Program | 20.106 | 3-06-0088-028-2022 | 18,660 | - |
| Airport Improvement Program | 20.106 | 3-06-0088-027-2021 | 59,000 | - |
| Airport Improvement Program | 20.106 | 3-06-0087-097-2023 | 1,038,591 | - |
| Airport Improvement Program | 20.106 | 3-06-0088-029-2023 | 91,736 | - |
| Airport Improvement Program | 20.106 | 70T04022T7672N009 | 2,368,148 | - |
| Total - Airport Improvement Program | | | 18,193,025 | - |
| <i>Passed through the California Department of Transportation:</i> | | | | |
| Highway Planning and Construction Program | 20.205 | Master Agreement 06-5060 | 16,369,506 | - |
| Total - Program 20.205 | | | 16,369,506 | - |
| <i>Passed through the California High Speed Rail Authority:</i> | | | | |
| High Speed Rail Master Co-Op Agreement | 20.319 | HSR 11-29 | 26,369 | - |
| City of Fresno Grade Separation Project | 20.319 | HSR 16-57 | 66,582 | - |
| High Speed Rail Master Co-Op Agreement | 20.319 | HSR 23-41 | 15,526 | - |
| Total - Program 20.319 | | | 108,477 | - |
| <i>Passed through the Fresno Council of Governments:</i> | | | | |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | CA-2018-126 | 1,347,198 | - |

City of Fresno
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2024

| Federal Grantor/Pass - Through Grantor/Program Title | Assistance Listing Number | Grant Identification Number | Federal Expenditures | Amount Provided to Subrecipients |
|--|---------------------------------|-----------------------------------|-------------------------|--|
| Highway Safety Cluster: | | | | |
| <i>Passed through California Office of Traffic Safety:</i> | | | | |
| Selective Traffic Enforcement Program (STEP) FFY2023 | 20.600 | PT23032 | 45,553 | - |
| Selective Traffic Enforcement Program (STEP) FFY2024 | 20.600 | PT24074 | 130,219 | - |
| Pedestrian and Bicycle Safety Program | 20.600 | PS23004 | 37,060 | - |
| Pedestrian and Bicycle Safety Program | 20.600 | PS24014 | 94,953 | - |
| Total - Program 20.600 | | | 307,785 | - |
| Selective Traffic Enforcement Program (STEP) FFY2024 | 20.616 | PT24074 | 249,381 | - |
| Total - Program 20.616 | | | 249,381 | - |
| Total Highway Safety Cluster | | | 557,166 | - |
| Selective Traffic Enforcement Program (STEP) FFY2023 | 20.608 | PT23032 | 121,026 | - |
| Selective Traffic Enforcement Program (STEP) FFY2024 | 20.608 | PT24074 | 253,988 | - |
| Total - Program 20.608 | | | 375,014 | - |
| Selective Traffic Enforcement Program (STEP) FFY2024 | 20.611 | PT24074 | 5,293 | - |
| Total - Program 20.611 | | | 5,293 | - |
| Federal Transit Cluster: | | | | |
| <i>Direct Program:</i> | | | | |
| Federal Transit Capital Investment Grants | 20.500 | CA-03-0821 | 99,148 | - |
| Urban Mass Transportation Capital, CMAQ | 20.507 | CA-95-X072-01 | 22,839 | - |
| Urban Mass Transportation Capital, CMAQ | 20.507 | CA-2018-044 | 173,258 | - |
| Urban Mass Transportation Capital Planning, Operating Assistance | 20.507 | CA-2017-081-00 | 63,286 | - |
| Urban Mass Transportation Capital Planning, Operating Assistance | 20.507 | CA-2018-002-00 | 21,400 | - |
| Urban Mass Transportation Capital Planning, Operating Assistance | 20.507 | CA-2018-006-00 | 37,684 | - |
| Urban Mass Transportation Capital Planning, Operating Assistance | 20.507 | CA-2019-044-01 | 257,624 | - |
| Urban Mass Transportation Capital Planning, Operating Assistance | 20.507 | CA-2019-044-02 | 164,810 | - |
| Urban Mass Transportation Capital Planning, Operating Assistance | 20.507 | CA-2022-047-00 | 355,241 | - |
| Total - Program 20.507 | | | 1,096,142 | - |
| Bus and Bus Facilities Formula Program | 20.526 | CA-2016-106 | 1,143 | - |
| Bus and Bus Facilities Formula Program | 20.526 | CA-2019-045 | 794,565 | - |
| Bus and Bus Facilities Formula Program | 20.526 | CA-2022-079 | 2,343,440 | - |
| Total - Program 20.526 | | | 3,139,148 | - |
| Total Federal Transit Cluster | | | 4,334,438 | - |
| City of Fresno Vision Zero Action Plan | 20.939 | DOT-SS4A-FY22-0 | 13,756 | - |
| Total U.S. Department of Transportation | | | 41,303,873 | - |
| U.S. Department of Treasury | | | | |
| <i>Passed through the State of California Department of Housing and Community Development:</i> | | | | |
| Emergency Rental Assistance Program (ERAP) | 21.023 | 21-ERAP-20015 | 2,560,554 | - |
| <i>Direct Program:</i> | | | | |
| Coronavirus State and Local Fiscal Recovery Fund | 21.027 | SLFRP1611 | 30,909,641 | 3,763,998 |
| <i>Passed through the State of California - Department of General Services:</i> | | | | |
| CaliforniansForAll Youth Jobs Corps Program | 21.027 | 0650-JP1001 | 4,577,861 | 633,492 |
| Total - Program 21.027 | | | 35,487,502 | 4,397,490 |
| Total U.S. Department of Treasury | | | 38,048,056 | 4,397,490 |

City of Fresno
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2024

| Federal Grantor/Pass - Through Grantor/Program Title | Assistance Listing Number | Grant Identification Number | Federal Expenditures | Amount Provided to Subrecipients |
|--|---------------------------------|---|-------------------------|--|
| <u>Environmental Protection Agency</u> | | | | |
| <i>Direct Program:</i> | | | | |
| Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements | 66.814 | 99T91201 | 161,292 | - |
| <i>Direct Program:</i> | | | | |
| Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements | 66.818 | 98T08001 | 575,774 | - |
| Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements | 66.818 | 98T50501 | 2,112 | - |
| Total - Program 66.818 | | | 577,886 | - |
| | | Total Environmental Protection Agency | 739,178 | - |
| <u>U.S. Department of Health and Human Services</u> | | | | |
| <u>Aging Cluster:</u> | | | | |
| <i>Passed through the Fresno-Madera Area Agency on Aging:</i> | | | | |
| Special Programs for the Aging: Senior Hot Meals | 93.045 | 22-0310ARP | 1,366 | - |
| Special Programs for the Aging: Senior Hot Meals | 93.045 | 24-0310ARP | 92,563 | - |
| Total Aging Cluster | | | 93,929 | - |
| <i>Direct Program:</i> | | | | |
| Equitable Community Response to COVID-19 | 93.137 | 1 CPIMP211263-01-00 | 1,345,209 | - |
| | | Total U.S. Department of Health and Human Services | 1,439,138 | - |
| <u>U.S. Department of Homeland Security</u> | | | | |
| <i>Passed through the California Governor's Office of Emergency Services:</i> | | | | |
| COVID-19 Screening | 97.036 | FEMA-4482-DR-CA, Cal OES ID: 019-27000 | 38,043 | - |
| California Severe Winter Storms, Flooding, Landslides | 97.036 | FEMA-4683-DR-CA, Cal OES ID: 019-27000 | 298,438 | - |
| Total - Program 97.044 | | | 336,481 | - |
| <i>Passed through the California Department of Emergency Services:</i> | | | | |
| Homeland Security Grant Program (HSGP) | 97.067 | 2020-0095 | 15,299 | - |
| Homeland Security Grant Program (HSGP) | 97.067 | 2021-0081 | 127,733 | - |
| Homeland Security Grant Program (HSGP) | 97.067 | 2022-0043 | 26,255 | - |
| Homeland Security Grant Program (HSGP) | 97.067 | 2023-0042 | 20,526 | - |
| Total - Program 97.067 | | | 189,813 | - |
| <i>Direct Programs:</i> | | | | |
| FY 2022 FP&S-Community Risk Assessment | 97.044 | EMW-2022-FP-00527 | 11,190 | - |
| FY 2020 AFG-Calm the Chaos | 97.044 | EMW-2020-FG-12294 | 57,893 | - |
| FY 2021 AFG-Physicals | 97.044 | EMW-2021-FG-01735 | 236,591 | - |
| Total - Program 97.044 | | | 305,674 | - |
| Staffing for Adequate Fire and Emergency Response Grant Program | 97.083 | EMW-2020-FF-01300 | 4,459,331 | - |
| Staffing for Adequate Fire and Emergency Response Grant Program | 97.083 | EMW-2021-FF-00276 | 2,094,498 | - |
| Total - Program 97.083 | | | 6,553,829 | - |
| | | Total U.S. Department of Homeland Security | 7,385,797 | - |
| | | Total Expenditures of Federal Awards | \$ 114,349,951 | \$ 15,563,461 |

City of Fresno
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Note 1 – Reporting Entity

The financial reporting entity, as defined by the Governmental Accounting Standard Board (“GASB”), consists of the primary government, which is the City of Fresno, California (the “City”), organizations for which the primary government is financially accountable, and other organizations 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. The City’s reporting entity is defined further in Note 1a to the City’s basic financial statements.

Note 2 – Basis of Accounting

Funds received under the various grant programs have been recorded within the general fund, special revenue funds and proprietary funds of the City. The City utilizes the modified accrual method of accounting for the General Fund and special revenue funds and accrual method of accounting for proprietary funds. The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in, the preparation of the City’s basic financial statements.

Note 3 – Schedule of Expenditures of Federal Awards

The accompanying Schedule presents the activity of all federal financial assistance programs of the City. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through the State of California and Fresno Council of Governments, is included in the Schedule. The Schedule was prepared from only the accounts of various grant programs and, therefore, does not present the financial position, change in fund balance, or results of operations of the City.

Note 4 – Assistance Listing Numbers

The Assistance Listing Numbers (ALNs) included in the accompanying Schedule were determined based on the federal program name, review of grant contract information, and the U.S. General Services Administration’s SAM.gov website.

Note 5 – Indirect Cost Rate

The City has not elected to use the 10-percent de minimis indirect rate as allowed under the Uniform Guidance.

Note 6 – State Revolving Loan Funds

Beginning in fiscal year 2007, the City received Federal cross-cut revolving grant funds from the State in the form of loans from the U.S. Environmental Protection Agency, Office of Water, passed through the California State Water Resources Control Board and the California Department of Public Health, under Capitalization Grants for Clean Water State Revolving Funds (Assistance Listing Number 66.458) and Capitalization Grants for Safe Drinking Water State Revolving Funds (Assistance Listing Number 66.468). The purpose of the grants/loans is to assist in financing the construction of projects that will enable the City to comply with statutory clean and safe drinking standards. The City received funds under ten grants/loans.

City of Fresno
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2024

Note 6 – State Revolving Loan Funds (Continued)

The terms of the grants/loans and the outstanding balances as of June 30, 2024, are as follows:

| Grant Fiscal Year | Agreement Number | Description | Project Number | Not to Exceed | Interest Rate and Term | Outstanding Loan Balances as of June 30, 2024 |
|-------------------|------------------|--|----------------|---------------|------------------------|---|
| 2007 | SRF06CX150 | Wellsite Chlorination Project | 10100007-004 | \$ 2,210,000 | 2.2923% / 20 yrs* | \$ 836,925 |
| 2000 | SRF08SWX101 | Enterprise/Jefferson Canal Project | 10100007-011 | 1,968,136 | 2.2923% / 20 yrs* | 534,625 |
| 2011 | SRF11CX104 | Residential Water Meter Project | 10100007-026C | 51,405,432 | 0.0000% / 20 yrs* | 25,702,716 |
| 2015 | C-06-7893-110 | Wastewater Teitiaty Plant | C-067893-110 | 33,138,638 | 1.00-1.70% / 30 yrs* | 25,297,129 |
| 2016 | D15-01011 | Recycled Water Distribution Southwest | C-068061-110 | 52,475,049 | 1.00% / 30yrs* | 51,332,568 |
| 2016 | D15-02012 | Southeast Surface Water Treatment Facility | 1010007-028C | 195,489,000 | 1.663% / 30yrs* | 149,293,418 |
| 2016 | D15-02040 | Friant-Kern Canal Raw Water Pipeline | 1010007-029C | 26,520,000 | 1.6% / 30yrs* | 17,899,819 |
| 2016 | D15-02042 | Kings River Pipeline | 1010007-031C | 75,165,000 | 1.6% / 30yrs* | 48,351,593 |
| 2017 | D16-02031 | Regional Transuission Mains | 1010007-030C | 75,900,000 | 1.6% / 30yrs* | 59,268,487 |
| 2018 | D18-02014 | Northeast Surface WaterTreatment Facility | 1010007-032C | 14,000,000 | 1.8% / 30 yrs* | 12,770,338 |
| | | | | | | <u><u>\$ 391,287,618</u></u> |

* Term begins at completion of project.

These loans are not considered to have continuing compliance requirements under Title 2 CFR Part 200, and, therefore, are only reported on the Schedule in the year in which funds are expended and drawn. The City expended \$0 in federal funds under the loans during fiscal year ended June 30, 2024.

Note 7 – Economic Development Assistance Revolving Loan Fund (RLF) Calculation

The amount reported on the Schedule for expenditures related to the Economic Adjustment Assistance Revolving Loan Fund (RLF) Grant ALN 11.307 is calculated using various criteria as defined by Title 2 CFR Part 200. The calculation for the year ended June 30, 2024, is as follows:

| | EDA Program Revolving Loan Fund |
|--|---------------------------------------|
| Grant Award Number | 07-39-02434 |
| Balance of RLF loans outstanding at June 30, 2024 | \$ 747,826 |
| Cash and investment balance in the RLF at June 30, 2024 | 837,876 |
| Administrative expenses paid out of RLF income during the fiscal year ended June 30, 2024 | 97,189 |
| Write offs during the fiscal year ended June 30, 2024 | 139,663 |
| Subtotal | <u>1,822,554</u> |
| Federal share (calculated grant rate) | <u>100%</u> |
| Economic Adjustment Assistance RLF Grant federal award expenditures for the fiscal year ended June 30, 2024 | <u><u>\$ 1,822,554</u></u> |

City of Fresno
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2024

Note 8 – Economic Development Assistance CARES Revolving Loan Fund (RLF) Calculation

The amount reported on the Schedule for expenditures related to the Economic Adjustment Assistance CARES Revolving Loan Fund (RLF) Grant ALN 11.307 is calculated using various criteria as defined by Title 2 CFR Part 200. The calculation for the year ended June 30, 2024, is as follows:

| | EDA CARES Program Revolving Loan Fund |
|--|--|
| Grant Award Number | 07-39-02434 |
| Balance of RLF loans outstanding at June 30, 2024 | \$ 550,431 |
| Cash and investment balance in the RLF at June 30, 2024 | 243,499 |
| Administrative expenses paid out of RLF income during the fiscal year ended June 30, 2024 | 431 |
| Write offs during the fiscal year ended June 30, 2024 | 139,663 |
| Subtotal | 934,024 |
| Federal share (calculated grant rate) | 100% |
| Economic Adjustment Assistance RLF Grant federal award expenditures for the fiscal year ended June 30, 2024 | \$ 934,024 |

Note 9 – Prior Year Expenditures included in the Schedule of Expenditures of Federal Awards

The Schedule includes the following expenditures that were incurred in the prior year:

The City incurred costs totaling \$519,844 under the Airport Improvement Program (AIP); \$298,438 under the California Severe Winter Storms, Flooding, and Landslides program; \$57,893 under the Calm the Chaos program; and \$38,043 under the COVID-19 Screening program during the year ended June 30, 2023, for which funding was approved in fiscal year 2024.

City of Fresno
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2024

Note 10 – Nonfederal Awards Listed Separately as Required by the Grantor

The following is a list of nonfederal (state and local) award expenditures that are required to be listed separately by the Grantor:

| State or Local Grantor/Pass - Through Grantor/Program Title | State Agency | Grant Identification Number | State or Local Expenditures |
|--|-----------------|-----------------------------------|--------------------------------|
| <u>California State Department of Finance</u> | | | |
| <i>Caltrans - Pass-Through Program:</i> | | | |
| SB1 - State of Good Repair Program | DOT | SB1_FAX | \$ 1,424,000 |
| Total California State Department of Transportation | | | <u>1,424,000</u> |
| <u>California State Water Resources Control Board</u> | | | |
| <i>Office of Water - Direct Program:</i> | | | |
| Capitalization Grant GroundWater | | | |
| Contruction/Implementation - PCE P117 | CSWRCB | PCE-D181252400 | 1,077,556 |
| Total Office of Water - Direct Program | | | <u>1,077,556</u> |
| Total California State Water Resources Control Board | | | <u>1,077,556</u> |
| Total Expenditures of State and Local Awards | | | <u>\$ 2,501,556</u> |

City of Fresno
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I – Summary of Auditors’ Results

Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Reported

Type of auditors’ report issued on compliance for major programs Unmodified

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

Identification of major programs:

| Federal Assistance Listing Number(s) | Name of Federal Program or Cluster | Federal Expenditures |
|---|--|-------------------------|
| 20.205 | Highway Planning and Construction Program | \$ 16,369,506 |
| 21.027 | State and Local Fiscal Recovery Fund Program | 35,487,502 |
| | Total Expenditures of All Major Federal Programs | \$ 51,857,008 |
| | Total Expenditures of Federal Awards | \$ 114,349,951 |
| | Percentage of Total Expenditures of Federal Awards | 45.35% |

Dollar threshold used to distinguish between type A and type B program \$3,000,000

Auditee qualified as low-risk auditee in accordance with 2 CFR 200.520? Yes

City of Fresno
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2024

Section II – Financial Statement Findings

A. Current Year Findings – Financial Statement Audit

No financial statement findings were noted for the year ended June 30, 2024.

B. Prior Year Findings and Questioned Costs – Financial Statement Audit

See Finding 2023-001 listed in accompanying Summary Schedule of Prior Audit Findings.

Section III – Federal Award Findings and Questioned Costs

A. Current Year Findings and Questioned Costs – Major Federal Award Program Audit

No findings or questioned costs were noted on the City's major federal programs for the year ended June 30, 2024.

B. Prior Year Findings and Questioned Costs – Major Federal Award Program Audit

No findings or questioned costs were noted on the City's major federal programs for the year ended June 30, 2023.

PRIOR AUDIT FINDINGS STATUS

This page intentionally left blank.

City of Fresno
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

Reference Number:

Financial Statement Finding 2023-001 (Significant Deficiency)

Audit Finding:

The City's monthly bank reconciliation process was not properly completed during the period of the audit. During our review of the bank reconciliation process, we found that the bank reconciliations for fiscal year 2022/23 had not been finalized timely.

Status of Management's
Corrective Action:

Implemented.

This page intentionally left blank.