

City of Fresno

Fresno, California

Single Audit and Independent Auditor's Reports

For the Year Ended June 30, 2025



City of Fresno
Single Audit and Independent Auditor's Reports
For the Year Ended June 30, 2025

Table of Contents

Page

Single Audit:

Independent Auditor's 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

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 Auditor's 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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 19, 2026. 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.

The Pw Group, LLP

Santa Ana, California
March 19, 2026



**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 Auditor's 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, 2025. 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, 2025, 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 19, 2026, 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 19, 2026

This page intentionally left blank.

City of Fresno
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

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 07-79-07577	\$ 896,830	\$ 896,830
Revolving Loan Fund - Economic Adjustment Assistance	11.307	EDA 07-39-02434	1,771,677	1,771,677
Total Economic Development Cluster			2,668,507	2,668,507
Total U.S. Department of Commerce			2,668,507	2,668,507
<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-18-MC-06-0001	156,214	-
Community Development Block Grant	14.218	B-19-MC-06-0001	834,769	-
Community Development Block Grant	14.218	B-20-MC-06-0001	89,481	-
COVID-19 - Community Development Block Grant	14.218	B-20-MW-06-0001	205,227	201,989
Community Development Block Grant	14.218	B-21-MC-06-0001	38,776	-
Community Development Block Grant	14.218	B-23-MC-06-0001	1,104,154	48,198
Community Development Block Grant	14.218	B-24-MC-06-0001	2,858,548	501,404
Total CDBG - Entitlement Grants Cluster			5,287,168	751,591
Emergency Solutions Grant Program	14.231	E-22-MC-06-0001	100,545	100,545
Emergency Solutions Grant Program	14.231	E-23-MC-06-0001	407,062	380,251
Emergency Solutions Grant Program	14.231	E-24-MC-06-0001	141,717	121,949
Total - Program 14.231			649,324	602,745
HOME Investment Partnership	14.239	M-16-MC-06-0204	27,262	-
HOME Investment Partnership	14.239	M-18-MC-06-0204	693,901	212,971
HOME Investment Partnership	14.239	M-19-MC-06-0204	551,011	110,920
HOME Investment Partnership	14.239	M-20-MC-06-0204	1,728,932	-
HOME Investment Partnership	14.239	M-21-MC-06-0204	128,714	-
HOME Investment Partnership	14.239	M-22-MC-06-0204	284,339	-
HOME Investment Partnership	14.239	M-23-MC-06-0204	6,309	-
HOME Investment Partnership	14.239	M-24-MC-06-0204	181,578	-
HOME Investment Partnership - ARP	14.239	M-21-MP-06-0204	368,183	344,728
Total - Program 14.239			3,970,231	668,619
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	CAH20F011	38,189	-
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	CAH22F011	427,424	323,031
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	CAH23F011	266,192	236,487
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	CAH24F011	167,665	159,870
Total - Program 14.241			899,469	719,388
Total U.S. Housing and Urban Development			10,806,192	2,742,343
<u>U.S. Department of Interior</u>				
<i>Direct Program:</i>				
WaterSMART (Sustain and Manage America's Resources for Tomorrow)	15.507	R22AP00498-00	39,228	-
Total U.S. Department of Interior			39,228	-

City of Fresno
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2025

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 2023-2024	16.607	2023BUBX23034388	2,668	-
<i>Passed through San Diego Association of Governments:</i>				
Project Safe Neighborhoods	16.609	15PBJA-21-GG-03005-GUNP	61,734	-
<i>Direct Programs:</i>				
Project Safe Neighborhoods	16.609	15PBJA-22-GG-00714-GUNP	4,416	-
Total - Program 16.609			66,150	-
Community Policing Development (CPD) De-Escalation Training	16.710	15JCOPS-21-GG-02451-SPPS	35,579	-
2022 FY 2022 COPS Hiring Program	16.710	15JCOPS-22-GG-03443-UHPX	459,889	-
Total - Program 16.710			495,468	-
Edward Byrne Memorial Justice Assistance Grant 2021	16.738	15PBJA-21-GG-01222-JAGX	24,588	-
Edward Byrne Memorial Justice Assistance Grant 2022	16.738	15PBJA-22-GG-02061-JAGX	148,950	-
Edward Byrne Memorial Justice Assistance Grant 2023	16.738	15PBJA-23-GG-03182-JAGX	193,935	103,324
Total - Program 16.738			367,474	103,324
Sexual Assault Kit Initiative Grant 2020	16.833	2020-AK-BX-0002	103,579	22,000
Sexual Assault Kit Initiative Grant 2021	16.833	15PBJA-21-GG-04321-SAKI	409,587	2,230
Sexual Assault Kit Initiative Grant 2024	16.833	15PBJA-24-GG-05426-SAKI	221,059	-
Total - Program 16.883			734,225	24,230
Equitable Sharing Program	16.922	N/A	474,611	-
Total U.S. Department of Justice			2,140,595	127,554
<u>U.S. Department of Transportation</u>				
<i>Direct Programs:</i>				
Airport Improvement Program	20.106	3-06-0087-091-2021	958,180	-
Airport Improvement Program	20.106	3-06-0087-099-2024	43,534	-
Airport Improvement Program	20.106	3-06-0087-095-2022	106,031	-
Airport Improvement Program	20.106	3-06-0087-094-2022	154,161	-
Airport Improvement Program	20.106	3-06-0088-028-2022	2,350	-
Airport Improvement Program	20.106	3-06-0087-097-2023	120,067	-
Airport Improvement Program	20.106	3-06-0088-029-2023	266,714	-
Airport Improvement Program	20.106	3-06-0087-098	7,100,000	-
Total - Program 20.106			8,751,037	-
<i>Passed through the California Department of Transportation:</i>				
Highway Planning and Construction Program	20.205	Master Agreement 06-5060	12,648,592	-
<i>Passed through the California High Speed Rail Authority:</i>				
High Speed Rail Master Co-Op Agreement	20.319	HSR 23-41	43,585	-

City of Fresno
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2025

Federal Grantor/Pass - Through Grantor/Program Title	Assistance Listing Number	Grant Identification Number	Federal Expenditures	Amount Provided to Subrecipients
Federal Transit Cluster:				
<i>Direct Programs:</i>				
Federal Transit Capital Investment Grants	20.500	CA-03-0821	55,606	-
Urban Mass Transportation Capital, CMAQ	20.507	CA-2018-004	63,461	-
Urban Mass Transportation Capital Planning, Operating Assistance	20.507	CA-2019-044-01	2,680	-
Urban Mass Transportation Capital Planning, Operating Assistance	20.507	CA-2022-047-01	332,092	-
Urban Mass Transportation Capital Planning, Operating Assistance	20.507	CA-2022-047-02	257,605	-
Urban Mass Transportation Capital Planning, Operating Assistance	20.507	1649-2025-10	301,302	-
Urban Mass Transportation Capital Planning, Operating Assistance	20.507	1649-2025-11	106,380	-
Bus and Bus Facilities Formula Program 2022	20.526	CA-2025-206	180,344	-
Bus and Bus Facilities Formula Program 2024	20.526	CA-2024-195	1,669,419	-
Bus and Bus Facilities Formula Program 2025	20.526	CA-2025-097	8,735,307	-
Total - Federal Transit Cluster			11,704,195	-
Highway Safety Cluster:				
<i>Passed through California Office of Traffic Safety:</i>				
Selective Traffic Enforcement Program (STEP) 2024	20.600	PT24074	47,070	-
Selective Traffic Enforcement Program (STEP) 2025	20.600	PT25165	119,254	-
Pedestrian and Bicycle Safety Program	20.600	PS24014	48,442	-
Total Highway Safety Cluster			214,766	-
Selective Traffic Enforcement Program (STEP) 2024	20.608	PT24074	116,127	-
Selective Traffic Enforcement Program (STEP) 2025	20.608	PT25165	337,438	-
Total - Program 20.608			453,565	-
Selective Traffic Enforcement Program (STEP) 2024	20.611	PT24074	1,987	-
Selective Traffic Enforcement Program (STEP) 2025	20.611	PT25165	9,382	-
Total - Program 20.611			11,369	-
<i>Direct Program:</i>				
City of Fresno Vision Zero Action Plan	20.939	DOT-SS4A-FY22-0	187,352	-
Total U.S. Department of Transportation			34,014,461	-
<u>U.S. Department of Treasury</u>				
<i>Direct Program:</i>				
Equitable Sharing Program	21.016	CA0100500	11,545	-
Coronavirus State and Local Fiscal Recovery Fund	21.027	SLFRP1611	55,322,163	1,013,813
<i>Passed through the State of California - Department of General Services:</i>				
CaliforniansForAll Youth Jobs Corps Program	21.027	0650-JP1001B	827,361	-
<i>Passed through the State of California -Public Utilities Commission:</i>				
Local Agency Technical Assistance Program	21.027	22-02-026	165,625	-
Total - Program 21.027			56,315,148	1,013,813
Total U.S. Department of Treasury			56,326,692	1,013,813

City of Fresno
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2025

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 Programs:</i>				
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	66.814	99T91201	48,239	-
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	98T08001	19,493	-
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	98T50501	30,026	-
Total - Program 66.818			<u>49,519</u>	-
		Total Environmental Protection Agency	<u>97,757</u>	-
<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	24-0310ARP	94	-
Special Programs for the Aging: Senior Hot Meals	93.045	25-0310	126,142	-
Total Aging Cluster			<u>126,236</u>	-
		Total U.S. Department of Health and Human Services	<u>126,236</u>	-
<u>U.S. Department of Homeland Security</u>				
<i>Direct Program:</i>				
FY 2022 FP&S-Community Risk Assessment	97.044	EMW-2022-FP-00527	82,061	-
<i>Passed through the California Department of Emergency Services:</i>				
Homeland Security Grant Program (HSGP) 2021	97.067	SHSGP 2021	98,458	-
Homeland Security Grant Program (HSGP) 2022	97.067	SHSGP 2022	37,783	-
Homeland Security Grant Program (HSGP)	97.067	2022-0043	96,818	-
Homeland Security Grant Program (HSGP)	97.067	2023-0042	63,000	-
Total - Program 97.067			<u>296,060</u>	-
<i>Direct Program:</i>				
Staffing for Adequate Fire and Emergency Response Grant Program	97.083	EMW-2020-FF-01300	1,337,714	-
Staffing for Adequate Fire and Emergency Response Grant Program	97.083	EMW-2021-FF-00276	2,660,754	-
Total - Program 97.083			<u>3,998,468</u>	-
		Total U.S. Department of Homeland Security	<u>4,376,589</u>	-
		Total Expenditures of Federal Awards	<u>\$ 110,596,258</u>	<u>\$ 6,552,216</u>

City of Fresno
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

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 de minimis indirect rate as allowed under the Uniform Guidance (10 percent of modified total direct costs for awards issued prior to October 1, 2024 and 15 percent for awards issued or amended on or after October 1, 2024).

City of Fresno
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2025

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.

The terms of the grants/loans and the outstanding balances as of June 30, 2025, 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, 2025
2007	SRF06CX150	Wellsite Chlorination Project	10100007-004	\$ 2,210,000	2.2923% / 20 yrs*	\$ 733,570
2009	SRF08SWX101	Enterprise/Jefferson Canal Project	10100007-011	1,968,136	2.2923% / 20 yrs*	468,470
2011	SFR11CX104	Residential Water Meter Project	10100007-026C	51,405,432	0.0000% / 20 yrs*	23,132,444
2015	14-817-550	Wastewater Tertiary Plant	C-067893-110	33,138,638	1.00-1.70% / 30 yrs*	24,263,747
2016	D15-01011	Recycled Water Distribution Southwest	C-068061-110	52,475,049	1.00% / 30 yrs*	49,734,871
2016	D15-02012	Southeast Surface Water Treatment Facility	1010007-028C	195,489,000	1.663% / 30 yrs*	144,311,540
2016	D15-02040	Friant-Kern Canal Raw Water Pipeline	1010007-029C	26,520,000	1.6% / 30 yrs*	17,282,648
2016	D15-02042	Kings River Pipeline	1010007-031C	75,165,000	1.6% / 30 yrs*	46,684,469
2017	D16-02031	Regional Transmission Mains	1010007-030C	75,900,000	1.6% / 30 yrs*	27,369,504
2018	D18-02014	Northeast Surface Water Treatment Facility	1010007-032C	14,000,000	1.8% / 30 yrs*	12,602,092
						<u>\$ 346,583,355</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, 2025.

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, 2025, is as follows:

	EDA Program Revolving Loan Fund
Grant Award Number	07-39-02434
Balance of RLF loans outstanding at June 30, 2025	\$ 742,586
Cash and investment balance in the RLF at June 30, 2025	842,105
Administrative expenses paid out of RLF income during the fiscal year ended June 30, 2025	47,323
Write offs during the fiscal year ended June 30, 2025	139,663
Subtotal	<u>1,771,677</u>
Federal share (calculated grant rate)	<u>100%</u>
Economic Adjustment Assistance RLF Grant federal award expenditures for the fiscal year ended June 30, 2025	<u>\$ 1,771,677</u>

City of Fresno
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2025

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, 2025, is as follows:

	EDA CARES Program Revolving Loan Fund
Grant Award Number	07-79-07577
Balance of RLF loans outstanding at June 30, 2025	\$ 611,487
Cash and investment balance in the RLF at June 30, 2025	97,536
Administrative expenses paid out of RLF income during the fiscal year ended June 30, 2025	112,807
Write offs during the fiscal year ended June 30, 2025	75,000
Subtotal	896,830
Federal share (calculated grant rate)	100%
Economic Adjustment Assistance RLF Grant federal award expenditures for the fiscal year ended June 30, 2025	\$ 896,830

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 pre-award costs of \$3,888,289 for the year ended June 30, 2024 under the Airport Improvement Program under Assistance Listing Number (ALN) 20.106. This funding amount was approved in fiscal year 2024. These expenditures of \$3,888,289 are included on the SEFA as part of the ALN 20.106 expenditures for the year ended June 30, 2025.

The City reduced prior year expenditures totaling \$45,401 for the year ended June 30, 2024 under the Highway Planning and Construction Cluster of programs under ALN 20.205. These expenditures were deemed to be ineligible for Federal share match under the current finance letters of the grant; however, the City will continue to monitor any future modifications to finance letters impacting this funding. These reductions are included on the SEFA as part of ALN 20.205.

The City incurred costs totaling \$4,324 for the year ended June 30, 2024 under PS24014 for ALN 20.600. This funding amount was approved in fiscal year 2024. These expenditures are included on the SEFA as part of the ALN 20.600 expenditures for the year ended June 30, 2025.

City of Fresno
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2025

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	\$ 582,383
Total California State Department of Transportation			582,383
Total Expenditures of State and Local Awards			\$ 582,383

City of Fresno
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor’s 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 auditor’s 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
14.218	Community Development Block Grant (CDBG) - Entitlement Grants Cluster	\$ 5,287,168
20.106	Airport Improvement Program	8,751,037
20.500/507/526	Federal Transit Cluster	11,704,195
	Total Expenditures of All Major Federal Programs	\$ 25,742,400
	Total Expenditures of Federal Awards	\$ 110,596,258
	Percentage of Total Expenditures of Federal Awards	23.28%

Dollar threshold used to distinguish between type A and type B programs \$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, 2025

Section II – Financial Statement Findings

A. Current Year Findings – Financial Statement Audit

No financial statement findings were noted for the year ended June 30, 2025.

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

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

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, 2025.

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, 2024.