



**SINGLE AUDIT  
FOR THE YEAR ENDED JUNE 30, 2025**

**CORRECTIVE ACTION PLANS**

**FINANCIAL STATEMENT FINDINGS - CURRENT YEAR**

**2025-001      Timely Preparation of Bank Reconciliations**

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Corrective Action Plan:** The bank reconciliations were completed; however, they were not completed in a timely manner. With the Finance Department working to complete the past due audits and financial reporting, the bank reconciliations were not completed in a timely manner. The Finance Department is working to ensure a more accurate month end close process and timely bank reconciliations.
- **Anticipated Completion Date:** 6/30/2026

**2025-002      Accounting for Capital Asset Activity**

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Corrective Action Plan:** The City agrees with the finding and understands the importance of accounting for capital assets. The City is currently working on a capital asset policy and will have it implemented for the Fiscal Year 2026 year end close.
- **Anticipated Completion Date:** 6/30/2026

**2025-003      Recording of Fair Value Changes in Investment Balances**

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Corrective Action Plan:** The Finance Department will work to ensure the year end process is established in a procedure that will address the recurring entries and variance analysis are performed.
- **Anticipated Completion Date:** 6/30/2026

**2025-004**      **Prior Year Material Weaknesses Not Implemented**

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- 
- **Corrective Action Plan:**

2024-002	Accurate Preparation of the Schedule of Expenditures of Federal Awards
2023-002	Filing Timely Grant Reimbursement Requests
2023-003	Payroll Errors and Benefits Documentation
2020-002	Timely Preparation of Bank Reconciliations
2020-004	Redevelopment Bonds Projects Fund

See Management’s Response to the Current Year Status for each of the above deficiencies as listed in the Status of Prior Year Material Weaknesses.

- **Anticipated Completion Date:** 6/30/2026

**2025-005**      **Overstatement of Accrued Interest on Long-Term Notes Receivable**

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Corrective Action Plan:** This was corrected in Fiscal Year 2025 prior to the final closing. The City will work on procedures for a review process.
- **Anticipated Completion Date:** 6/30/2026

**2025-006**      **Prior Year Significant Deficiencies Not Implemented**

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Corrective Action Plan:**

2024-004	Remit Successor Agency Land Sale Proceeds to the County
2024-005	Fee Calculation Errors and Retaining Supporting Documentation
2023-005	Retaining Supporting Documentation and Timely Payment of Disbursements
2023-006	Investment Reporting and Compliance with Investment Policy
2023-007	Retention of Retiree Personnel Files to Support Pension and Other Post Employment Benefits (OPEB) Census Data Files
2022-005	Documentation of Review of Changes to Customer and Employee Databases
2021-004	Purchasing Policy Compliance
2019-004	Finance Personnel Super-User Rights
2015-002	Timely Review and Approval of Journal Entries
2015-004	Timely Filing of Continuing Disclosure Reports
2014-002	Timely Preparation and Approval of Bank Reconciliations

See Management’s Response to the Current Year Status for each of the above deficiencies as listed in the Status of Prior Year Significant Deficiencies.

- **Anticipated Completion Date:** 6/30/2026

## FEDERAL AWARD FINDINGS - CURRENT YEAR

### **Finding #SA2025-001**                      **Cash Management and Accuracy of Federal Financial Reports**

**Assistance Listing Number:** 20.507, 20.526  
**Assistance Listing Title:** COVID-19 – Federal Transit Formula Grants (Urbanized Area Formula Program) – Federal Transit Cluster  
**Name of Federal Agency:** Department of Transportation  
**Federal Award Identification Number:** CA-2022-083-00, 2020-206, 2020-212

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Corrective Action Plan:** The City will develop procedures to ensure all grant-funded expenditures are included on drawdown request and prepared quarterly. Finance staff plan to have regular check-ins with department staff administering federal grants to obtain status updates on expenditures and drawdowns, and reconcile activities accordingly.
- **Anticipated Completion Date:** 06/30/2026

### **Finding #SA2025-002**                      **Unallowable Expenditures Charged to the Grant**

**Assistance Listing Number:** 20.507, 20.526  
**Assistance Listing Title:** COVID-19 – Federal Transit Formula Grants (Urbanized Area Formula Program) – Federal Transit Cluster  
**Name of Federal Agency:** Department of Transportation  
**Federal Award Identification Number:** CA-2022-083-00, 2020-206, 2020-212

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Corrective Action Plan:** The City will develop procedures for grant management, accounting and reporting to ensure that only allowable costs are claimed.
- **Anticipated Completion Date:** 06/30/2026

### **Finding #SA2025-003**                      **Citizen Participation Plan Compliance**

**Assistance Listing Number:** 14.218  
**Assistance Listing Title:** Community Development Block Grants/Entitlement Grants  
**Name of Federal Agency:** Department of Housing and Urban Development  
**Pass Through Entity:** San Joaquin County Community Development Department  
**Federal Award Identification Number:** A-93-916

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Corrective Action Plan:** The City will work with the department to establish a procedure for completion of Citizen Participation plan in compliance with grant requirements.
- **Anticipated Completion Date:** 06/30/2026

**Finding #SA2025-004****Reporting Compliance**

**Assistance Listing Number:** 14.218  
**Assistance Listing Title:** Community Development Block Grants/Entitlement Grants  
**Name of Federal Agency:** Department of Housing and Urban Development  
**Pass Through Entity:** San Joaquin County Community Development Department  
**Federal Award Identification Number:** A-93-916

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Corrective Action Plan:** The City is in the process of developing a grant management policy that will address the reporting compliance. The Finance Department is working with the departments on a timely reconciliation process.
- **Anticipated Completion Date:** 06/30/2026

**Finding #SA2025-005****Timely Completion of Environmental Reviews**

**Assistance Listing Number:** 14.218  
**Assistance Listing Title:** Community Development Block Grants/Entitlement Grants  
**Name of Federal Agency:** Department of Housing and Urban Development  
**Pass Through Entity:** San Joaquin County Community Development Department  
**Federal Award Identification Number:** A-93-916

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Corrective Action Plan:** The City will work with the department to establish a procedure for completion of environmental reviews in compliance with grant requirements.
- **Anticipated Completion Date:** 06/30/2026