



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL STATEMENT FINDINGS – PRIOR AUDIT

Finding Reference Number: 2024-001 Timely and Accurate Year-End Close

- **Fiscal Year of Initial Finding:** 2019
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** Implemented

Finding Reference Number: 2024-002 Accurate Preparation of the Schedule of Expenditures of Federal Awards

- **Fiscal Year of Initial Finding:** 2024
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** The City is working to establish a grant policy and procedure to ensure grants are captured and tracked accurately. The City has begun working with the departments and provided grant training on the necessary documents and grant-related processes. The City is in the development phase of the grant policy and is actively working with a consultant on the policy. This policy will be partially implemented for Fiscal Year 2025 and completed in Fiscal Year 2026.
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2024-003 **Prior Year Material Weaknesses Not Implemented**

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:**
 - 2023-001 Timely and Accurate Year End Close
 - 2023-002 Filing Timely Grant Reimbursement Requests
 - 2023-003 Payroll Errors and Benefits Documentation
 - 2022-001 Timely and Accurate Year End Close
 - 2021-001 Timely and Accurate Year End Close
 - 2021-002 Accurately Adopting and Amending the Annual Budget
 - 2020-001 Timely and Accurate Year End Close
 - 2020-002 Timely Preparation and Approval of Bank Reconciliations
 - 2020-004 Redevelopment Bonds Projects Fund
 - 2019-001 Timely and Accurate Year-End Close

See Management’s Response to the Current Year Status for each of the above deficiencies as listed in the Summary Schedule of Prior Audit Findings

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

Finding Reference Number: 2024-004 **Remit Successor Agency Land Sale Proceeds to the County**

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** The City agrees with the finding and has remitted the payment to the County in fiscal year 2026.
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2024-005 **Fee Calculation Errors and Retaining Supporting Documentation**

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** The City recognizes the auditor’s observation regarding the importance of accurate fee calculations and timely communication of fee schedule updates. The City recognizes that fee errors and a lack of supporting documentation can create inconsistencies in revenue collection and accountability.
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2024-006 Prior Year Significant Deficiencies Not Implemented

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:**
 - 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 - Partially implemented in 2024
 - 2021-004 Purchasing Policy Compliance – see current status in 2021-004
 - 2019-004 Finance Personnel Super-User Rights – see current status in 2019-004
 - 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 Summary Schedule of Prior Audit Findings

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

Finding Reference Number: 2023-001 Timely and Accurate Year-End Close

- **Fiscal Year of Initial Finding:** 2019
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** Implemented

Finding Reference Number: 2023-002 Filing Timely Grant Reimbursement Requests

- **Fiscal Year of Initial Finding:** 2023
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** Staff recognizes that grant reimbursement requests have not been timely. Staff is implementing grant management policies and procedures to ensure reimbursement requests occur timely and are documented thoroughly. Staff is working to ensure grants are reconciled and drawdowns are occurring timely in FY 2026.
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2023-003 **Payroll Errors and Benefits Documentation**

- **Fiscal Year of Initial Finding:** 2023
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** The Human Resources Department has begun to implement recommendations based on these findings and is working to create procedures for processing payroll-related items.
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2023-004 **Prior Year Material Weaknesses Not Implemented**

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:**
 - 2022-001 Timely and Accurate Year End Close
 - 2021-001 Timely and Accurate Year End Close
 - 2021-002 Accurately Adopting and Amending the Annual Budget
 - 2020-001 Timely and Accurate Year End Close
 - 2020-002 Timely Preparation and Approval of Bank Reconciliations
 - 2020-004 Redevelopment Bonds Projects Fund
 - 2019-001 Timely and Accurate Year-End Close

The corrective action plans for these findings are listed below in the Summary Schedule of Prior Audit Findings

- **Anticipated Completion Date:** 6/30/2026
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Finding Reference Number: 2023-005

Retaining Supporting Documentation and Timely Payment of Disbursements

- **Fiscal Year of Initial Finding:** 2023
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** Given past issues with the Finance Department staff and other Department staff complying with the City's Purchasing Policy, there has been a renewed emphasis on following the policy at all levels of the City. In September 2023, sections of the Purchasing Policy regarding bidding/solicitation thresholds, purchase orders, and agreements/contracts were updated via Council Approval. Staff is engaging an outside consulting firm to perform a comprehensive review of the whole policy during Fiscal Year 2026. In the interim, with the appointment of a new Accounting Manager during Fiscal Year 2025, overseeing the accounting and purchasing functions, there has been an emphasis on educating Departments on the importance of complying with the Purchasing Policy. In addition, the City has transitioned to fully electronic Purchase Order and AP invoice batch processing. Electronic processing allows for thorough cataloging and a lower risk of losing backup documentation.

For the tax sharing agreements, staff turnover resulted in a loss of institutional knowledge regarding these agreements. However, with newer staffing in the Finance Department, payments to Developers, as associated with Tax Sharing agreements, have been as timely as possible since FY 2024. No legal or punitive actions have been taken by any developers due to late payments. The City maintains good relationships with these respective developers.

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

Finding Reference Number: 2023-006

Investment Reporting and Compliance with Investment Policy

- **Fiscal Year of Initial Finding:** 2023
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** The quarterly Treasury/Investment report has been more in compliance with the City's Investment Policy during FY 2025. Also, the City's Investment Policy was updated in the summer of 2025 to align with the California Government Code.
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2023-007

Retention of Retiree Personnel Files to Support Pension and Other Post-Employment Benefits (OPEB) Census Data Files

- **Fiscal Year of Initial Finding:** 2023
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** The Payroll staff is located within the Human Resources Department, not the Finance Department. Hence, it's difficult for Finance staff to have oversight over Payroll staff. However, Finance staff will have regular check-ins with HR regarding Payroll issues, including retiree record-keeping. Finance staff will recommend record-keeping and documentation procedures for retiree data and OPEB.
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2023-008

Prior Year Significant Deficiencies Not Implemented

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
 - **Current Status:** The corrective action plans for these findings are listed below in the Summary Schedule of Prior Audit Findings:
 - 2022-003 Accurate Calculation of Compensatory Time Hourly Pay Rate in Payroll System – Implemented in 2024
 - 2022-005 Documentation of Review of Changes to Customer and Employee Databases - Partially implemented in 2024 – see current status in 2022-005
 - 2022-006 Capitalize Purchases Approved by City Council – see current status in 2022-006
 - 2021-004 Purchasing Policy Compliance – see current status in 2021-004
 - 2021-005 Using Capital Projects Identifiers for All Projects – Implemented in 2024
 - 2019-004 Finance Personnel Super-User Rights – see current status in 2019-004
 - 2017-002 Golf Enterprise Fund Working Capital – Implemented in 2023
 - 2015-002 Timely Review and Approval of Journal Entries – see current status in 2015-002
 - 2015-004 Timely Filing of Continuing Disclosure Reports – see current status in 2015-004
 - 2014-002 Timely Preparation and Approval of Bank Reconciliations – see current year comment 2025-001
 - 2012-02(a) Internal Controls – Segregation of Duties - Super-User Status in the General Ledger System – see current status in 2019-004
 - **Anticipated Completion Date:** 6/30/2026
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Finding Reference Number: 2022-001 Timely and Accurate Year-End Close

- **Fiscal Year of Initial Finding:** 2019
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** Implemented

Finding Reference Number: 2022-002 Prior Year Material Weaknesses Not Implemented

- **Fiscal Year of Initial Finding:** 2019 and 2020
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** The corrective action plans for these findings are listed below in the Summary Schedule of Prior Audit Findings:
 - 2021-001 Timely and Accurate Year End Close
 - 2021-002 Accurately Adopting and Amending the Annual Budget
 - 2020-001 Timely and Accurate Year End Close
 - 2020-002 Timely Preparation and Approval of Bank Reconciliations
 - 2020-004 Redevelopment Bonds Projects Fund
 - 2019-001 Timely and Accurate Year-End Close
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2022-003 Accurate Calculation of Compensatory Time Hourly Pay Rate in Payroll System

- **Fiscal Year of Initial Finding:** 2022
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** Implemented, however see also comment 2023-003

Finding Reference Number: 2022-005 Documentation of Review of Changes to Customer and Employee Databases

- **Fiscal Year of Initial Finding:** 2012
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** Partially Implemented - City staff will discuss potential review and approval processes and procedures, specifically for changes to customer billing information and changing employee pay rates, to ensure that documentation of the review is made in some formal manner. Finance staff has implemented a new Cash Handling Procedures that includes daily procedures for cash handling, cash deposits, revenue collections, account changes, receipting, recording, and reconciliations. Staff is confident that the new procedures document will provide adequate documentation of the City's procedures and processes.
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2022-006 Capitalize Purchases Approved by City Council

- **Fiscal Year of Initial Finding:** 2002
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** Implemented

Finding Reference Number: 2022-007 Prior Year Significant Deficiencies Not Implemented

- **Fiscal Year of Initial Finding:** 2014, 2015, 2017, 2019 and 2021
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** The Current Status for each of these findings are listed below in the Summary Schedule of Prior Audit Findings:
 - 2021-004 Purchasing Policy Compliance - see current status in 2021-004
 - 2021-005 Using Capital Projects Identifiers for All Projects - Implemented in 2024
 - 2019-004 Finance Personnel Super-User Rights – see current status in 2019-004
 - 2017-002 Golf Enterprise Fund Working Capital - Implemented in 2023
 - 2015-002 Timely Review and Approval of Journal Entries – see current status in 2015-002
 - 2015-004 Timely Filing of Continuing Disclosure Reports – see current status in 2015-004
 - 2014-002 Timely Preparation and Approval of Bank Reconciliations – see current year comment 2025-001
 - 2012-02(a) Internal Controls – Segregation of Duties - Super-User Status in the General Ledger System - see current status in 2019-004
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2021-001 Timely and Accurate Year-End Close

- **Fiscal Year of Initial Finding:** 2019
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** Implemented

Finding Reference Number: 2021-002 Accurately Adopting and Amending the Annual Budget

- **Fiscal Year of Initial Finding:** 2021
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director; Lana McBroom, Budget Manager
- **Current Status:** Implemented

Finding Reference Number: 2021-003 Prior Year Material Weaknesses Not Implemented

- **Fiscal Year of Initial Finding:** 2020
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** The corrective action plans for these findings are listed below in the Summary Schedule of Prior Audit Findings, if they have not been implemented as noted below:
 - 2020-001 Timely and Accurate Year End Close - See 2023-001
 - 2020-002 Timely Preparation and Approval of Bank Reconciliations – See current year comment 2025-001
 - 2020-004 Redevelopment Bonds Projects Fund – see 2020-004
 - 2020-005 Accurate Preparation of the Schedule of Expenditures of Federal Awards – Implemented in 2022
 - 2019-001 Timely and Accurate Year-End Close - See 2023-001
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2021-004 Purchasing Policy Compliance

- **Fiscal Year of Initial Finding:** 2021
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** The City agrees. Given past issues with the Finance Department staff and other Department staff complying with the City’s Purchasing Policy, there has been a renewed emphasis on following the policy at all levels of the City. In September 2023, sections of the Purchasing Policy regarding bidding/solicitation thresholds, purchase orders, and agreements/contracts were updated via Council Approval. Staff is engaging an outside consulting firm to perform a comprehensive review of the whole policy during Fiscal Year 2026. In addition, the City has transitioned to fully electronic Purchase Order and AP invoice batch processing. Electronic processing allows for thorough cataloging and a lower risk of losing backup documentation.
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2021-006 Prior Year Significant Deficiencies Not Implemented

- **Fiscal Year of Initial Finding:** 2012, 2014, 2015, 2017, 2019
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director, Lana McBroom, Budget Manager
- **Current Status:** The corrective action plans for these findings are listed below in the Summary Schedule of Prior Audit Findings.
 - 2019-004 Finance Personnel Super-User Rights – see current status in 2019-004
 - 2017-002 Golf Enterprise Fund Working Capital – Implemented in 2023
 - 2015-002 Timely Review and Approval of Journal Entries – see current status in 2015-002
 - 2015-003(a) Timely Preparation and Approval of Treasurer’s Reports – Implemented in 2022
 - 2015-003(b)iii Investment Reporting and Compliance – Implemented in 2022
 - 2015-004 Timely Filing of Continuing Disclosure Reports – see current status in 2015-004
 - 2014-002 Timely Preparation and Approval of Bank Reconciliations – see current year comment 2025-001
 - 2012-02(a) Internal Controls – Segregation of Duties - Super-User Status in the General Ledger System – see current status in 2019-004
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2020-001 Timely and Accurate Year-End Close

- **Fiscal Year of Initial Finding:** 2019
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** Implemented

Finding Reference Number: 2020-002 Timely Preparation of Bank Reconciliations

- **Fiscal Year of Initial Finding:** 2020
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** See current year comment 2025-001
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2020-004 **Redevelopment Bonds Projects Fund**

- **Fiscal Year of Initial Finding:** 2020
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** The City agrees with the finding, and staff recognizes the need to make timely drawdowns of project funds to match eligible expenses. Staff is working to ensure drawdowns are occurring in FY 2026.
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2020-006 **Prior Year Significant Deficiencies Not Implemented**

- **Fiscal Year of Initial Finding:** 2019, 2017, 2015 and 2014
 - **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
 - **Current Status:** The current status for these findings are listed below in the Summary Schedule of Prior Audit Findings.
 - 2019-004 Finance Personnel Super-User Rights – see current status in 2019-004
 - 2019-007 Determine Disposition of Lease Proceeds – Implemented in 2021
 - 2017-002 Golf Enterprise Fund Working Capital – Implemented in 2023
 - 2015-002 Timely Review and Approval of Journal Entries – see current status in 2015-002
 - 2015-003(a) Timely Preparation and Approval of Treasurer’s Reports – Implemented in 2022
 - 2015-003(b)iii Investment Reporting and Compliance – Implemented in 2022
 - 2015-004 Timely Filing of Continuing Disclosure Reports – see current status in 2015-004
 - 2014-002 Timely Preparation and Approval of Bank Reconciliations – see current year comment 2025-001
 - 2012-02(a) Internal Controls – Segregation of Duties - Super-User Status in the General Ledger System – see current status in 2019-004
 - **Anticipated Completion Date:** 6/30/2026
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Finding Reference Number: 2019-001 Timely and Accurate Year-End Close

- **Fiscal Year of Initial Finding:** 2019
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** Implemented

Finding Reference Number: 2019-003 Prior Year Recommendations Not Yet Implemented

- **Fiscal Year of Initial Finding:** 2012, 2015 and 2017, as noted below
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** The current status for these findings are listed below in the Summary Schedule of Prior Audit Findings.
 - 2017-002 Golf Enterprise Fund Working Capital – Implemented in 2023.
 - 2015-002 Timely Review and Approval of Journal Entries - – see current status in 2015-002.
 - 2015-003(a) Timely Preparation and Approval of Treasurer’s Reports – Implemented in 2022
 - 2015-003(b)iii Investment Reporting and Compliance – Implemented in 2022
 - 2015-004 Timely Filing of Continuing Disclosure Reports – see current status in 2015-004
 - 2014-002 Timely Preparation and Approval of Bank Reconciliations - see current year comment 2025-001
 - 2012-02(a) Internal Controls – Segregation of Duties - Super-User Status in the General Ledger System - See current status in 2019-004
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2019-004 Finance Personnel Super-User Rights

- **Fiscal Year of Initial Finding:** 2012
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** Staff understands that super user rights should be limited to a select few individuals and are working to identify those positions in FY 2025. To address the interim granting of ERP system permissions and end-user rights, Finance and IT staff have established a new process where Finance Staff approve the changes and IT staff implement them. This process has been implemented in FY 2025.
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2018-001 Prior Year Recommendations Not Yet Implemented

- **Fiscal Year of Initial Finding:** 2012, 2015 and 2017, as noted below.
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** *See Below*
 - 2017-002 Golf Enterprise Fund Working Capital – Implemented in 2023
 - 2015-002 Timely Review and Approval of Journal Entries - see current status in 2015-002
 - 2015-003 Investment Reporting and Compliance– Implemented in 2022
 - 2015-004 Timely Filing of Continuing Disclosure Reports - see current status in 2015-004
 - 2014-002 Timely Preparation and Approval of Bank Reconciliation - see current year comment 2025-001
 - 2012-02 Internal Controls – Segregation of Duties - (a) implemented in 2019, (b) implemented in 2019. (c) Not implemented – see current status in 2019-004
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2015-002 Timely Review and Approval of Journal Entries

- **Fiscal Year of Initial Finding:** 2015
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** The City has procedures in place for all journal entries to be reviewed before they are posted to the general ledger, and these entries are initialed by the reviewer. This is also related to the 2023-001 finding with the timely close. As the close management system is being refined, procedures for close will be done on a more regular basis. During FY 2024, additional controls were implemented with the closing of each period and using system controls to lock down prior period transactions. As the Finance Department is now caught up on all previous audits, the timeliness of entries will occur. In addition, staff will work to close months in a timely manner.
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2015-004 Timely Filing of Continuing Disclosure Reports

- **Fiscal Year of Initial Finding:** 2015
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** The City has contracted out all continuing disclosure reporting. We anticipate this to be a recurring issue until such time that the Financial Statements are filed timely, and the required information is available for disclosure. This has been implemented in FY2025.
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2014-002 Timely Preparation and Approval of Bank Reconciliation

- **Fiscal Year of Initial Finding:** 2014
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** See current year comment 2025-001.
- **Anticipated Completion Date:** 6/30/2026

Finding Reference Number: 2012-02 Internal Controls – Segregation of Duties

- **Fiscal Year of Initial Finding:** 2012
- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:**
 - a. Super-User Status in the General Ledger System – see 2019-004
 - b. Reviewing Changes to Vendor Database - Implemented.
 - c. Reviewing Changes to Employee Database - Implemented, however see comment 2022-005
- **Anticipated Completion Date:** 6/30/2026

FEDERAL AWARD FINDINGS – PRIOR AUDIT

Finding #SA2024-001 Cash Management and Accuracy of Federal Financial Reports

Assistance Listing Number: 20.507
Assistance Listing Title: COVID-19 – Federal Transit Formula Grants
Name of Federal Agency: Department of Transportation
Federal Award Identification Number: CA-2022-083-00

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** Staff recognize that drawdown requests have not been submitted timely and/or accurately in the past. Current staff understands the importance of accurate and timely drawdown requests. The City is in the development phase of the grant policy and is actively working with a consultant on the policy. This policy will be partially implemented in Fiscal Year 2026. Additionally, staff will be attending a Grant Management training in Fiscal Year 2026.
- **Anticipated Completion Date:** 06/30/2026

Finding #SA2024-002

Compliance with Grant Documentation Requirements

Assistance Listing Number: 21.027
Assistance Listing Title: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
Name of Federal Agency: Department of Treasury
Pass Through Entity: California State Water Resources Control Board
Federal Award Identification Number: A-00216-01

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Corrective Action Plan:** City staff understands the importance of keeping all grant documentation and ensuring the grant guidelines are followed. The City has developed a grant policy and is beginning to implement it in FY2026. Additionally, staff will be attending a Grant Management training in Fiscal Year 2026.
- **Anticipated Completion Date:** 6/30/2026

Finding #SA2024-003

Compliance with Grant Reporting Deadlines

Assistance Listing Number: 21.027
Assistance Listing Title: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
Name of Federal Agency: Department of Treasury
Pass Through Entity: California State Water Resources Control Board
Federal Award Identification Number: A-00216-01

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Corrective Action Plan:** Staff recognize that reporting requests have not been submitted timely and/or accurately in the past. Current staff understands the importance of accurate and timely drawdown requests. The City is in the development phase of the grant policy and is actively working with a consultant on the policy. This policy will be partially implemented in Fiscal Year 2026. Additionally, staff will be attending a Grant Management training in Fiscal Year 2026.
- **Anticipated Completion Date:** 6/30/2026

Finding #SA2024-004

Compliance with Procurement Requirements

Assistance Listing Number: 21.027
Assistance Listing Title: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
Name of Federal Agency: Department of Treasury
Pass Through Entity: California State Water Resources Control Board
Federal Award Identification Number: A-00216-01

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Corrective Action Plan:** Staff recognize that importance of following the current purchasing policy and retaining the proper records. Finance staff are working with the departments to ensure the documentation is being attached to all purchases and retained electronically. The City is in the development phase of the purchasing policy and is actively working with a consultant on the policy. This policy will be partially implemented in Fiscal Year 2026.
- **Anticipated Completion Date:** 6/30/2026

Finding #SA2023-001

Cash Management and Accuracy of Federal Financial Reports

Assistance Listing Number: 20.507
Assistance Listing Title: COVID-19 – Federal Transit Formula Grants
Name of Federal Agency: Department of Transportation
Federal Award Identification Number: CA-2020-212-00 and CA-2022-083-00

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** There was significant turn-over in the Finance Department during the periods where accounting and spending of COVID-19 related grants occurred. There was a lack of monitoring reimbursement claim activities and coordination with the Transit Division on its activities. With the Finance Department being fully staffed with competent talent, these issues should not occur in the future. Staff has compiled a comprehensive and detailed year-end close schedule that assigns roles/responsibilities and timeframes for closing entries, annual filings, information gathering, and other tasks. Further plans include a variance analysis and budget-to-actual comparisons to further identify needed areas of attention. The annual year-end close schedule is being actively used during the FY 2024 year-end close process. Staff is working to ensure this finding is completed for the FY 2025 year end close
- **Anticipated Completion Date:** 6/30/2026

Finding #SA2022-006

Compliance with Grant Documentation Requirements

Assistance Listing Number: 21.027
Assistance Listing Title: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
Name of Federal Agency: Department of Treasury
Pass Through Entity: California State Water Resources Control Board
Federal Award Identification Number: 68-0281986

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Current Status:** The City will develop procedures to ensure all documentation is provided. The City is not aware of any documentation or request from the grantor to return any of these funds.
- **Anticipated Completion Date:** 6/30/2026

Finding #SA2022-008: Accurate Review and Payment of Vendor Reimbursement Requests

Assistance Listing Number: 14.218
Assistance Listing Title: COVID-19 - 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
- **Current Status:** The CDBG funding for this fiscal year was managed by a prior City staff who is no longer with the City of Manteca and it is unclear if they indicated any funds needed to be returned based on this finding. Supporting documents under the prior employee’s files have been provided for the CDBG-CV. The City is allowed to use these funds and will drawdown on them in FY2026.
- **Anticipated Completion Date:** 06/30/2026

Finding #SA2021-004: Allowable Subrecipient and Contract Costs

Assistance Listing Number: 14.218
Assistance Listing Title: COVID-19 - 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

- **Current Status:** Due to turnover in City staff, new steps have been taken in the processing of this grant and subgrant reimbursements. The process involves the following steps:
 1. Review the grant/subgrant agreements to understand and confirm the reimbursement guidelines and review eligible expenses.
 2. Review the expenditures for reimbursement to ensure they align with eligible expenses. This includes all supporting documents have been reviewed and confirmed.
 3. Prepare reimbursement request for grantor agency that shows breakdown of expenses; total reimbursed requested amount, and attached all relevant supporting documents.
 4. Final Internal review before submission. Ensure accuracy before submittal.

The City is working on establishing a new Grants Management Policy and will provide training to all departments in fiscal year 2026 to ensure accuracy and compliance.

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

Finding Reference Number: 2018-001 **Review and Accuracy of Federal Financial Reports and Reimbursement Requests**

CFDA number: 20.507
CFDA Title: Federal Transit – Formula Grants (Urbanized Area Formula Program)
Name of Federal Agency: Department of Transportation - Federal Transportation Administration
Federal Award Identification Number: CA-2016-104-00, CA-90-Z172-00

- **Fiscal Year of Initial Finding:** 2018

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

- **Current Status:** There was significant turn-over in the Finance Department during the periods where accounting and spending of COVID-19 related grants occurred. There was a lack of monitoring reimbursement claim activities and coordination with the Transit Division on its activities. With the Finance Department being fully staffed with competent talent, these issues should not occur in the future. Staff has compiled a comprehensive and detailed year-end close schedule that assigns roles/responsibilities and timeframes for closing entries, annual filings, information gathering, and other tasks. Further plans include a variance analysis and budget-to-actual comparisons to further identify needed areas of attention. The annual year-end close schedule is being actively used during the FY 2024 year-end close process. Staff is working to ensure this finding is completed for the FY 2025 year end close

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