

City of Fresno
California Violence and Intervention
(CalVIP) Grant Program
Agreement #BSCC 806-20

Fresno, California

Independent Auditors' Reports
and Financial Statement

For the Period October 1, 2020 through June 30, 2023



City of Fresno
California Violence and Intervention (CalVIP) Grant Program
Agreement #BSCC 806-20
For the Period October 1, 2020 through June 30, 2023

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INDEPENDENT AUDITORS' REPORT



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

Report on the Audit of the Financial Statement

Opinion

We have audited the accompanying Statement of Grant Revenues and Expenditures (the "Statement") of the California Violence and Intervention (CalVIP) Grant Program (the "Program") of the City of Fresno, California (the "City") as of and for the period October 1, 2020 through June 30, 2023, and the related notes to the financial statement, as listed in the table of contents.

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenues, expenditures and changes in fund balance of the program for the period October 1, 2020 through June 30, 2023 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 certain provisions of the *California Violence and Intervention Grant Request for Proposal (CalVIP Grant Agreement)*, issued by the California Board of State and Community Corrections. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Program, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Note 1a, the Statement is intended to present only the results of operations of the Program of the City. It does not purport to, and does not, present fairly the financial position of the City as of June 30, 2023, and change in fund balance for the period October 1, 2020 through June 30, 2023 in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statement

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

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



To the Honorable Mayor and Members of the City Council
of the City of Fresno
Fresno, California
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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Other Reporting Required by *Government Auditing Standards* and the *AVA Program Handbook*

In accordance with *Government Auditing Standards* and the *CalVIP Grant Agreement*, we have also issued our report dated December 21, 2023, on our consideration of the Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the *CalVIP Grant Agreement* in considering the Program's internal control over financial reporting and compliance.



Santa Ana, California
December 21, 2023

FINANCIAL STATEMENTS

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City of Fresno
California Violence and Intervention (CalVIP) Grant Program
Agreement #BSCC 806-20
Statement of Grant Revenues and Expenditures
For the Period October 1, 2020 through June 30, 2023

REVENUES:

Grant funds received	\$ 926,328
Total revenues	926,328

EXPENDITURES:

Salaries and benefits	639,180
Services and supplies	1,213,645
Total expenditures	1,852,825
Match obligated	\$ (926,497)

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NOTES TO THE FINANCIAL STATEMENT

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City of Fresno
California Violence and Intervention (CalVIP) Grant Program
Agreement #BSCC 806-20
Notes to the Financial Statement
For the Period October 1, 2020 through June 30, 2023

Note 1 – Summary of Significant Accounting Policies

The Statement of Grant Revenues and Expenditures (the “Statement”) of the California Violence and Intervention (CalVIP) Grant Program (the “Program”) of the City of Fresno, California (the “City), have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Program’s accounting policies are described below.

A. The Reporting Entity

The CalVIP Grant Program is a statewide grant program administered by the California Board of State and Community Corrections (“BSCC”). The grant was funded by the State’s general fund budget for fiscal year 2019-2020 and administered by the by the City of Fresno’s Parks, After School, Recreation and Community Services (PARCS) Department. The purpose of the CalVIP Grant is to improve public health and safety by supporting effective violence reduction initiatives in communities that are disproportionately impacted by violence, particularly group-member involved homicide, shootings and aggravated assaults. The Statement is intended to present only the activities of the Program that are accounted for within the Grants Special Revenue Fund of the City. They are not intended to present the financial position or results of operations of the City as a whole. The Statement presents the eligible costs charged to the Program by the City of Fresno’s PARCS Department and the revenues received in reimbursement of those costs by the California BSCC for the grant period October 1, 2020 to June 30, 2023.

B. Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statement.

Governmental funds are accounted for using the modified accrual basis of accounting and "current financial resources" measurement focus. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Revenues are recognized in the accounting period in which they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Program’s accrual period is generally 60 days after fiscal year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

C. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. Subsequent Events

Events or transactions that occurred after June 30, 2023 up through December 21, 2023, the date the Statement was available for issuance, were reviewed for subsequent event accounting and disclosure. During this period, the City of Fresno’s PARCS department does not believe it had any material subsequent events.

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COMPLIANCE REPORT

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

Independent Auditors' Report

To the Honorable Mayor and Members of the 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, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, certain provisions of the California Board of State and certain provisions of the California Violence and Intervention (CalVIP) Grant Request for Proposal (“CalVIP Grant Agreement”), the financial statement of the CalVIP Program (the “Program”) of the City of Fresno, California (the “City”), for the period October 1, 2020 through June 30, 2023, and the related notes to the financial statement, and have issued our report thereon dated December 21, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Program’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 opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Program’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Program’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 the City Council
of the City of Fresno
Fresno, California
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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Program’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the *CalVIP Grant Agreement*, described in the accompanying schedule of findings as item 2023-001.

The City’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Program’s internal controls or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and the *CalVIP Grant Agreement* in considering the Program’s internal controls 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
December 21, 2023

City of Fresno
California Violence and Intervention (CalVIP) Grant Program
Agreement #BSCC 806-20
Schedule of Findings
For the Period October 1, 2020 through June 30, 2023

Finding 2023-001 – Late Submission of Required Reports

Criteria:

Pursuant to the *CalVIP Grant Agreement*, “5. Reporting Requirements A. Grantee will submit quarterly progress reports in a format prescribed by the BSCC. These reports, which will describe progress made on program objectives and include required data, shall be submitted according to the following schedule.” The grant agreement sets forth the schedule for submission of the Quarterly Progress Reports and Evaluation Documents (Local Evaluation Plan).

Condition:

The City of Fresno’s Parks, After School, Recreation, & Community Services (PARCS) Department has experienced delays in the preparation and submission of Quarterly Progress Reports and Evaluation Documents required by the *CalVIP Grant Agreement*. We reviewed four (4) Quarterly Progress Report and one (1) Local Evaluation Plan. All five (5) required reports were not submitted within the required timeframe as follows:

Report Name	Report Period	Due Date	Submitted Date	Days Late
Quarterly Progress Report - Invoice 5	10/1/21-12/31/21	2/15/2022	4/17/2023	426
Quarterly Progress Report - Invoice 7	4/1/22-6/30/22	8/15/2022	4/17/2023	245
Quarterly Progress Report - Invoice 9	10/1/22-12/31/22	2/15/2023	7/24/2023	159
Quarterly Progress Report - Invoice 10	1/1/23-3/31/23	5/15/2023	7/31/2023	77
Local Evaluation Plan	10/1/20-12/31/23	3/31/2021	5/17/2021	47

Cause:

The City has experienced significant turnover in key personnel in the PARCS department in past years. Absent robust accounting policies and procedures, when vacancies occur information can be lost and as individuals are getting up to speed, some processes may not be fully executed if they are manual and not fully embedded into an automated system. Staff had to take on additional responsibilities and did not have sufficient resources to review and reconcile the sub-ledger to the general ledger in a timely manner.

Context:

The City’s CalVIP Grant reports were not submitted within the required time frame under the requirements set forth in the *CalVIP Grant Agreement*.

Effect:

Delays in processing subcontractor invoices and staff turnover caused the delay in required financial report. In addition, the City is not in compliance with the reporting requirements of the CalVIP grant requirements, set forth in the *CaVIP Grant Agreement*.

Recommendation:

The PARCS Department should look at increasing the amount of experienced administrative staff to help facilitate grant administration processes and the preparation of grant required reports within the deadlines set forth in grant agreements.

City of Fresno
California Violence and Intervention (CalVIP) Grant Program
Agreement #BSCC 806-20
Schedule of Findings (Continued)
For the Period October 1, 2020 through June 30, 2023

Finding 2023-001 – Late Submission of Required Reports (Continued)

Management’s View and Corrective Action Plan:

City Management concurs with the comments and recommendations. The CalVIP grant was originally awarded to the City of Fresno Police Department with an agreement executed September 24 ,2020. The grant then transitioned to the City of Fresno PARCS Department with an agreement executed June 23, 2021. At the time of transition, the PARCS Department had a limited number of staff, which impacted the timeliness of invoice submissions. The PARCS Department has now expanded its staffing to six in order to assist in the timeliness of submissions to grantors and has made significant improvement in meeting grant deadlines.