

**CITY OF CERES, CALIFORNIA**  
**SINGLE AUDIT REPORTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**City of Ceres, California**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2023**

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**City of Ceres, California**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2023**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identification Number	Federal Total Expenditures
<b>U.S. Department of Transportation</b>			
<i>Pass-through programs from the California Department of Transportation</i>			
ITS Signal Synch PH IV	20.205	CML 5241 (063)	\$ 122,527
ITS Signal Synch PH III	20.205	CML 5241 (062)	66,033
Traffic Signal Timing Optimization	20.205	CML 5241 (069)	13,442
Smyrna Park	20.205	CCL-5241(078)	142,996
<b>Total U.S. Department of Transportation</b>			<b>344,998</b>
<b>U.S. Department of Housing and Urban Development</b>			
<i>Passed through from the County of Stanislaus</i>			
Community Development Block Grant	14.218	BOS #2005365	177,590
<b>Total U.S. Department of Housing and Urban Development</b>			<b>177,590</b>
<b>U.S. Department of Justice</b>			
<i>Direct Program :</i>			
Justice Assistance Grant	16.738		4,938
Bulletproof Vest Partnership Grant	16.607		16,632
<b>Total U.S. Department of Justice</b>			<b>21,570</b>
<b>U.S. Department of the Treasury</b>			
<i>Director Program:</i>			
American Rescue Plan (ARPA)	21.027		2,237,194
<b>Total U.S. Department of the Treasury</b>			<b>2,237,194</b>
<b>Total Federal Expenditures</b>			<b>\$ 2,781,352</b>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this supplementary information.

## City of Ceres, California

### Notes to Schedule of Expenditures of Federal Awards, Continued

For the year ended June 30, 2023

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#### 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on the accrual basis of accounting. The information in this 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* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

#### 2. DESCRIPTION OF MAJOR PROGRAMS

##### **Coronavirus State and Local Fiscal Recovery Funds (CFDA #21.027)**

The purpose of the Coronavirus State and Local Fiscal Recovery Funds (“CSLFRF”) is to provide direct payments to states (defined to include the District of Columbia), US territories (defined to include Puerto Rico, US Virgin Islands, Guam, Northern Mariana Islands, and American Samoa), tribal governments, metropolitan cities, counties, and (through states) non-entitlement units of local government (collectively the “eligible entities”) to:

1. Respond to the public health emergency, COVID-19 or its negative economic impacts, including providing assistance to households, small businesses, nonprofits, and impacted industries, such as tourism, travel, and hospitality;
2. Respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of eligible employers that have eligible workers who are performing essential work, or by providing grants to eligible entities who perform essential work;
3. Provide government services, to the extent COVID-19 caused a reduction in revenues collected in the most recent full fiscal year of the state, territory, tribal government, metropolitan city, county, or non-entitlement units of local government;
4. Make necessary investments in water, sewer, or broadband infrastructure.

#### 3. INDIRECT COST ELECTION

The City has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



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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**

**Independent Auditor's Report**

The Honorable City Council  
City of Ceres  
Ceres, 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 (Government Auditing Standards), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ceres (City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 21, 2025.

**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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City'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.

## **The City's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

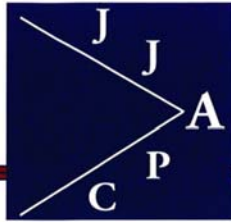
## **Purpose of This Report**

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.

October 21, 2025

*JJACPA, Inc.*

**JJACPA, Inc.**  
**Dublin, CA**



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

**Independent Auditor's Report**

The Honorable City Council  
City of Ceres  
Ceres, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Ceres's (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, 2023. 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 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, 2023.

***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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 GAAS, *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 GAAS, *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 Example Entity'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.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-002. Our opinion on each major federal program is not modified with respect to these matters. *Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit 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 compliance and, accordingly, we express no opinion on the response.



## **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 Auditor's 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.

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 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon, dated October 21, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted 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 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.

October 21, 2025

*JJACPA, Inc.*  
**JJACPA, Inc.**

**City of Ceres, California**  
**Schedule of Findings and Questioned Costs**  
**For the year ended June 30, 2023**

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**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	None reported
• 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)?	Yes
Identification of major programs:	
<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**City of Ceres, California**  
**Schedule of Findings and Questioned Costs, Continued**  
**For the year ended June 30, 2023**

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**Section II – Financial Statement Findings**

**Finding 2023-001**

**Material Weakness of Noncompliance with California Government Code – Filing Deadline Expiration**

**Criteria:** California Government Code, Section 26909, (a) (2), requires Cities to file an annual audit of the accounts and records with the California State Controller within 12 months of the end of the fiscal year.

**Condition:** For the year ended June 30, 2023 the City of Ceres (City) did not file an annual audit of the accounts and records with the California State Controller within 12 months of the end of the fiscal year.

**Cause:** Management of the City has not implemented procedures to meet the filing requirements outlined in the California Government Code.

**Effect:** The information reported to the public and other government agencies is not timely or relevant to current City operations and potential loss of funding.

**Recommendation:** Management should file the audited financial statements for the year ended June 30, 2023 immediately. Additionally, the City should implement procedures for meeting the filing requirements outlined in the California Government Code in order to provide timely reporting for future audits.

**Responsible Official's Response:** Management concurs with the auditor's finding that a material weakness existed due to noncompliance with California Government Code Section 26909. The underlying causes included prolonged resource constraints within the Finance Department, turnover in key accounting positions, challenges associated with the ERP system implementation, and delays in reconciling certain major balance sheet accounts.

To address these issues, the City engaged an external financial consultant to assist in completing outstanding bank reconciliations and restoring timely financial reporting. Management is also implementing additional corrective measures, including reprioritizing workloads, enhancing oversight of monthly close activities, and establishing standardized reconciliation checklists for all major balance sheet accounts.

Management anticipates that this finding will extend through the Fiscal Year 2024, Fiscal Year 2025, and possibly Fiscal Year 2026 financial statement reporting cycles, with full resolution expected in Fiscal Year 2027.

**City of Ceres, California**  
**Schedule of Findings and Questioned Costs, Continued**  
**For the year ended June 30, 2023**

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**Section III – Federal Award Findings and Questioned Costs**

**Finding 2023-002 – Timeliness**

CFDA Title and Number: Coronavirus State and Local Fiscal Recovery Funds (21.207)  
Federal Agency: U.S. Department of the Treasury  
Pass-through Entity: N/A  
Year: 2023

**Criteria:** Section 200.512(a) of the Uniform Guidance states that an audit must be completed and the data collection form and reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor’s report or nine months after the end of the audit period.

**Condition:** The City did not complete the financial audit in a timely manner to submit the data collection form and reporting package within nine months after the end of the fiscal year.

**Questioned Costs:** None

**Context:** The City did not schedule a single audit to be performed until after the deadline had passed.

**Effect or Potential Effect:** The City did not meet the audit requirements as provided in Section 200.512(a) and potential loss of funding.

**Cause:** The City did not have policies and procedures in place to complete the financial audit in a timely manner and submit the data collection form before the deadline.

**Recommendation:** The City should implement policies and procedures to have the financial audit completed and data collection form filed before the deadline.

**Responsible Official’s Response and Corrective Action Planned:** Management concurs with the auditor’s finding of timeliness due to noncompliance with Section 200.512(a) of the Uniform Guidance. The underlying causes included prolonged resource constraints within the Finance Department, turnover in key accounting positions, challenges associated with the ERP system implementation, and delays in reconciling certain major balance sheet accounts.

To address these issues, the City engaged an external financial consultant to assist in completing outstanding bank reconciliations and restoring timely financial reporting. Management is also implementing additional corrective measures, including reprioritizing workloads, enhancing oversight of monthly close activities, and establishing standardized reconciliation checklists for all major balance sheet accounts.

Management anticipates that this finding will extend through the Fiscal Year 2024, Fiscal Year 2025, and possibly Fiscal Year 2026 financial statement reporting cycles, with full resolution expected in Fiscal Year 2027.

**City of Ceres, California**  
**Schedule of Findings and Questioned Costs, Continued**  
**For the year ended June 30, 2023**

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**Section IV – Status of Prior Year Audit Findings**

See Findings 2023-002 for continuation of prior year finding 2022-001.

**Section V – Corrective Action Plan**

Provided in Section III above.