

DATE: JUNE 25, 2025

TO: TRIENNIAL PERFORMANCE AUDIT FY 2021/22 – FY 2023/24

FROM: GREGORY A. BARFIELD M.A., Director
Department of Transportation

SUBJECT: RESPONSE TO FY 2022-2024 TDA TRIENNIAL PERFORMANCE AUDIT FINDINGS

On October 22, 2024, Fresno Area Express (FAX) attended the kickoff meeting with Fresno Council of Governments (FCOG) staff and Moore & Associates for the fiscal year (FY) 2022-2024 Transportation Development Act (TDA) funding program Triennial Performance Audit. Documents were submitted by the requested deadline of December 6, 2024, and FAX participated in an online interview on March 4, 2025. We received the final report on June 13, 2025. Included within the report were two compliance findings and a functional finding, summarized below.

Compliance Finding 1: The City's State Controller Office (SCO) Reports were submitted after the January 31 deadline for FY 2023 and FY 2024. The cause of the late submittal of the FY 2023 reports was unknown. For the FY 2024 reports, the City's Finance Department reported an issue with the SCO's Local Government Reporting System (LGRS), that was not accepting final submissions. Finance attempted to submit the reports on January 31, 2025, but was unable to complete submission by the deadline due to website issues. FAX will partner with Finance to ensure timely submittal of the State Controller Reports in the future.

Compliance Finding 2: The City's TDA annual fiscal audits were completed after the March 31 deadline for all three years of the audit period. The transition by the City to a new financial software system between FY 2022 and FY 2023 was the cause of the delayed audits. FAX will partner with Finance to ensure the TDA fiscal audits are completed in a timely manner moving forward. All efforts will be made to be back on track for on-time completion of the FY 2025 TDA fiscal audit by March 31, 2026.

Functional Finding 1: As the co-designated Consolidated Transportation Services Agency (CTSA) with Fresno County Rural Transit Agency (FCRTA), the City should recognize and audit our selected transit service provider, Fresno Economic Opportunities Commission (FEOC) as a subcontractor rather than a primary transit operator. A change in the CTSA designation and the relationship between FEOC and FAX/FCRTA during the review period was the cause of this finding. The City will no longer consider FEOC as an

operator or claimant under the TDA moving forward. FAX will report CTSA performance data where appropriate and include CTSA funds as part of our TDA annual fiscal audits.

If you have any questions regarding the outcome of the TDA Triennial Performance Audit or any of the information provide in this memo, please contact Sharlee Flores, FAX Senior Management Analyst, at Sharlee.Flores@fresno.gov or (559) 621-1481.