

**FRESNO COUNCIL OF GOVERNMENTS**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2021**

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**FRESNO COUNCIL OF GOVERNMENTS  
JUNE 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

To the Governing Board of  
Fresno Council of Governments  
Fresno, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the General Fund, and the aggregate remaining fund information of Fresno Council of Governments (Fresno COG), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Fresno COG's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Fresno COG's preparation and fair presentation of the financial statements 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 Fresno COG's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, General Fund, and the aggregate remaining fund information of Fresno COG, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 – 6 and budgetary comparison information on page 28 – 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fresno COG's basic financial statements. The other supplementary information as listed in the table of contents (other supplementary information) is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of 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 other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October XX, 2021, on our consideration of Fresno COG'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 the effectiveness of Fresno COG's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fresno Council of Governments' internal control over financial reporting and compliance.

Clovis, California  
October XX, 2021

**FRESNO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

The following discussion and analysis of the financial performance and activity of the Fresno Council of Governments Basic Financial Statements provide an introduction and understanding of the basic financial statements of the Fresno Council of Governments (Fresno COG). This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

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The Fresno Council of Governments is a voluntary association of the County of Fresno and the 15 incorporated cities in Fresno County established on September 24, 1969, under a joint exercise of power agreement, to provide a cooperative body for discussion and resolution of issues which go beyond individual boundaries. Fresno COG's major function is the activity generated by its responsibilities as a designated transportation-planning agency, complying with federal and state requirements.

Each year the Policy Board adopts an overall Work Program and Budget setting forth the work activities for the next fiscal year. The major revenue sources come from the Federal Highway Works Administration and Federal Transit Administration. Fresno COG also receives grants from the State Department of Transportation and a variety of local revenue sources including Planning funds from the Transportation Development Act fund. Fresno COG administrates the Local Transportation fund and State Transit Assistance fund, which consist of allocations to local governments in Fresno County from the proceeds of ¼ cent sales tax and the state highway account. In addition, the Fresno COG provides much of the planning for the Measure C Program, a local transportation fund generated by a ½ cent sales tax approved by the voters of Fresno County.

### **The Financial Statements**

Fresno COG's basic financial statements include (1) the Statement of Net Position and (2) the Statement of Activities. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

The Statement of Net Position reports assets, liabilities, and the difference between the two as Net Position. The entire equity section is combined to report total net position and is displayed in three components - invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

The net position component *invested in capital assets, net of related debt*, consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings attributable to the acquisition, construction, or improvements of those assets.

*Restricted net position* consists of assets where constraints on their use are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* consists of net position that does not meet the definition of restricted or invested in capital assets, net of related debt.

The Statement of Activities is reported using the accrual basis of accounting. Revenue is reported when earned and expenses are reported when incurred, regardless of when cash is received or paid. Revenues and expenses are categorized as either operating or non-operating based upon definitions provided by the Governmental Accounting Standards Board.

**FRESNO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Financial Highlights**

- ❖ Total net position of Fresno COG was \$2,514,359 and consisted of capital assets, net of related debt, of \$123,267; and unrestricted net position of \$2,391,092.
- ❖ Net position increased \$154,920 during fiscal year 2021. The increase in net position from governmental activities was attributable to net governmental program revenues in excess of grant expenses.
- ❖ Total capital assets, net of accumulated depreciation, were \$123,267 at June 30, 2021, representing a decrease of \$33,750 over June 30, 2020.
- ❖ Fresno COG's governmental fund reported an ending fund balance of \$2,391,092 an increase of \$188,670 compared to June 30, 2020.

**Statement of Net Position**

A summary of the Fresno COG's Statement of Net Position for Governmental Activities as of June 30, 2021, with comparative totals as of June 30, 2020 is as follows:

	2021	2020
<b>Assets:</b>		
Current and other assets	\$ 17,275,899	\$ 10,355,507
Capital assets, net	123,267	157,017
Total assets	17,399,166	10,512,524
<b>Liabilities:</b>		
Current and other liabilities	14,884,807	8,153,085
<b>Net Positions:</b>		
Net investment in capital assets	123,267	157,017
Unrestricted	2,391,092	2,202,422
Total net position	\$ 2,514,359	\$ 2,359,439

As shown above, total assets of Governmental Activities were \$17,399,166 at June 30, 2021, including \$123,267 in capital assets (net of depreciation). Of the total \$17,275,899 in current assets, \$14,532,424 consists of pooled cash, which is invested in accordance with State law and the Fresno COG's investment policy.

Net position totaling \$2,514,359 includes \$2,359,439 in unrestricted assets that are available for discretionary spending, although a portion is reserved for encumbrances and a portion is designated for self-insurance. Total net position increased from June 30, 2020 by \$154,920.

The net position component invested in capital assets decreased by \$33,750 due to depreciation expenses exceeding capital investments during the year. Unrestricted net position increased by \$188,670, in large part due to the results of current year operations.

**FRESNO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Statement of Activities**

The Statement of Net Position provides a measure of the financial health of an entity at a specific date in time (i.e., year-end). The Statement of Activities provides details of how net position changed from the beginning of the year to the end of the year, and whether net position increased or decreased. Thus, it indicates whether the Fresno COG as a whole is better off at June 30, 2021 than it was at June 30, 2020.

A summary of the Fresno COG's Statement of Activities for fiscal year ended June 30, 2021, with comparative totals for the fiscal year ended June 30, 2020 is as follows:

	2021	2020
<b>Revenues:</b>		
Charges for services	\$ 762,884	\$ 715,517
Operating grants and contributions	12,839,088	9,376,455
General revenues	772,126	656,280
Total revenues	14,374,098	10,748,252
<b>Expenses:</b>		
Transportation planning	14,219,178	10,301,466
Changes in net position	154,920	446,786
Net position - beginning	2,359,439	1,912,653
Net position - ending	\$ 2,514,359	\$ 2,359,439

Total revenues of the funds included in the Governmental Activities category were \$14,374,098 for the year ended June 30, 2021. Of this total, \$12,839,088 (89%) was derived from grants. This is consistent with the nature of governmental activities, which includes services traditionally financed from general tax revenues. \$762,884 (5%) of total revenues was derived from charges for services, representing fees charged for various services. Revenues derived from charges for services help support programs largely subsidized from general tax revenues and thus reduce the burden on these limited resources.

Expenses for the year totaled \$14,219,178. All expenses were for transportation planning.

**General Fund Budgetary Highlights**

Fresno COG revised the budget to add \$6,046,671 in additional federal and state grants and local government funding that became available during the fiscal year. Generally, federal and state grants are multi-year projects; however, due to funding agency authorization requirements, Fresno COG includes the amounts in the current year budget at the total authorized amounts. At the end of the year, there were significant variances between the final budget and the actual revenues and expenditures because of this convention.

**FRESNO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Economic Factors and Next Year's Budget/Program**

Fresno COG is a Regional Metropolitan Planning Organization receiving grants from a variety of sources. 24% of Fresno COG's revenues come from federal sources, 40% from state sources, and 36% local sources. Fresno COG has maintained a consistent level of staffing over the years and uses consultants for one-time discretionary projects; so while Fresno COG's overall revenues may show large fluctuations from year to year, the large pool of resources Fresno COG has to draw from lends stability to the operation. Federal planning funds did not decrease significantly during the economic downturn, and regional planning funds that derive from transportation sales tax appear to have bottomed out and are now increasing. Fresno COG has adequate reserves set aside to continue operations should future events adversely affect revenues.

**Contacting the Fresno COG's Financial Management**

Fresno COG's financial report is designed to provide Fresno COG's Board of Directors, management, creditors, legislative and oversight agencies, citizens and customers with an overview of Fresno COG's finances and to demonstrate its accountability for funds received. For additional information about this report, please contact Les Beshears, Finance Director, Fresno Council of Governments, 2035 Tulare Street, Suite 201, Fresno, California 93721.

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BASIC FINANCIAL STATEMENTS

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**FRESNO COUNCIL OF GOVERNMENTS  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

	Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 14,929,400
Accounts receivable	36,433
Due from other governments	2,205,166
Interest receivable	97,907
Prepays	6,993
Capital assets, net	123,267
Total assets	17,399,166
<b>LIABILITIES</b>	
Accounts payable	1,106,040
Due to other governments	219,710
Accrued payroll	36,485
Unearned revenues	13,321,107
Compensated absences	201,465
Total liabilities	14,884,807
<b>NET POSITION</b>	
Net investment in capital assets	123,267
Unrestricted	2,391,092
Total net position	\$ 2,514,359

The notes to the basic financial statements are an integral part of this statement.

**FRESNO COUNCIL OF GOVERNMENTS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary government:				
Governmental activities:				
Transportation planning	\$ 14,219,178	\$ 810,603	\$ 12,839,088	\$ (569,487)
Total primary government	<u>\$ 14,219,178</u>	<u>\$ 810,603</u>	<u>\$ 12,839,088</u>	<u>(569,487)</u>
		General Revenues:		
				198,005
				<u>526,402</u>
				724,407
				<u>724,407</u>
				154,920
				<u>2,359,439</u>
				<u>\$ 2,514,359</u>

The notes to the basic financial statements are an integral part of this statement.

**FRESNO COUNCIL OF GOVERNMENTS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 14,929,400
Accounts receivable	36,433
Due from other governments	2,205,166
Interest receivable	97,907
Prepays	<u>6,993</u>
Total assets	<u>\$ 17,275,899</u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts payable	\$ 1,106,040
Due to other governments	219,710
Accrued payroll	36,485
Unearned revenues	13,321,107
Compensated absences	<u>201,465</u>
Total liabilities	<u>14,884,807</u>
Fund Balances:	
Nonspendable	
Prepays	6,993
Committed for:	
Self-insurance	96,309
Assigned to:	
Project costs	<u>2,287,790</u>
Total fund balances	<u>2,391,092</u>
Total liabilities and fund balances	<u>\$ 17,275,899</u>
Amounts reported for governmental activities in the Statement of Net Position (Page 8) are different because:	
Total fund balance - General Fund	\$ 2,391,092
Capital assets used in governmental activities are not financial resources and therefore are not reported in the Balance Sheet	<u>123,267</u>
Net position of governmental activities (Page 8)	<u>\$ 2,514,359</u>

The notes to the basic financial statements are an integral part of this statement.

**FRESNO COUNCIL OF GOVERNMENTS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<u>General Fund</u>
<b>REVENUES</b>	
Aid from federal government	\$ 3,331,298
Aid from state government	5,402,273
Aid from local government	4,057,798
Charges for Services	810,603
Interest revenue	198,005
Miscellaneous	<u>574,121</u>
 Total revenues	 <u>14,374,098</u>
<b>EXPENDITURES</b>	
Current:	
General government:	
Salaries and benefits	3,370,842
Supplies and services	6,221,537
Contributions to other local agencies	<u>4,593,049</u>
 Total expenditures	 <u>14,185,428</u>
 Net changes in fund balance	 188,670
 Fund balance - beginning	 <u>2,202,422</u>
 Fund balance - ending	 <u>\$ 2,391,092</u>
 Amounts reported for governmental activities in the Statement of Activities (Page 9) are different because:	
 Net change in fund balance - General Fund	 \$ 188,670
 Governmental funds report capital outlays as expenditures.	
 However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which depreciation (\$33,750) exceeded capital outlays in the current period.	
	<u>(33,750)</u>
 Change in net position of governmental activities (Page 9)	 <u>\$ 154,920</u>

The notes to the basic financial statements are an integral part of this statement.

**FRESNO COUNCIL OF GOVERNMENTS  
STATEMENT OF FIDUCIARY NET POSITION  
PRIVATE-PURPOSE TRUST FUND  
JUNE 30, 2021**

	<u>Trust Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 26,100,320
Interest receivable	167,323
Due from other governments	2,426,822
Total assets	28,694,465
<b>LIABILITIES</b>	
Due to other governments	15,694,705
Total liabilities	15,694,705
<b>NET POSITION</b>	
Held in trust	12,999,760
Total net position	\$ 12,999,760

The notes to the basic financial statements are an integral part of this statement.

**FRESNO COUNCIL OF GOVERNMENTS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PRIVATE-PURPOSE TRUST FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

	Trust Funds
<b>ADDITIONS</b>	
Sales tax	\$ 48,791,290
Aid from state government	10,014,324
Interest revenue	322,358
Total additions	59,127,972
<b>DEDUCTIONS</b>	
Administration expense	100,000
TDA claims paid	38,715,263
STA distributions	8,655,816
Total deductions	47,471,079
Change in net position	11,656,893
Net position - beginning	1,342,867
Net position - ending	\$ 12,999,760

The notes to the basic financial statements are an integral part of this statement.

**FRESNO COUNCIL OF GOVERNMENTS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Fresno Council of Governments (Fresno COG) is a voluntary association of local governments formed in September 1969 by the County of Fresno and the 15 incorporated cities in the County. The purpose of the organization is to provide "a cooperative body" to solve certain problems which cross-over governmental boundaries.

**Basis of Presentation**

Fresno COG's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

*Government-Wide Statements:* The statement of net position and the statement of activities report information on all of the non-fiduciary activities of Fresno COG. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

*Statement of Activities:* The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenue. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items, which are properly not included among program revenues, are reported instead as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about Fresno COG funds, including its fiduciary funds, though the latter are excluded from the government-wide financial statements. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Fresno COG's only governmental fund is a General Fund.

Fresno COG reports the following major governmental fund:

- *General Fund* – The General Fund is the general operating fund of Fresno COG. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

Fresno COG reports the following fiduciary funds:

- *Trust Funds* – The Trust Funds are used to account for Local Transportation funds, State Transportation Assistance funds, and State of Good Repair funds held by Fresno COG in a trustee capacity.

**FRESNO COUNCIL OF GOVERNMENTS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting**

*Government-wide Fiduciary Fund Financial Statements:* The government-wide fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term obligations which is recorded when paid, are recorded when they are expected to be liquidated with expendable available resources.

Intergovernmental revenues (primarily grants and subventions), which are received as reimbursement for specific purposes or projects, are recognized based upon the expenditures recorded. Intergovernmental revenues, which are usually unrestricted as to use and are revocable only for failure to meet prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier, if they meet the availability criterion.

**Assets, Liabilities and Net Position/Fund Balance**

**Cash and Investments**

In accordance with the Joint Powers Agreement, under which Fresno COG is governed, cash is deposited with the Fresno County Auditor-Controller/Treasurer. Fresno COG's cash is held within Fresno County's cash and investment pool which is managed by the Auditor-Controller/Treasurer as authorized by California statutes and the County's investment policy. In addition, Fresno COG maintains two impressed accounts at Bank of the West to facilitate ACH Debit and Credit transactions.

Cash held in Bank of the West is insured up to \$250,000 by the Federal Depository Insurance Corporation. For the year ended June 30, 2021, the Fresno COG had \$156,069 of uninsured funds.

**Capital Assets**

Purchases of capital assets are capitalized at cost in the Government-Wide Statement of Net Position at the time of purchase and recorded as expenditures in the General Fund. Capital assets are defined by Fresno COG as assets with an estimated useful life in excess of one year and initial individual cost of \$5,000 or more. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Type</u>	<u>Useful Life</u>
Computer equipment	5 to 10 years
Office furniture and equipment	5 to 10 years
Traffic monitoring equipment	5 to 10 years

**FRESNO COUNCIL OF GOVERNMENTS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Net Position/Fund Balance (Continued)**

**Unearned Revenues**

Unearned revenues consist primarily of Measure C funds received, but not yet earned, for program planning and administration purposes.

**Compensated Absences**

Compensated absences are made up of accrued vacation payable and vested accrued sick leave payable as determined by office policy established by the Board of Directors. Fresno COG policy states that all vacation pay earned vests and that one-fourth of sick leave hours in excess of forty hours vests and is compensable.

**Net Position**

The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

- *Net Investment in Capital Assets* – This category consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvements of the assets.
- *Restricted* – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* – This category represents all resources that do not meet the definition of “net investment in capital assets” or “restricted net position”.

**Fund Balance**

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which Fresno COG is bound to honor constraints on how specific amounts can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable*– This classification includes amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- *Restricted*– This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed*– This classification includes amounts that can only be used for specific purpose determined by formal action of Fresno COG's highest level of decision-making authority (the Board) and that remain binding unless removed in the same manner. Committed fund balance does not lapse at year-end. The formal action must occur prior to the end of the reporting period. However, the amount which will be subject to the constraint may be determined in the subsequent period. The formal action required to commit fund balance shall be Board resolution.
- *Assigned* – This classification includes amounts that are constrained by Fresno COG's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. Assigned funds cannot cause a deficit in unassigned fund balance.

**FRESNO COUNCIL OF GOVERNMENTS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Net Position/Fund Balance (Continued)**

**Fund Balance (Continued)**

- *Unassigned* – This classification includes the residual classification for Fresno COG's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

When both restricted and unrestricted resources are available for use, it is Fresno COG's policy to use restricted resources first, followed by the unrestricted committed, assigned and unassigned resources as they are needed.

**Overhead**

Administrative and office overhead is allocated to each project on the basis of their approved indirect cost rate. Professional and specialized services are charged directly to the applicable project. Fresno COG is permitted to allocate indirect costs to projects using a predetermined fixed rate percentage applied to direct labor and fringe benefit costs incurred. The underlying documentation for the calculation of the fixed rate is submitted annually in advance to the California Department of Transportation Division of Audits and Investigations for analysis and approval of the fixed rate to be used in the following year. Upon approval of the Indirect Cost Allocation Plan, Fresno COG can use the rate to allocate indirect costs to grants, contracts, and other agreements with the Federal Government and the California Department of Transportation (Caltrans).

**Risk Management Liability**

Fresno COG is exposed to various risks of loss related to torts; theft of, or damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Fresno COG is insured with commercial carriers. Fresno COG's schedule of insurance coverage is included on [page 46](#).

**Use of Estimates**

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

**NOTE 2 – CASH AND INVESTMENTS**

Cash and investments are classified in the financial statements as shown below at June 30, 2021:

Primary Government:	
Cash and investments	<u>\$ 14,929,400</u>
Fiduciary Fund:	
Cash and investments	<u>26,100,320</u>
Total cash and investments	<u>\$ 41,029,720</u>

**FRESNO COUNCIL OF GOVERNMENTS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

Cash and investments are comprised of the following at June 30, 2021:

Petty cash	\$ 300
Cash in bank	396,676
Fresno County Investment Pool	<u>40,632,744</u>
 Total cash and investments	 <u>\$ 41,029,720</u>

**Investments Authorized by the California Government Code and Fresno COG's Investment Policy**

The table below identifies the investment types that are authorized for Fresno COG by the California Government Code (or Fresno COG's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or Fresno COG's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Bills, Notes and Bonds	5 Years	None	None
U.S. Government Agency Obligations	5 Years	None	None
Bankers Acceptances	180 Days	None	None
Commercial Paper	270 Days	None	None
Negotiable Certificates of Deposit	13 Months	None	None
Non-negotiable Certificates of Deposit	13 Months	None	None
Repurchase Agreements	Overnight	None	None
Local Agency Investment Fund (LAIF)	5 Years	None	None
Medium-Term Notes	5 Years	None	None
Mutual Funds	5 Years	None	None
Mortgage-Backed Securities	5 Years	None	None

**Disclosure Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of Fresno COG's investments to market interest rate fluctuations is provided by the following table that shows the distribution of Fresno COG's investments by maturity:

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>
Fresno County Investment Pool	\$ 40,632,744	\$ 40,632,744	\$ -	\$ -	\$ -
Total	\$ 40,632,744	\$ 40,632,744	\$ -	\$ -	\$ -

**FRESNO COUNCIL OF GOVERNMENTS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, Fresno COG's investment policy, and the actual rating as of year-end for each investment type. The column marked "exempt from disclosure" identifies those investment types for which GASB No. 40 does not require disclosures as to credit risk.

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Fresno County Investment Pool	\$ 40,632,744	\$ 40,632,744	\$ -	\$ -	\$ -
Total	<u>\$ 40,632,744</u>	<u>\$ 40,632,744</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools. The County of Fresno issues a financial report that includes custodial risk disclosures for the County Investment Pool. The report may be obtained by writing to the Office of the Auditor-Controller/Treasurer-Tax Collector, 2281 Tulare Street, Fresno, California 93721.

**Investment Valuation**

Fresno COG categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Fresno COG's only investments, which are allocated at fair value, are in the County's pooled investments. The County invests in numerous types of investments ranging all levels in the fair value hierarchy. Accordingly, it is not an investment type that can be categorized in any particular level in the fair value hierarchy.

**FRESNO COUNCIL OF GOVERNMENTS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 – CAPITAL ASSETS AND DEPRECIATION**

Capital assets activity for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets being depreciated:				
Computer equipment	\$ 301,725	\$ -	\$ -	\$ 301,725
Office furniture and equipment	110,043	-	-	110,043
Traffic monitoring equipment	53,563	-	-	53,563
	<u>465,331</u>	<u>-</u>	<u>-</u>	<u>465,331</u>
Total capital assets being depreciated				
Less accumulated depreciation for:				
Computer equipment	(180,271)	(25,953)	-	(206,224)
Office furniture and equipment	(74,480)	(7,797)	-	(82,277)
Traffic monitoring and equipment	(53,563)	-	-	(53,563)
	<u>(308,314)</u>	<u>(33,750)</u>	<u>-</u>	<u>(342,064)</u>
Total accumulated depreciation				
Total capital assets being depreciated, net	<u>157,017</u>	<u>(33,750)</u>	<u>-</u>	<u>123,267</u>
Capital assets, net	<u>\$ 157,017</u>	<u>\$ (33,750)</u>	<u>\$ -</u>	<u>\$ 123,267</u>

For the year ended June 30, 2021, total depreciation expense was \$33,750.

**NOTE 4 – DUE TO/FROM MEMBERS AND OTHER GOVERNMENTAL ENTITIES**

Individual receivables from members and other governmental entities for services rendered as of June 30, 2021 are as follows:

General Fund	
Fresno County Rural Transit Agency	\$ 87,811
Fresno County Transportation Authority	964,624
Due from City of Fresno	30,929
Due from federal and state governments	<u>1,121,802</u>
Total due from other governments	<u>\$ 2,205,166</u>
Private-Purpose Trust Fund	
Due from State of California - STA Article 4	\$ 2,134,532
Due from State of California - SGR	<u>292,290</u>
Total due from other governments	<u>\$ 2,426,822</u>

**FRESNO COUNCIL OF GOVERNMENTS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 4 – DUE TO/FROM MEMBERS AND OTHER GOVERNMENTAL ENTITIES (Continued)**

Individual payables to members and other governmental entities for services provided as of June 30, 2021 are as follows:

General Fund	
City of Clovis	\$ 23
City of Fresno	49,716
Fresno County	119,971
Fresno County Economic Opportunities Commission	<u>50,000</u>
Total due to other governments	<u>\$ 219,710</u>
Private-Purpose Trust Fund	
Article 3	\$ 93,037
Article 4	11,784,014
Article 4.5	111,702
Article 8A	3,059,931
SGR	<u>646,021</u>
Total due to other governments	<u>\$ 15,694,705</u>

**NOTE 5 – MEASURE “C” UNEARNED REVENUES**

The Fresno County Transportation Authority allocates Measure "C" funds to the Fresno COG to provide various program administrative and planning services. Allocations are considered earned when they are properly spent for operations. Allocations received but not earned are recorded as unearned revenues. Changes in the unearned revenues account for the year ended June 30, 2021 are summarized as follows:

	<u>Planning</u>	<u>ADA/ Seniors</u>	<u>Farm-worker/ Van Pool</u>	<u>Car/Van Pool</u>	<u>Total</u>
Unearned revenues, beginning of year	\$ 756,039	\$ 2,313,139	\$ 1,910,452	\$ 1,083,760	\$ 6,063,390
Funds received	461,910	729,818	535,816	535,816	2,263,360
Funds allowed	(387,761)	(309,965)	(307,049)	(407,639)	(1,412,414)
Interest	11,531	37,467	29,655	16,331	94,984
Taxi Scrip	<u>-</u>	<u>64,555</u>	<u>-</u>	<u>-</u>	<u>64,555</u>
Unearned revenues, end of year	<u>\$ 841,719</u>	<u>\$ 2,835,014</u>	<u>\$ 2,168,874</u>	<u>\$ 1,228,268</u>	<u>\$ 7,073,875</u>

**FRESNO COUNCIL OF GOVERNMENTS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 – DEFINED CONTRIBUTION EMPLOYEE RETIREMENT BENEFIT PLAN**

Fresno COG provides retirement benefits for all its full-time employees through a defined contribution plan (the Plan) created in accordance with Internal Revenue Code (IRC) Section 401 (a) which is currently being administered by I.C.M.A. Retirement Corporation. In addition to the employer defined contribution, the employees are permitted to make contributions to a defined contribution plan created in accordance with IRC Section 457. The plan is administered by I.C.M.A. Retirement Corporation. The IRC Section 457 plan permits employees to defer up to the maximum allowed per IRC statues. The 401(a) plan does not permit employee contributions. Under the 401(a) plan, the employer contributes 15% of the employee's gross salary. Fresno COG recognized pension expense of \$354,367.

Vesting in the 401(a) plan occurs ratably over five years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Employees, though, may obtain loans from the plans secured by their individual contributions and accumulated earnings. Non-vested contributions are forfeited upon termination of employment and such forfeitures are used to pay a portion of the Plan's administrative expenses.

Fresno COG had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

**NOTE 7 – FRESNO COUNTY RURAL TRANSIT AGENCY ADMINISTRATION**

Included in the budget of Fresno COG is a work element representing its responsibility for the administration of Fresno Country Rural Transit Agency (FCRTA). Administration costs consist of direct and indirect labor and allocated overhead costs. These costs are recovered by Fresno COG. Total revenue earned for the year ended June 30, 2021 was \$XXX,XXX. Total receivable from FCRTA was \$87,811 for the year ended June 30, 2021.

**NOTE 8 – OPERATING LEASES**

Fresno COG conducts its operations from leased facilities under a ten year lease that expires December 31, 2025. In addition, Fresno COG leases office equipment under operating leases that expire June 2022.

The following is a schedule of future minimum rental payments under the operating leases as of June 30, 2021:

<u>Year Ending June 30</u>	<u>Buildings</u>	<u>Equipment</u>
2022	\$ 250,903	\$ 32,020
2023	250,903	-
2024	250,903	-
2025	250,903	-
2026	125,451	-
Total	<u>\$ 1,129,063</u>	<u>\$ 32,020</u>

**NOTE 9 – CONTINGENT LIABILITIES**

Grants have been received by Fresno COG for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursement for costs disallowed under the terms of the grants. The amount, if any, of costs that may be disallowed by the granting agencies cannot be determined at this time. Management expects such amounts, if any to be immaterial.

**FRESNO COUNCIL OF GOVERNMENTS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 10 – REGIONAL EARLY ALLOCATION PLAN**

Through the Department of Housing and Community Development (HCD), the State of California made \$125 million available to Councils of Governments and other regional agencies pursuant to Section 50515, to develop a Regional Early Allocation Plan (REAP) for the purpose of assisting regions and jurisdictions to meet the 6th cycle of the regional housing needs assessment. This is in coordination with a separate \$125 million available to cities and counties for the same purpose. The legislation that created the funding reserved \$18,975,323 to the San Joaquin Valley Early Action Planning Committee for Housing, consisting of eight central valley councils of governments: Fresno Council of Governments, Kern Council of Governments, Kings County Association of Governments, Madera County Transportation Commission, Merced County Association of Governments, San Joaquin Council of Governments, Stanislaus Council of Governments and Tulare County Association of Governments. The work will be done in three phases and must be statutorily complete in December of 2023. In September 2020, Fresno COG entered into an agreement with HCD for the first two phases and received an advance of \$10,218,831. Fresno COG distributed \$4,504,093 to the other seven central valley councils of governments to address local planning issues associated with REAP, will retain \$1,239,738 for Fresno County REAP and will use the balance to perform studies for the central valley as a region. HCD has represented that when the initial phases are 50% complete the remainder of the available funding may accessed. As of June 30, 2021, the unearned revenue balance associated to REAP is \$6,247,232.

**NOTE 11 – CONTINGENCY**

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus, COVID-19, a pandemic. Accordingly, some functions of Fresno COG's operations were limited to protect the health and safety of its employees. The financial impact that could occur as a result of the pandemic is unknown at this time.

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REQUIRED SUPPLEMENTARY INFORMATION

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## GENERAL FUND

The general fund is used to account for resources traditionally associated with government, which are not required legally or by sound financial management to be accounted for in another fund.

**FRESNO COUNCIL OF GOVERNMENTS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Aid from federal government	\$ 4,760,708	\$ 5,150,604	\$ 3,331,298	\$ (1,819,306)
Aid from state government	6,373,679	12,117,531	5,402,273	(6,715,258)
Aid from local government	9,277,001	9,160,685	4,057,798	(5,102,887)
Charges for service	781,060	781,060	810,603	29,543
Interest revenue	75,000	75,000	198,005	123,005
Miscellaneous revenue	470,331	499,570	574,121	74,551
	<u>21,737,779</u>	<u>27,784,450</u>	<u>14,374,098</u>	<u>(13,410,352)</u>
<b>EXPENDITURES</b>				
General government:				
Salaries and benefits	3,927,595	3,927,595	3,370,842	556,753
Supplies and services	10,023,991	16,070,662	6,221,537	9,849,125
Contributions to other local agencies	7,786,193	7,786,193	4,593,049	3,193,144
	<u>21,737,779</u>	<u>27,784,450</u>	<u>14,185,428</u>	<u>13,599,022</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	188,670	<u>\$ 188,670</u>
Fund balance - beginning			<u>2,202,422</u>	
Fund balance - ending			<u>\$ 2,391,092</u>	

The notes to the required supplementary information are an integral part of this statement.

**FRESNO COUNCIL OF GOVERNMENTS  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2021**

**NOTE 1 – BUDGETARY INFORMATION**

**Budgets and Budgetary Accounting**

Fresno COG follows these procedures in establishing the budgetary data reflected in the financial statements:

Five months before the beginning of the year, the Executive Director submits to the Policy Advisory Committee for their approval, a draft operating budget by overall work plan elements for the General Fund for the year commencing July 1. The Policy Advisory Committee then has 45 days, to April 1, to review and make recommendations on the draft operating budget. After the recommendations have been made, the proposed operating budget is brought to Fresno COG for their review and approval. On or prior to the May meeting of Fresno COG, the budget is legally adopted through passage of a resolution.

The budget of Fresno COG represents a financial plan to undertake the work program of Fresno COG and includes proposed expenditures and the means of financing them.

All transfers, modifications, and supplemental appropriations to the budget must be approved by Fresno COG through resolution. During the year ended June 30, 2021, appropriations were increased by \$6,046,671 as a result of budget amendments. The Budgetary Comparison Schedule reflects these revisions. Actual expenditures may not legally exceed "budget" appropriations at the individual fund level. Budgetary control, however, is maintained at the departmental level.

Appropriations lapse at the close of the year to the extent that they have not been expended or encumbered.

Fresno COG prepares its budget on a basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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OTHER SUPPLEMENTARY INFORMATION

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**FRESNO COUNCIL OF GOVERNMENTS  
COMPARATIVE BALANCE SHEETS  
GENERAL FUND  
JUNE 30, 2021 AND 2020**

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ 14,929,400	\$ 7,677,843
Accounts receivable	36,433	38,744
Due from other governments	2,205,166	2,598,027
Interest receivable	97,907	35,468
Prepays	6,993	5,425
Total assets	\$ 17,275,899	\$ 10,355,507
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts payable	\$ 1,106,040	\$ 1,680,533
Due to other governments	219,710	97,561
Accrued payroll	36,485	129,420
Unearned revenues	13,321,107	6,063,390
Compensated absences	201,465	182,181
Total liabilities	14,884,807	8,153,085
Fund balances		
Nonspendable:		
Prepays	6,993	5,425
Committed for:		
Self-insurance	96,309	89,697
Assigned to:		
Project costs	2,287,790	2,107,300
Total fund balances	2,391,092	2,202,422
Total liabilities and fund balances	\$ 17,275,899	\$ 10,355,507

**FRESNO COUNCIL OF GOVERNMENTS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 GENERAL FUND  
 FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>REVENUES</b>		
Aid from federal government	3,331,298	4,171,462
Aid from state government	5,402,273	1,261,503
Aid from local government	4,057,798	3,853,730
Charges for services	810,603	805,277
Interest revenue	198,005	146,948
Miscellaneous	574,121	509,332
Total revenues	14,374,098	10,748,252
<b>EXPENDITURES</b>		
Current:		
General government:		
Salaries and benefits	3,370,842	3,276,936
Supplies and services	6,221,537	6,493,148
Contributions to other local agencies	4,593,049	637,430
Total expenditures	14,185,428	10,407,514
Net change in fund balances	188,670	340,738
Fund balances - beginning	2,202,422	1,861,684
Fund balances - ending	\$ 2,391,092	\$ 2,202,422

**FRESNO COUNCIL OF GOVERNMENTS  
COMPARATIVE SCHEDULES OF GRANT RECEIPTS  
AND EXPENDITURE CLAIMS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Federal grants	\$ 3,331,298	\$ 4,171,462
Non-federal revenue:		
State assistance	5,402,273	1,261,503
Local revenue	4,820,682	4,569,247
Interest revenue	198,005	146,948
Miscellaneous revenue	<u>621,840</u>	<u>599,092</u>
Total revenues	<u>14,374,098</u>	<u>10,748,252</u>
<b>EXPENDITURES</b>		
Regional Streets & Roads	242,747	172,487
Regional Transportation Modeling	454,830	540,149
Regional Traffic Monitoring	261,915	294,922
Intelligent Transportation Systems/Traffic Deficiencies	8,698	9,188
Regional Transportation Mitigation Fee	47,719	92,865
National Park Studies	529,114	539,037
Golden State Corridor	997,477	765,326
Public Trans. - Urban	302,192	275,448
JARRC	735,757	1,202,163
Sustain. Comm. Public Trans.	-	74,166
FCRTA Rural Transit Operating Plan	33,455	-
Pavement Management System	-	43,963
Sustain Comm Grants II	-	100,384
Reverse Triangle Study	91,482	155,488
Electric Vehicle Charging	45,077	128,832
Network Vulnerability	-	138,933
Better Blackstone	76,789	85,741
County Trail Master Plan	101,876	74,017
Regional Transit On-Board Survey	100,200	5,186
SB 743 Transportation Impact Analysis	90,650	213,195
Other Modal Elements	28,938	30,971
High Speed Rail	1,974	-
Airport Land Use	21,254	27,041
Better Blackstone Phase II	363,619	87,282
Regional Transportation Plan	629,703	412,946
Sustainable Corridor	362,940	-
Sustainable Planning Grant	46,635	-
Freight Movement/Planning	3,573	-
Transportation Performance Management	14,471	70,543
Congestion Management Plan	16,433	31,502
Air Quality	111,379	124,662
Measure "C"	920,911	641,058
Measure "C" Oversight Committee	10,312	13,015
Measure "C" Car/Van Pool	407,639	372,598
Measure "C" ADA Seniors	309,965	507,564
Measure "C" Farm/Van Pool	307,049	434,184
Transportation Program Development	364,364	402,987
Intergovernmental Coordination	106,606	148,575
Public Info. and Participation	166,897	234,079
Environmental Justice	13,392	26,540
Technical Assistance Members	203,166	196,569
TDM Program	-	6,496
Regional Data Center	20,286	48,063
One Voice Advocacy	12,049	47,685
Ag Farmland Trust	-	3,451
Regional Housing Needs	62,556	10,580
SJV Regional Early Action Planning	3,971,599	-
Valley RTPA Coordination	148,963	219,100
Fresno COG Administration	259,930	289,134
OWP and Budget	58,372	57,987
Transportation Funds Administration	90,359	90,998
FCRTA Administration	593,263	498,109
Transportation Authority Administration	2,683	2,675
Freeway Service Patrol	<u>467,920</u>	<u>475,761</u>
Total expenditures	<u>14,219,178</u>	<u>10,423,645</u>
Depreciation	<u>(33,750)</u>	<u>(16,131)</u>
Net gain (loss)	<u>\$ 188,670</u>	<u>\$ 340,738</u>

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## FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the government in a trustee capacity.

State Transit Assistance Fund (STA) – This fund is used to account for the state funds apportioned to Fresno County for the support of transit.

Local Transportation Fund (LTF) – This fund is used to account for the ¼ cent sales tax revenues collected by the state under the Transportation Development Act and distributed to the Fresno Council of Governments for allocation to eligible claimants for transit street and road, and pedestrian/bicycle facilities as well as regional transportation planning and Transit Development Act administration.

State of Good Repair (SGR) – This fund is used to account for the revenues under the Road Repair and Accountability Act of 2017, Senate Bill (SB) 1. These funds are eligible for transit capital projects.

**FRESNO COUNCIL OF GOVERNMENTS  
 COMBINING STATEMENT OF NET POSITION  
 TRUST FUNDS  
 JUNE 30, 2021**

	State Transit Assistance Fund	Local Transportation Fund	State of Good Repair Fund	Total
<b>Assets:</b>				
Cash and investments	\$ 1,467,046	\$ 24,282,638	\$ 350,636	\$ 26,100,320
Interest receivable	13,471	150,757	3,095	167,323
Due from other governments	<u>2,134,532</u>	<u>-</u>	<u>292,290</u>	<u>2,426,822</u>
<b>Total assets</b>	<u>3,615,049</u>	<u>24,433,395</u>	<u>646,021</u>	<u>28,694,465</u>
<b>Liabilities:</b>				
Due to other governments	<u>3,615,041</u>	<u>11,433,643</u>	<u>646,021</u>	<u>15,694,705</u>
<b>Total liabilities</b>	<u>3,615,041</u>	<u>11,433,643</u>	<u>646,021</u>	<u>15,694,705</u>
<b>Net position:</b>				
Held in trust	<u>8</u>	<u>12,999,752</u>	<u>-</u>	<u>12,999,760</u>
<b>Total net position</b>	<u>\$ 8</u>	<u>\$ 12,999,752</u>	<u>\$ -</u>	<u>\$ 12,999,760</u>

**FRESNO COUNCIL OF GOVERNMENTS  
 COMBINING STATEMENT OF CHANGES IN NET POSITION  
 TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021**

	State Transit Assistance Fund	Local Transportation Fund	State of Good Repair Fund	Total
<b>Additions:</b>				
Sales tax	\$ -	\$ 48,791,290	\$ -	\$ 48,791,290
Aid from state government	8,280,473	-	1,733,851	10,014,324
Interest revenue	27,343	289,813	5,202	322,358
<b>Total additions</b>	<u>8,307,816</u>	<u>49,081,103</u>	<u>1,739,053</u>	<u>59,127,972</u>
<b>Deductions:</b>				
Administration expense	-	100,000	-	100,000
TDA claims paid	-	36,976,210	1,739,053	38,715,263
STA distributions	8,655,816	-	-	8,655,816
<b>Total deductions</b>	<u>8,655,816</u>	<u>37,076,210</u>	<u>1,739,053</u>	<u>47,471,079</u>
<b>Change in net position</b>	(348,000)	12,004,893	-	11,656,893
<b>Net position - beginning of year</b>	<u>348,008</u>	<u>994,859</u>	<u>-</u>	<u>1,342,867</u>
<b>Net position - end of year</b>	<u>\$ 8</u>	<u>\$ 12,999,752</u>	<u>\$ -</u>	<u>\$ 12,999,760</u>

**FRESNO COUNCIL OF GOVERNMENTS  
TRANSPORTATION DEVELOPMENT ACT FUNDS  
SCHEDULE OF APPORTIONMENTS AND DISBURSEMENTS BY PURPOSE  
STATE TRANSIT ASSISTANCE FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

	Public Utilities Code		
	STA Article 4 C.A.C. 6730(a) 99314.3(a) (Transit Operations)	STA Article 4&8 C.A.C. 6730(a) 99313 (Transit Population)	Total
<u>Apportionments</u>			
City of Clovis	\$ 84,651	\$ 815,974	\$ 900,625
City of Coalinga	-	-	-
City of Firebaugh	-	-	-
City of Fowler	-	-	-
City of Fresno	1,099,367	3,736,805	4,836,172
City of Huron	-	-	-
City of Kerman	-	-	-
City of Kingsburg	-	-	-
City of Mendota	-	-	-
City of Orange Cove	-	-	-
City of Parlier	-	-	-
City of Reedley	-	-	-
City of Sanger	-	-	-
City of San Joaquin	-	-	-
City of Selma	-	-	-
County of Fresno	-	-	-
Fresno County Rural Transit Agency (FCRTA)	89,666	2,454,010	\$ 2,543,676
	<u>\$ 1,273,684</u>	<u>\$ 7,006,789</u>	<u>\$ 8,280,473</u>
<u>Disbursements</u>			
City of Clovis	\$ 84,651	\$ 819,158	\$ 903,809
City of Coalinga	-	-	-
City of Firebaugh	-	-	-
City of Fowler	-	-	-
City of Fresno	1,099,367	4,358,182	5,457,549
City of Huron	-	-	-
City of Kerman	-	-	-
City of Kingsburg	-	-	-
City of Mendota	-	-	-
City of Orange Cove	-	-	-
City of Parlier	-	-	-
City of Reedley	-	-	-
City of Sanger	-	-	-
City of San Joaquin	-	-	-
City of Selma	-	-	-
County of Fresno	-	-	-
Fresno County Rural Transit Agency (FCRTA)	89,666	2,204,792	\$ 2,294,458
	<u>\$ 1,273,684</u>	<u>\$ 7,382,132</u>	<u>\$ 8,655,816</u>

**FRESNO COUNCIL OF GOVERNMENTS  
TRANSPORTATION DEVELOPMENT ACT FUNDS  
SCHEDULE OF APPORTIONMENTS AND DISBURSEMENTS BY PURPOSE  
LOCAL TRANSPORTATION FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

	Article 3 99234 (Bicycle & Pedestrian)	Article 4.5 99275 (Social Services)	Article 4 99260 (Transit Operations)	Article 8 99400(a) (Streets & Roads)	Fresno COG RTP 99233.1/99233.2 (Planning & Administration)	Total
<b>Apportionments</b>						
City of Clovis	\$ 92,017	\$ 222,445	\$ 5,224,376	\$ -	\$ 128,502	\$ 5,667,340
City of Coalinga	13,280	33,461	-	753,969	18,545	819,255
City of Firebaugh	6,162	15,460	-	349,868	8,606	380,096
City of Fowler	4,983	12,557	-	282,929	6,959	307,428
City of Fresno	421,398	1,020,339	23,925,342	-	588,481	25,955,560
City of Huron	5,636	13,894	-	319,971	7,870	347,371
City of Kerman	12,315	29,459	-	699,213	17,198	758,185
City of Kingsburg	9,947	23,560	-	564,762	13,891	612,160
City of Mendota	9,662	23,413	-	548,586	13,493	595,154
City of Orange Cove	7,301	18,964	-	414,533	10,196	450,994
City of Parlier	12,269	30,706	-	696,583	17,134	756,692
City of Reedley	20,011	50,697	-	1,136,145	27,945	1,234,798
City of Sanger	20,990	51,511	-	1,191,732	29,313	1,293,546
City of San Joaquin	3,198	8,015	-	181,576	4,466	197,255
City of Selma	18,867	47,615	-	1,071,221	26,348	1,164,051
County of Fresno	132,115	333,775	-	7,501,009	184,499	8,151,398
Fresno County Rural Transit Agency (FCRTA)	-	-	-	-	-	-
Fresno Council of Governmental (Fresno COG)	-	-	-	-	100,007	100,007
Fresno County Economic Opportunities Commission (FCEOC)	-	-	-	-	-	-
	<u>\$ 790,151</u>	<u>\$ 1,935,871</u>	<u>\$ 29,149,718</u>	<u>\$ 15,712,097</u>	<u>\$ 1,203,453</u>	<u>\$ 48,791,290</u>
<b>Disbursements</b>						
City of Clovis	\$ 92,017	\$ 235,394	\$ 3,922,821	\$ -	\$ 128,502	\$ 4,378,734
City of Coalinga	13,256	-	-	489,410	18,545	521,211
City of Firebaugh	6,162	-	-	76,154	8,606	90,922
City of Fowler	4,983	-	-	85,869	6,959	97,811
City of Fresno	421,398	-	22,653,076	-	588,481	23,662,955
City of Huron	5,636	-	-	51,379	7,870	64,885
City of Kerman	12,315	-	-	516,564	17,198	546,077
City of Kingsburg	9,947	-	-	261,367	13,891	285,205
City of Mendota	9,662	-	-	230,426	13,493	253,581
City of Orange Cove	7,301	-	-	139,033	10,196	156,530
City of Parlier	12,269	-	-	447,018	17,134	476,421
City of Reedley	20,011	-	-	655,476	27,945	703,432
City of Sanger	20,990	-	-	508,155	29,313	558,458
City of San Joaquin	-	-	-	-	4,466	4,466
City of Selma	18,867	-	-	223,058	26,348	268,273
County of Fresno	-	-	-	-	184,499	184,499
Fresno County Rural Transit Agency (FCRTA)	-	-	3,022,273	-	-	3,022,273
Fresno Council of Governmental (Fresno COG)	-	-	-	-	100,000	100,000
Fresno County Economic Opportunities Commission (FCEOC)	-	1,700,477	-	-	-	1,700,477
	<u>\$ 654,814</u>	<u>\$ 1,935,871</u>	<u>\$ 29,598,170</u>	<u>\$ 3,683,909</u>	<u>\$ 1,203,446</u>	<u>\$ 37,076,210</u>

**FRESNO COUNCIL OF GOVERNMENTS  
TRANSPORTATION DEVELOPMENT ACT FUNDS  
SCHEDULE OF APPORTIONMENTS AND DISBURSEMENTS BY PURPOSE  
STATE OF GOOD REPAIR FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

	SGR (Transit Operations)	SGR (Transit Population)	Total
<u>Apportionments</u>			
City of Clovis	\$ 17,729	\$ 178,427	\$ 196,156
City of Coalinga	-	-	-
City of Firebaugh	-	-	-
City of Fowler	-	-	-
City of Fresno	230,242	955,609	1,185,851
City of Huron	-	-	-
City of Kerman	-	-	-
City of Kingsburg	-	-	-
City of Mendota	-	-	-
City of Orange Cove	-	-	-
City of Parlier	-	-	-
City of Reedley	-	-	-
City of Sanger	-	-	-
City of San Joaquin	-	-	-
City of Selma	-	-	-
County of Fresno	-	-	-
Fresno County Rural Transit Agency (FCRTA)	18,779	333,065	351,844
Fresno Council of Governmental (Fresno COG)	-	-	-
Fresno County Economic Opportunities Commission (FCEOC)	-	-	-
	<u>\$ 266,750</u>	<u>\$ 1,467,101</u>	<u>\$ 1,733,851</u>

<u>Disbursements</u>			
City of Clovis	\$ 17,729	\$ 179,053	\$ 196,782
City of Coalinga	-	-	-
City of Firebaugh	-	-	-
City of Fowler	-	-	-
City of Fresno	230,242	959,079	1,189,321
City of Huron	-	-	-
City of Kerman	-	-	-
City of Kingsburg	-	-	-
City of Mendota	-	-	-
City of Orange Cove	-	-	-
City of Parlier	-	-	-
City of Reedley	-	-	-
City of Sanger	-	-	-
City of San Joaquin	-	-	-
City of Selma	-	-	-
County of Fresno	-	-	-
Fresno County Rural Transit Agency (FCRTA)	18,779	334,171	352,950
Fresno Council of Governmental (Fresno COG)	-	-	-
Fresno County Economic Opportunities Commission (FCEOC)	-	-	-
	<u>\$ 266,750</u>	<u>\$ 1,472,303</u>	<u>\$ 1,739,053</u>

**FRESNO COUNCIL OF GOVERNMENTS  
SCHEDULE OF GRANT RECEIPTS AND EXPENDITURE CLAIMS  
FOR THE YEAR ENDED JUNE 30, 2021**

	Total	Local Resources	Federal Highway Works			Federal Transit Administration		
			Administration			Federal Transit Administration		
			FHWA	PL Planning	FTA MPO 5303	FTA MPO 5304	FTA 5307	
<b>Revenues:</b>								
Federal grants	\$ 3,331,298	\$ -	\$ 1,446,912	\$ 499,151	\$ 321,912	\$ 316,331		
Non-federal revenue:								
State assistance	5,402,273	-	-	-	-	-	-	
Local revenue sources	4,820,682	4,820,682	-	-	-	-	-	
Interest revenue	198,005	198,005	-	-	-	-	-	
Miscellaneous revenue	621,840	621,840	-	-	-	-	-	
Total revenues	<u>\$ 14,374,098</u>	<u>\$ 5,640,527</u>	<u>\$ 1,446,912</u>	<u>\$ 499,151</u>	<u>\$ 321,912</u>	<u>\$ 316,331</u>		
<b>Expenditures:</b>								
Regional Streets & Roads	\$ 242,747	\$ 31,513	\$ 79,434	\$ 131,800	\$ -	\$ -		
Regional Transportation Modeling	454,830	29,070	425,760	-	-	-		
Regional Traffic Monitoring	261,915	-	237,191	24,724	-	-		
Intelligent Transportation Systems	8,698	-	-	8,698	-	-		
Regional Transportation Mitigation Fee	47,719	47,719	-	-	-	-		
National Park Studies	529,114	300,358	-	-	-	-	120,273	
Golden State Corridor	997,477	997,477	-	-	-	-	-	
Public Trans. - Urban	302,192	106,134	-	-	-	-	196,058	
JARRC	735,757	167,356	-	-	-	-	-	
FCRTA Rural Transit Operating Plan	33,455	3,837	-	-	-	-	-	
Reverse Triangle Study	91,482	21,374	-	-	-	-	-	
Electric Vehicle Charging	45,077	8,769	-	-	-	-	-	
Better Blackstone	76,789	13,401	-	-	-	-	-	
County Trail Master Plan	101,876	28,111	-	-	-	-	-	
Regional Transit On-Board Survey	100,200	11,494	-	-	-	-	-	
SB 743 Transportation Impact Analysis	90,650	13,802	-	-	-	-	-	
Other Modal Elements	28,938	28,938	-	-	-	-	-	
High Speed Rail	1,974	1,974	-	-	-	-	-	
Airport Land Use	21,254	21,254	-	-	-	-	-	
Better Blackstone Phase II	363,619	41,707	-	-	321,912	-	-	
Regional Transportation Plan	629,703	-	504,703	125,000	-	-	-	
Sustainable Corridor	362,940	80,687	-	-	-	-	-	
Sustainable Planning Grant	46,635	4,844	-	-	-	-	-	
Freight Movement/Planning	3,573	-	1,397	2,176	-	-	-	
Transportation Performance Management	14,471	-	2,766	11,705	-	-	-	
Congestion Management Plan	16,433	-	-	16,433	-	-	-	
Air Quality	111,379	-	-	111,379	-	-	-	
Measure "C"	920,911	920,911	-	-	-	-	-	
Measure "C" Oversight Committee	10,312	10,312	-	-	-	-	-	
Measure "C" Car/Van Pool	407,639	407,639	-	-	-	-	-	
Measure "C" ADA Seniors	309,965	309,965	-	-	-	-	-	
Measure "C" Farm/Van Pool	307,049	307,049	-	-	-	-	-	
Transportation Program Development	364,364	-	-	-	-	-	-	
Intergovernmental Coordination	106,606	106,606	-	-	-	-	-	
Public Info. and Participation	166,897	-	166,897	-	-	-	-	
Environmental Justice	13,392	-	13,392	-	-	-	-	
Technical Assistance Members	203,166	203,166	-	-	-	-	-	
Regional Data Center	20,286	20,286	-	-	-	-	-	
One Voice Advocacy	12,049	12,049	-	-	-	-	-	
Regional Housing Needs	62,556	62,556	-	-	-	-	-	
SJV Regional Early Action Planning	3,971,599	-	-	-	-	-	-	
Valley RTPA Coordination	148,963	110,958	-	38,005	-	-	-	
Fresno COG Administration	259,930	259,930	-	-	-	-	-	
OWP and Budget	58,372	13,769	15,372	29,231	-	-	-	
Transportation Funds Administration	90,359	90,359	-	-	-	-	-	
FCRTA Administration	593,263	593,263	-	-	-	-	-	
Transportation Authority Administration	2,683	2,683	-	-	-	-	-	
Freeway Service Patrol	467,920	94,287	-	-	-	-	-	
Total expenditures	<u>14,219,178</u>	<u>\$ 5,485,607</u>	<u>\$ 1,446,912</u>	<u>\$ 499,151</u>	<u>\$ 321,912</u>	<u>\$ 316,331</u>		
Depreciation	(33,750)							
Net Gain (loss)	<u>\$ 188,670</u>							

**FRESNO COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF GRANT RECEIPTS AND EXPENDITURE CLAIMS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
(Continued)

	<u>Federal Transit Administration</u>				
	FTA 5310	FTA 5311(F)	SPR	State PPM 6086(038)	FSP 6504(002/003)
<b>Revenues:</b>					
Federal grants	\$ 568,401	\$ 108,483	\$ 70,108	\$ -	\$ -
Non-federal revenue					
State assistance	-	-	-	364,364	373,633
Local revenue sources	-	-	-	-	-
Interest revenue	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
Total revenues	<u>\$ 568,401</u>	<u>\$ 108,483</u>	<u>\$ 70,108</u>	<u>\$ 364,364</u>	<u>\$ 373,633</u>
<b>Expenditures:</b>					
Regional Streets & Roads	\$ -	\$ -	\$ -	\$ -	\$ -
Regional Transportation Modeling	-	-	-	-	-
Regional Traffic Monitoring	-	-	-	-	-
Intelligent Transportation Systems	-	-	-	-	-
Regional Transportation Mitigation Fee	-	-	-	-	-
National Park Studies	-	108,483	-	-	-
Golden State Corridor	-	-	-	-	-
Public Trans. - Urban	-	-	-	-	-
JARRC	568,401	-	-	-	-
FCRTA Rural Transit Operating Plan	-	-	-	-	-
Reverse Triangle Study	-	-	70,108	-	-
Electric Vehicle Charging	-	-	-	-	-
Better Blackstone	-	-	-	-	-
County Trail Master Plan	-	-	-	-	-
Regional Transit On-Board Survey	-	-	-	-	-
SB 743 Transportation Impact Analysis	-	-	-	-	-
Other Modal Elements	-	-	-	-	-
High Speed Rail	-	-	-	-	-
Airport Land Use	-	-	-	-	-
Better Blackstone Phase II	-	-	-	-	-
Regional Transportation Plan	-	-	-	-	-
Sustainable Corridor	-	-	-	-	-
Sustainable Planning Grant	-	-	-	-	-
Freight Movement/Planning	-	-	-	-	-
Transportation Performance Management	-	-	-	-	-
Congestion Management Plan	-	-	-	-	-
Air Quality	-	-	-	-	-
Measure "C"	-	-	-	-	-
Measure "C" Oversight Committee	-	-	-	-	-
Measure "C" Car/Van Pool	-	-	-	-	-
Measure "C" ADA Seniors	-	-	-	-	-
Measure "C" Farm/Van Pool	-	-	-	-	-
Transportation Program Development	-	-	-	364,364	-
Intergovernmental Coordination	-	-	-	-	-
Public Info. and Participation	-	-	-	-	-
Environmental Justice	-	-	-	-	-
Technical Assistance Members	-	-	-	-	-
Regional Data Center	-	-	-	-	-
One Voice Advocacy	-	-	-	-	-
Regional Housing Needs	-	-	-	-	-
SJV Regional Early Action Planning	-	-	-	-	-
Valley RTPA Coordination	-	-	-	-	-
Fresno COG Administration	-	-	-	-	-
OWP and Budget	-	-	-	-	-
Transportation Funds Administration	-	-	-	-	-
FCRTA Administration	-	-	-	-	-
Transportation Authority Administration	-	-	-	-	-
Freeway Service Patrol	-	-	-	-	373,633
Total expenditures	<u>\$ 568,401</u>	<u>\$ 108,483</u>	<u>\$ 70,108</u>	<u>\$ 364,364</u>	<u>\$ 373,633</u>

**FRESNO COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF GRANT RECEIPTS AND EXPENDITURE CLAIMS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
(Continued)

	State SB 1	State REAP	State HSIP
<b>Revenues:</b>			
Federal grants	\$ -	\$ -	\$ -
Non-federal revenue			
State assistance	661,785	3,971,599	30,892
Local revenue sources	-	-	-
Interest revenue	-	-	-
Miscellaneous revenue	-	-	-
Total revenues	<u>\$ 661,785</u>	<u>\$ 3,971,599</u>	<u>\$ 30,892</u>
<b>Expenditures:</b>			
Regional Streets & Roads	\$ -	\$ -	\$ -
Regional Transportation Modeling	-	-	-
Regional Traffic Monitoring	-	-	-
Intelligent Transportation Systems	-	-	-
Regional Transportation Mitigation Fee	-	-	-
National Park Studies	-	-	-
Golden State Corridor	-	-	-
Public Trans. - Urban	-	-	-
JARRC	-	-	-
FCRTA Rural Transit Operating Plan	29,618	-	-
Reverse Triangle Study	-	-	-
Electric Vehicle Charging	36,308	-	-
Better Blackstone	63,388	-	-
County Trail Master Plan	73,765	-	-
Regional Transit On-Board Survey	88,706	-	-
SB 743 Transportation Impact Analysis	76,848	-	-
Other Modal Elements	-	-	-
High Speed Rail	-	-	-
Airport Land Use	-	-	-
Better Blackstone Phase II	-	-	-
Regional Transportation Plan	-	-	-
Sustainable Corridor	282,253	-	-
Sustainable Planning Grant	10,899	-	30,892
Freight Movement/Planning	-	-	-
Transportation Performance Management	-	-	-
Congestion Management Plan	-	-	-
Air Quality	-	-	-
Measure "C"	-	-	-
Measure "C" Oversight Committee	-	-	-
Measure "C" Car/Van Pool	-	-	-
Measure "C" ADA Seniors	-	-	-
Measure "C" Farm/Van Pool	-	-	-
Transportation Program Development	-	-	-
Intergovernmental Coordination	-	-	-
Public Info. and Participation	-	-	-
Environmental Justice	-	-	-
Technical Assistance Members	-	-	-
Regional Data Center	-	-	-
One Voice Advocacy	-	-	-
Regional Housing Needs	-	-	-
SJV Regional Early Action Planning	-	3,971,599	-
Valley RTPA Coordination	-	-	-
Fresno COG Administration	-	-	-
OWP and Budget	-	-	-
Transportation Funds Administration	-	-	-
FCRTA Administration	-	-	-
Transportation Authority Administration	-	-	-
Freeway Service Patrol	-	-	-
Total expenditures	<u>\$ 661,785</u>	<u>\$ 3,971,599</u>	<u>\$ 30,892</u>

**FRESNO COUNCIL OF GOVERNMENTS  
SCHEDULE OF INSURANCE COVERAGE  
FOR THE YEAR ENDED JUNE 30, 2021**

Insurance coverage of the Council at June 30, 2021 is as follows:

Fire Insurance:

Office personal property 90% co-insurance	\$ 100,000
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Liability Coverage:

All inclusive (combined single limit): Bodily injury	\$ 1,000,000
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Group Travel Accident	\$ 100,000
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Worker's Compensation Insurance	Statutory
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**FRESNO COUNCIL OF GOVERNMENTS  
SCHEDULE OF COST ALLOCATION PLAN RECONCILIATION  
AND FIXED RATE OVERHEAD CARRYOVER  
FOR THE YEAR ENDED JUNE 30, 2021**

The following is a reconciliation of Fresno COG's expenses per the basic financial statements to the expenses per Fresno COG's cost allocation plan for the year ended June 30, 2021:

Budget Item	Actual Expense	Eligible Depreciation	Allocated to Other Programs	Direct Expense	Indirect Expense
<b>Salaries and Benefits:</b>					
Direct	\$ 2,608,894	\$ -	\$ (838,336)	\$ 1,770,558	\$ -
Indirect	<u>761,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>761,948</u>
Total salaries and benefits	<u>3,370,842</u>	<u>-</u>	<u>(838,336)</u>	<u>1,770,558</u>	<u>761,948</u>
<b>Indirect Overhead:</b>					
Telephone	11,211	-	-	-	11,211
Insurance	4,833	-	-	-	4,833
Postage	1,377	-	-	-	1,377
Printing supplies	26,961	-	-	-	26,961
Office supplies	13,959	-	-	-	13,959
Publications	291	-	-	-	291
Advertising and legal notice	7,841	-	-	-	7,841
Computer supplies	13,361	-	-	-	13,361
Office lease	231,558	-	-	-	231,558
Utilities	48,579	-	-	-	48,579
Equipment lease	34,805	-	-	-	34,805
Repair and maintenance	3,493	-	-	-	3,493
Travel expenses	3,394	-	(58)	-	3,336
Depreciation	-	33,750	-	-	33,750
Legal and accounting	<u>26,026</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,026</u>
Total indirect overhead	<u>427,689</u>	<u>33,750</u>	<u>(58)</u>	<u>-</u>	<u>461,381</u>
Total costs	<u>\$ 3,798,531</u>	<u>\$ 33,750</u>	<u>\$ (838,394)</u>	<u>\$ 1,770,558</u>	<u>\$ 1,223,329</u>
Direct expenses - at June 30, 2021			\$ 1,770,558		
Approved indirect cost rate for June 30, 2021			<u>64.44%</u>		
Total allocable indirect expenses - at June 30, 2021			<u>\$ 1,140,948</u>		
Actual indirect expenses - at June 30, 2021			\$ 1,223,329		
Under recovery of indirect expenses - at June 30, 2019			<u>146,046</u>		
Net eligible indirect expenses - at June 30, 2021			<u>\$ 1,369,375</u>		
Under recovery of indirect expense - at June 30, 2021			<u>\$ 228,427</u>		
Under recovery of indirect expenses - at June 30, 2020			<u>\$ 206,995</u>		

**FRESNO COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
<u>Federal Highway Works Administration:</u>			
Pass-through the State of California Department of Transportation			
Highway Planning and Construction Cluster:			
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	74A0809	\$ 1,517,020
Total Federal Highway Works Administration			<u>1,517,020</u>
<u>Federal Transit Administration:</u>			
Pass-through California Department of Transportation			
Federal Transit Cluster:			
FTA 5307 - Federal Transit Formula Grant (Urbanized Area Formula Program)	20.507	1649-2021-2	196,058
FTA 5307 - Federal Transit Formula Grant (Urbanized Area Formula Program) YARTS	20.507	CA-95-X318-00	<u>120,273</u>
Total Federal Transit Cluster			<u>316,331</u>
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	74A0809	821,063
FTA 5310 - Formula Grants for Rural Areas	20.509	CA-16-X070-00	568,401
FTA 5311 - Formula Grants for Rural Areas - YARTS	20.509	64C017-00464	<u>108,483</u>
Total Federal Transit Administration			<u>1,814,278</u>
Total U.S. Department of Transportation			<u>3,331,298</u>
Total Expenditures of Federal Awards			<u>\$ 3,331,298</u>

See accompanying notes to the schedule of expenditures of federal awards and the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.

**FRESNO COUNCIL OF GOVERNMENTS  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE 1 – GENERAL**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of Fresno COG. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies are included in the schedule. 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).

**NOTE 2 – BASIS OF ACCOUNTING**

The accompanying SEFA is presented using the accrual basis of accounting, which is described in Note 1 of Fresno COG's financial statements. Expenditures reported on the SEFA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 – RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

Federal award expenditures agree or can be reconciled with the amounts reported in Fresno COG's basic financial statements.

**NOTE 4 – INDIRECT COST RATE**

Fresno COG has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

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OTHER AUDITOR'S REPORTS

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INDEPENDENT AUDITOR'S 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

To the Governing Board of  
Fresno Council of Governments  
Fresno, 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, the financial statements of the governmental activities, the General Fund, and the aggregate remaining fund information of Fresno Council of Governments (Fresno COG), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Fresno COG's basic financial statements, and have issued our report thereon dated **October XX, 2021**.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Fresno COG'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 Fresno COG's internal control. Accordingly, we do not express an opinion on the effectiveness of Fresno COG'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 Fresno COG'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 may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Fresno COG'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **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 Fresno Council of Governments internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fresno COG's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clovis, California  
October XX, 2021

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Governing Board of  
Fresno Council of Governments  
Fresno, California

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

We have audited Fresno Council of Governments (Fresno COG's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Fresno COG's major federal programs for the year ended June 30, 2021. Fresno COG's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Fresno COG's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Fresno COG's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Fresno COG's compliance.

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

In our opinion, Fresno COG complied, in all material respects, with the types of 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, 2021.

## Report on Internal Control Over Compliance

Management of Fresno COG is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Fresno COG's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Fresno COG's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Clovis, California  
October XX, 2021

FINDINGS AND QUESTIONED COSTS

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**FRESNO COUNCIL OF GOVERNMENTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:  
 Material weaknesses identified?        Yes   X   No

Significant deficiencies identified -  
 not considered to be material weaknesses?        Yes   X   None reported

Noncompliance material to financial statements noted?        Yes   X   No

**Federal Awards**

Internal control over major programs:  
 Material weaknesses identified?        Yes   X   No

Significant deficiencies identified -  
 not considered to be material weaknesses?        Yes   X   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, Section 200.516(a)?        Yes   X   No

**Identification of Major Programs**

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	<u>  X  </u> Yes <u>      </u> No

FRESNO COUNCIL OF GOVERNMENTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported.

**SECTION III – FEDERAL AWARD FINDINGS**

None reported.

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FRESNO COUNCIL OF GOVERNMENTS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021

**FINANCIAL STATEMENT FINDINGS**

None reported.

**FEDERAL AWARD FINDINGS**

None reported.

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