

Fresno Council of Governments | Fresno, CA

Financial Statements

For the Year Ended June 30, 2023



PRICE PAIGE & COMPANY
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, General Fund, and the aggregate remaining fund information of the Fresno Council of Governments (Fresno COG), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Fresno COG's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the General Fund, and the aggregate remaining fund information of the Fresno COG, as of June 30, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fresno COG and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-8 and 32-33 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 supplementary information as listed in the tables of contents (supplementary information) and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 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 November 2, 2023, 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 solely 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 COG's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
November 2, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance and activity of Fresno Council of Governments' Basis Financial Statements provides an introduction and understanding of the basic financial statements of 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.

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 $\frac{1}{4}$ 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 $\frac{1}{2}$ 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.

Financial Highlights

- ❖ Total net position of Fresno COG was \$3,821,992 and consisted of capital assets, net of related debt, of \$68,168; and unrestricted net position of \$3,753,824.
- ❖ Net position increased \$718,954 during fiscal year 2023. 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 \$68,168 at June 30, 2023, representing a decrease of \$21,349 over June 30, 2022.
- ❖ Fresno COG's governmental fund reported an ending fund balance of \$3,753,824, an increase of \$740,303 compared to June 30, 2022.

Statement of Net Position

A summary of the Fresno COG's Statement of Net Position for Governmental Activities as of June 30, 2023, with comparative totals as of June 30, 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Assets:		
Current and other assets	\$ 21,228,038	\$ 18,482,510
Capital assets, net	<u>695,426</u>	<u>967,678</u>
 Total assets	 <u>21,923,464</u>	 <u>19,450,188</u>
Liabilities:		
Current and other liabilities	17,474,214	15,468,989
Long-term liabilities	<u>627,258</u>	<u>878,161</u>
 Total liabilities	 <u>18,101,472</u>	 <u>16,347,150</u>
Net Positions:		
Net investment in capital assets	68,168	89,517
Unrestricted	<u>3,753,824</u>	<u>3,013,521</u>
 Total net position	 <u>\$ 3,821,992</u>	 <u>\$ 3,103,038</u>

As shown above, total assets of Governmental Activities were \$21,923,464 at June 30, 2023, including \$68,168 in capital assets (net of depreciation). Of the total \$21,228,039 in current assets, \$16,609,504 consists of pooled cash held at Fresno County, which is invested in accordance with State law and the Fresno COG's investment policy.

Net position totaling \$3,821,992 includes \$3,753,824 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, 2022 by \$718,954.

The net position component invested in capital assets decreased by \$21,349 due to depreciation expenses exceeding capital investments during the year. Unrestricted net position increased by \$740,303, in large part due to the results of current year operations.

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 Fresno COG as a whole is better off at June 30, 2023 than it was at June 30, 2022.

A summary of the Fresno COG's Statement of Activities for fiscal year ended June 30, 2023, with comparative totals for the fiscal year ended June 30, 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Revenues:		
Program revenues:		
Charges for services	\$ 792,713	\$ 779,095
Operating grants and contributions	12,441,482	10,879,501
General revenues:		
Earnings on investments	337,056	192,408
Miscellaneous	<u>2,134,474</u>	<u>829,517</u>
 Total revenues	 <u>15,705,725</u>	 <u>12,680,521</u>
Expenses:		
Transportation planning	<u>14,986,771</u>	<u>12,091,842</u>
 Changes in net position	 718,954	 588,679
 Net position - beginning	 <u>3,103,038</u>	 <u>2,514,359</u>
 Net position - ending	 <u>\$ 3,821,992</u>	 <u>\$ 3,103,038</u>

Total revenues of the funds included in the Governmental Activities category were \$15,705,725 for the year ended June 30, 2023. Of this total, \$12,441,482 (79%) was derived from grants. This is consistent with the nature of governmental activities, which includes services traditionally financed from general tax revenues. \$792,713 (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 \$14,986,771. All expenses were for transportation planning.

General Fund Budgetary Highlights

Fresno COG revised the budget to deduct \$857,743 in federal and state grants and local government funding. 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 variances between the final budget and the actual revenues and expenditures because of this convention.

Economic Factors and Next Year's Budget/Program

Fresno COG is a Regional Metropolitan Planning Organization receiving grants from a variety of sources. 31% of Fresno COG's revenues come from federal sources, 18% from state sources, and 28% 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.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

FRESNO COUNCIL OF GOVERNMENTS | JUNE 30, 2023

Statement of Net Position

	Governmental Activities
ASSETS	
Cash and investments	\$ 16,609,502
Accounts receivable	556,679
Due from other governments	3,949,307
Interest receivable	106,459
Prepays	6,091
Capital assets, net	<u>695,426</u>
 Total assets	 <u>21,923,464</u>
LIABILITIES	
Accounts payable	2,646,433
Due to other governments	164,014
Accrued payroll	58,440
Retention payable	375,214
Unearned revenues	14,006,470
Compensated absences	223,643
Noncurrent liabilities:	
Due within one year: building lease	250,903
Due in more than one year: building lease	<u>376,355</u>
 Total liabilities	 <u>18,101,472</u>
NET POSITION	
Net investment in capital assets	68,168
Unrestricted	<u>3,753,824</u>
 Total net position	 <u>\$ 3,821,992</u>

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

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEAR ENDED JUNE 30, 2023

Statement of Activities

Functions/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenues and Change in Net Position
				Governmental Activities
Primary government:				
Governmental activities:				
Transportation planning	\$ 14,986,771	\$ 792,713	\$ 12,441,482	\$ (1,752,576)
Total primary government	<u>\$ 14,986,771</u>	<u>\$ 792,713</u>	<u>\$ 12,441,482</u>	<u>(1,752,576)</u>
		General revenues:		
			Earnings on investments	337,056
			Miscellaneous	<u>2,134,474</u>
			Total general revenues	<u>2,471,530</u>
			Change in net position	718,954
			Net position - beginning	<u>3,103,038</u>
			Net position - ending	<u>\$ 3,821,992</u>

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

FUND FINANCIAL STATEMENTS

FRESNO COUNCIL OF GOVERNMENTS | JUNE 30, 2023General Fund
Balance Sheet**ASSETS**

Cash and investments	\$ 16,609,502
Accounts receivable	556,679
Due from other governments	3,949,307
Interest receivable	106,459
Prepays	<u>6,091</u>
 Total assets	 <u>\$ 21,228,038</u>

LIABILITIES

Accounts payable	\$ 2,646,433
Due to other governments	164,014
Accrued payroll	58,440
Retention payable	375,214
Unearned revenues	14,006,470
Compensated absences	<u>223,643</u>
 Total liabilities	 <u>17,474,214</u>

FUND BALANCE

Nonspendable:	
Prepays	6,091
Assigned to:	
Self-insurance	85,249
Transportation planning	<u>3,662,484</u>
 Total fund balance	 <u>3,753,824</u>
 Total liabilities and fund balance	 <u>\$ 21,228,038</u>

Amounts reported for governmental activities in the Statement of Net Position (Page 11) are different because:

Total fund balance - General Fund	\$ 3,753,824
 Capital assets used in governmental activities are not financial resources and therefore are not reported in the Balance Sheet	 695,426
 Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds. Long-term liabilities at year year-end consist of lease payable.	 <u>(627,258)</u>
 Net position of governmental activities (Page 11)	 <u>\$ 3,821,992</u>

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

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEAR ENDED JUNE 30, 2023

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

REVENUES

Aid from federal government	\$ 5,083,768
Aid from state government	2,487,451
Aid from local government	3,576,141
Intergovernmental revenue	918,908
Grant retention revenue	375,214
Charges for services	792,713
In-kind revenue	1,740,867
Interest revenue	337,056
Miscellaneous	<u>393,607</u>
 Total revenues	 <u>15,705,725</u>

EXPENDITURES

Current:

General government:	
Salaries and benefits	3,321,678
Supplies and services	10,822,556
Contributions to other local agencies	570,285

Debt service:

Principal - building lease	<u>250,903</u>
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Total expenditures	<u>14,965,422</u>
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Net changes in fund balance	740,303
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Fund balance - beginning	<u>3,013,521</u>
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Fund balance - ending	<u><u>\$ 3,753,824</u></u>
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Amounts reported for governmental activities in the Statement of Activities (Page 12) are different because:

Net change in fund balance - General Fund	\$ 740,303
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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 and amortization expense (\$284,756) exceeded capital outlays in the current period. (272,252)

Leases and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of leases and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. -

Principal paid on leases	<u>250,903</u>
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Change in net position of governmental activities (Page 12)	<u><u>\$ 718,954</u></u>
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The notes to the basic financial statements are an integral part of this statement.

FRESNO COUNCIL OF GOVERNMENTS | JUNE 30, 2023

Fiduciary Funds – Private-Purpose Trust Fund

Statement of Fiduciary Net Position

ASSETS

Cash and investments	\$	50,664,701
Interest receivable		262,918
Due from other governments		<u>4,389,816</u>
Total assets		<u>55,317,435</u>

LIABILITIES

Due to other governments		<u>34,222,400</u>
Total liabilities		<u>34,222,400</u>

NET POSITION

Restricted for:		
Other governments		<u>21,095,035</u>
Total net position	\$	<u><u>21,095,035</u></u>

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

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEAR ENDED JUNE 30, 2023

Fiduciary Funds – Private-Purpose Trust Fund

Statement of Changes in Fiduciary Net Position

ADDITIONS

Sales tax	\$ 60,074,797
Aid from state government	17,535,193
Interest revenue	<u>1,121,983</u>

Total additions 78,731,973

DEDUCTIONS

Administration expense	100,000
TDA claims paid	68,667,249
STA distributions	<u>14,757,731</u>

Total deductions 83,524,980

Net increase (decrease) in fiduciary net position (4,793,007)

Net position - beginning 25,888,042

Net position - ending \$ 21,095,035

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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.

B. 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:

- *Private-Purpose 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.

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

C. Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: The government-wide and 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.

General 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. For this purpose, FCOG considers revenues to be available if they are collected within one year of the end of the current fiscal year. Expenditures, other than interest on long-term obligations which are 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.

D. 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 imprest 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, 2023, the Fresno COG had \$797,988 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:

Asset Type	Useful Life
Computer equipment	5 to 10 years
Office furniture and equipment	5 to 10 years
Traffic monitoring equipment	5 to 10 years
Right-to-use leased building	6 years

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

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

Right-to-Use Lease Assets

Right-to-use lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payment made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service.

Right-to-use lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life on the underlying asset, unless the lease contains a purchase option that Fresno COG has determined is reasonably certain of being exercised.

Leases

Lessee: Fresno COG is a lessee for noncancellable office building lease. The lessee recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. Fresno COG recognizes lease liabilities with an initial, individual value of \$100,000 or more.

At the commencement of a lease, Fresno COG initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how Fresno COG determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- Fresno COG uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, Fresno COG generally uses its estimated incremental borrowing rate as the discount rate for leases, which it has determined is the prime rate at the inception of the lease.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that Fresno COG is reasonably certain to exercise.

Fresno COG monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Unearned Revenues

Unearned revenues primarily consist of Regional Early Allocation Plan (REAP) and Measure C funds received but not yet earned.

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.

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

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

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”.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, Fresno COG’s practice is to apply restricted net position first.

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 purposes 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 but are neither restricted nor committed. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- *Unassigned* – This classification includes the residual classification for Fresno COG’s General Fund that includes amounts not contained in the other classifications.

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.

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

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

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 48.

Use of Estimates

The preparation of 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, 2023:

Primary Government:	
Cash and investments	\$ 16,609,502
Fiduciary Fund:	
Cash and investments	50,664,701
Total cash and investments	<u>\$ 67,274,203</u>

Cash and investments are comprised of the following at June 30, 2023:

Petty cash	\$ 300
Cash in bank	915,568
Fresno County Investment Pool	<u>66,358,335</u>
Total cash and investments	<u>\$ 67,274,203</u>

NOTE 2 – CASH AND INVESTMENTS (Continued)

A. 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 (of Fresno COG’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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

B. 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:

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	\$ 66,358,335	\$ 66,358,335	\$ -	\$ -	\$ -
Total	<u>\$ 66,358,335</u>	<u>\$ 66,358,335</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 2 – CASH AND INVESTMENTS (Continued)

C. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations 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.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>
Fresno County Investment Pool	\$ 66,358,335	N/A	\$ 66,358,335
Total	<u>\$ 66,358,335</u>	<u>N/A</u>	<u>\$ 66,358,335</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.

D. 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.

E. Concentration of Credit Risk

The investment policy of Fresno COG contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Fresno COG’s potential losses from credit risk are increased if a significant portion of its resources are invested in a single issuer. Investments issued by or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are exempt from these limitations. At June 30, 2022, Fresno COG did not have any investments in any one issuer that is not exempt that represents 5% or more of the total investments.

NOTE 3 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets being depreciated:				
Computer equipment	\$ 301,725	\$ 12,504	\$ -	\$ 314,229
Office furniture and equipment	110,043	-	-	110,043
Traffic monitoring equipment	53,563	-	-	53,563
Right-to-use leased building	<u>1,505,418</u>	<u>-</u>	<u>-</u>	<u>1,505,418</u>
Total capital assets being depreciated	<u>1,970,749</u>	<u>12,504</u>	<u>-</u>	<u>1,983,253</u>
Less accumulated depreciation for:				
Computer equipment	(232,177)	(26,056)	-	(258,233)
Office furniture and equipment	(90,074)	(7,797)	-	(97,871)
Traffic monitoring and equipment	(53,563)	-	-	(53,563)
Right-to-use leased building	<u>(627,257)</u>	<u>(250,903)</u>	<u>-</u>	<u>(878,160)</u>
Total accumulated depreciation	<u>(1,003,071)</u>	<u>(284,756)</u>	<u>-</u>	<u>(1,287,827)</u>
Total capital assets being depreciated, net	<u>967,678</u>	<u>(272,252)</u>	<u>-</u>	<u>695,426</u>
Capital assets, net	<u>\$ 967,678</u>	<u>\$ (272,252)</u>	<u>\$ -</u>	<u>\$ 695,426</u>

For the year ended June 30, 2023, total depreciation and amortization expense was \$284,756.

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, 2023 are as follows:

General Fund	
Fresno County Rural Transit Agency	\$ 91,161
Fresno County Transportation Authority	1,083,173
Fresno County Regional Transportation Mitigation Fee Agency	15,752
City of Fresno	48,153
Federal and state governments	<u>2,711,068</u>
Total due from other governments	<u>\$ 3,949,307</u>
Private-Purpose Trust Fund	
State of California - STA Article 4	\$ 4,075,231
State of California - SGR	<u>314,585</u>
Total due from other governments	<u>\$ 4,389,816</u>

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, 2023 are as follows:

General Fund	
City of Clovis	\$ 8,728
City of Fresno	85,651
Fresno County	<u>69,635</u>
Total due to other governments	<u>\$ 164,014</u>
Private-Purpose Trust Fund	
Article 3	\$ 333,346
Article 4	16,781,309
Article 4.5	635,775
Article 8A	15,754,999
SGR	<u>716,971</u>
Total due to other governments	<u>\$ 34,222,400</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, 2023 are summarized as follows:

	Planning	ADA/Seniors	Farm-worker/ Van Pool	Car/Van Pool	Total
Unearned revenues, beginning of year	\$ 1,039,225	\$ 3,400,959	\$ 2,554,574	\$ 1,443,305	\$ 8,438,063
Funds received	555,009	877,059	643,917	643,917	2,719,902
Funds allowed	(395,954)	(528,909)	(253,359)	(390,918)	(1,569,140)
Interest	21,973	72,917	56,963	31,650	183,503
Taxi Scrip	-	91,969	-	-	91,969
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unearned revenues, end of year	<u>\$ 1,220,253</u>	<u>\$ 3,913,995</u>	<u>\$ 3,002,095</u>	<u>\$ 1,727,954</u>	<u>\$ 9,864,297</u>

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 MissionSquare Retirement. 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 MissionSquare Retirement. The IRC Section 457 plan permits employees to defer up to the maximum allowed per IRC statutes. 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 \$367,748.

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, 2023.

NOTE 7 – FRESNO COUNTY RURAL TRANSIT AGENCY RELATED PARTY TRANSACTIONS

Included in the budget of Fresno COG is a work element representing its responsibility for the administration of Fresno County 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, 2023 was \$588,542. Total receivable from FCRTA was \$91,161 for the year ended June 30, 2023. Fresno COG also reimburses FCRTA for expenses that will be covered by grants and for providing certain transit services. The total expenditures and accounts payable for the year ended June 30, 2023 were \$ 1,929,939 and \$899,675, respectively.

NOTE 8 – LEASES

Fresno COG conducts its operations from a leased building under a ten year lease that expires December 31, 2025, but the lease may be terminated if Fresno COG does not receive sufficient allocations to continue the lease. In the event sufficient funds are not allocated, the lease shall be subject to termination upon at least a ninety-day prior written notice. Fresno COG is required to make monthly principal payments of \$20,909. The value of the right-to-use asset as of the end of the current fiscal year was \$1,505,418 and had accumulated amortization of \$878,160.

A summary of the governmental activities long-term lease transactions for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Issued	Retired	Balance June 30, 2023	Due Within One Year
Leased building	\$ 878,161	\$ -	\$ (250,903)	\$ 627,258	\$ 250,903

The following is a schedule of annual requirements to amortize long-term obligations under the office building lease as of June 30, 2023:

Year Ending June 30	Principal
2024	\$ 250,903
2025	250,903
2026	<u>125,452</u>
Total	<u>\$ 627,258</u>

NOTE 9 – CONTINGENT LIABILITIES

Grants have been received by Fresno COG for specific purposes that are subject to the 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.

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 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. An amendment was executed in December 2022, increasing the amount of the grant to \$18,975,323.

The Regional Early Action Planning Grants Program of 2021 was established for the purpose of providing regions with one-time funding, including grants for transformative planning and implementation activities (REAP 2.0). In February 2023, Fresno COG entered into an agreement with HCD for \$13,633,148.06. Pursuant to 50515.08(c)(3), an MPO may request up to 10 percent of its available funding in advance. Fresno COG submitted a Request for Funds for program administration and outreach in the amount of \$600,000 which was received and is included in the June 30, 2023 unearned revenue balance of \$3,980,151.

NOTE 11 – IN-KIND REVENUE

Fresno COG is the recipient of a grant from the Federal Transit Administration, which is passed through to Fresno County Rural Transit Agency (FCRTA) for a facility maintenance building. In order for Fresno COG to properly report the project expenditures to the federal agency, Fresno COG records FCRTA's project portion that will not be reimbursed by the federal agency as in-kind revenue and expenditures. During the fiscal year ended June 30, 2023, Fresno COG had in-kind revenue and expenditures of \$1,740,867.

NOTE 12 – RECLASSIFICATION OF COMPARATIVE SUPPLEMENTARY INFORMATION SCHEDULES

Certain reclassifications were made to the 2022 comparative supplementary information schedules in order to conform to the presentation shown. These reclassifications had no effect on Fresno COG's fund balance at June 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

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 | FOR THE YEAR ENDED JUNE 30, 2023

General Fund

Budgetary Comparison Schedule

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Aid from federal government	\$ 11,775,340	\$ 11,634,919	\$ 5,083,768	\$ (6,551,151)
Aid from state government	18,180,371	17,510,958	2,487,451	(15,023,507)
Aid from local government	8,054,269	7,974,269	3,576,141	(4,398,128)
Intergovernmental revenue	2,130,000	2,130,000	918,908	(1,211,092)
Grant retention revenue	-	-	375,214	375,214
Charges for services	835,818	835,818	792,713	(43,105)
In-kind revenue	5,252,801	5,252,801	1,740,867	(3,511,934)
Interest revenue	75,000	75,000	337,056	262,056
Miscellaneous	1,800,656	1,800,656	393,607	(1,407,049)
Total revenues	48,104,255	47,214,421	15,705,725	(31,508,696)
EXPENDITURES				
Current:				
General government:				
Salaries and benefits	4,008,519	4,008,519	3,321,678	686,841
Supplies and services	32,008,273	31,150,530	10,822,556	20,327,974
Contributions to other local agencies	11,642,140	11,642,140	570,285	11,071,855
Debt service:				
Principal - building lease	231,568	231,568	250,903	(19,335)
Total expenditures	47,890,500	47,032,757	14,965,422	32,067,335
Net change in fund balance	\$ <u>213,755</u>	\$ <u>181,664</u>	740,303	\$ <u>(558,639)</u>
Fund balance - beginning			<u>3,013,521</u>	
Fund balance - ending			\$ <u><u>3,753,824</u></u>	

See accompanying notes to the Budgetary Comparison Schedule.

NOTE 1 – BUDGETARY INFORMATION

A. 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, 2023, appropriations were decreased by \$857,743 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.

B. Excess of Expenditures Over Appropriations

As of June 30, 2023, expenditure exceeded appropriations in individual funds as follows:

Appropriations Category	Excess Expenditures
General Fund:	
Principal - building lease	\$ 19,335

The excess of expenditures over appropriations is due to GASB 87 leases.

SUPPLEMENTARY INFORMATION

GENERAL FUND

FRESNO COUNCIL OF GOVERNMENTS | JUNE 30, 2023 AND 2022

General Fund

Comparative Balance Sheets

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and investments	\$ 16,609,502	\$ 15,979,149
Accounts receivable	556,679	35,317
Due from other governments	3,949,307	2,403,713
Interest receivable	106,459	51,321
Prepays	<u>6,091</u>	<u>13,010</u>
 Total assets	 <u>\$ 21,228,038</u>	 <u>\$ 18,482,510</u>
LIABILITIES		
Accounts payable	\$ 2,646,433	\$ 1,950,193
Due to other governments	164,014	177,954
Accrued payroll	58,440	40,543
Retention payable	375,214	-
Unearned revenues	14,006,470	13,090,246
Compensated absences	<u>223,643</u>	<u>210,053</u>
 Total liabilities	 <u>17,474,214</u>	 <u>15,468,989</u>
FUND BALANCE		
Nonspendable:		
Prepays	6,091	13,010
Assigned to:		
Self-insurance	85,249	90,676
Transportation planning	<u>3,662,484</u>	<u>2,909,835</u>
 Total fund balance	 <u>3,753,824</u>	 <u>3,013,521</u>
 Total liabilities and fund balance	 <u>\$ 21,228,038</u>	 <u>\$ 18,482,510</u>

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

General Fund

Comparative Statements of Revenues, Expenditures and Changes in Fund Balance

	<u>2023</u>	<u>2022</u>
REVENUES		
Aid from federal government	\$ 5,083,768	\$ 3,398,059
Aid from state government	2,487,451	3,440,021
Aid from local government	3,576,141	4,041,421
Intergovernmental revenue	918,908	150,000
Grant retention revenue	375,214	-
Charges for services	792,713	779,095
In-kind revenue	1,740,867	80,464
Interest revenue	337,056	192,408
Miscellaneous	<u>393,607</u>	<u>599,053</u>
Total revenues	<u>15,705,725</u>	<u>12,680,521</u>
EXPENDITURES		
Current:		
General government:		
Salaries and benefits	3,321,678	3,504,839
Supplies and services	10,822,556	6,620,658
Contributions to other local agencies	570,285	1,681,692
Debt service:		
Principal - building lease	<u>250,903</u>	<u>250,903</u>
Total expenditures	<u>14,965,422</u>	<u>12,058,092</u>
Net changes in fund balance	740,303	622,429
Fund balance - beginning	<u>3,013,521</u>	<u>2,391,092</u>
Fund balance - ending	<u>\$ 3,753,824</u>	<u>\$ 3,013,521</u>

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

General Fund

Comparative Schedules of Grant Receipts and Expenditures Claims

	2023	2022
REVENUES		
Federal grants	\$ 5,083,768	\$ 3,398,059
Non-federal revenue:		
State assistance	2,487,451	3,440,021
Local revenue	4,368,854	4,820,516
Interest revenue	337,056	192,408
Miscellaneous revenue	3,053,382	829,517
Total revenues	<u>15,330,511</u>	<u>12,680,521</u>
EXPENDITURES		
Regional Streets & Roads	171	8,886
Regional Transportation Modeling	680,026	476,821
Regional Traffic Monitoring	222,003	272,879
Intelligent Transportation Systems	5,349	3,244
Regional Transportation Mitigation Fee	36,448	43,971
National Park Studies	309,451	642,640
Golden State Corridor	448,835	689,466
Public Trans. - Urban	388,199	261,921
Federal Transit Administration Direct Grants	3,483,982	186,970
Access for All Program	193,583	3,782
Regional Safety Study Phase II	-	35,016
Regional Safety Study Phase I	-	74,752
Other Modal Elements	18,313	17,142
High Speed Rail	171	2,914
Airport Land Use	16,763	27,610
Regional ATP Update	106,581	-
Better Blackstone Phase II	-	85,781
Fresno/Madera Sust. Corridor	-	53,919
Regional Safety Plan Phase III	-	224,134
Freight Movement/Planning	4,730	3,194
Inland Port Study Phase II	34,167	176,785
SVJ Household Travel Survey	535,765	901,312
Inland Port Study Phase III	328,711	138,251
Regional Transportation Plan	290,163	773,723
Transportation Performance Management	31,679	35,632
Congestion Management Plan	10,602	13,791
Regional VMT Mitigation Program	145,756	40,070
Inland Port Study Phase IV	2,900	-
Inland Port Study Phase V	689,634	270,359
Regional Microtransit Study	7,604	-
Air Quality	97,421	158,772
Measure "C"	557,392	948,215
Measure "C" Oversight Committee	12,969	17,912
Measure "C" Car/Van Pool	390,918	430,392
Measure "C" ADA Seniors	528,908	392,433
Measure "C" Farm/Van Pool	253,360	273,222
Transportation Program Development	295,706	376,523
Intergovernmental Coordination	87,769	62,779
Public Info. and Participation	206,177	193,768
Environmental Justice	15,575	7,609
Technical Assistance Members	206,691	126,361
Regional Data Center	85,211	33,308
One Voice Advocacy	38,964	21,892
Regional Housing Needs	938,268	79,787
SVJ Regional Early Action Planning	841,278	1,710,324
SVJ Regional Early Action Planning 2.0	24,573	-
Valley RTPA Coordination	166,731	230,103
Fresno COG Administration	365,297	221,838
OWP and Budget	60,066	56,000
Transportation Funds Administration	105,782	206,817
FCRTA Administration	607,889	602,891
Transportation Authority Administration	3,099	2,248
Freeway Service Patrol	742,328	473,683
Total expenditures	<u>14,623,958</u>	<u>12,091,842</u>
Depreciation	<u>(33,750)</u>	<u>(33,750)</u>
Net gain (loss)	<u>\$ 740,303</u>	<u>\$ 622,429</u>

FIDUCIARY FUNDS

The Private-Purpose Trust Funds is used to account for assets held by the government in a trustee capacity. The following three funds are all classified as such.

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 | JUNE 30, 2023

Fiduciary Funds – Private Purpose Trust Funds

Combining Statement of Net Position

	State Transit Assistance Fund	Local Transportation Fund	State of Good Repair Fund	Total
ASSETS				
Cash and investments	\$ 4,772,022	\$ 45,491,696	\$ 400,983	\$ 50,664,701
Interest receivable	21,353	240,162	1,403	262,918
Due from other governments	<u>4,075,231</u>	<u>-</u>	<u>314,585</u>	<u>4,389,816</u>
 Total assets	 <u>8,868,606</u>	 <u>45,731,858</u>	 <u>716,971</u>	 <u>55,317,435</u>
LIABILITIES				
Due to other governments	<u>6,998,349</u>	<u>26,507,080</u>	<u>716,971</u>	<u>34,222,400</u>
 Total liabilities	 <u>6,998,349</u>	 <u>26,507,080</u>	 <u>716,971</u>	 <u>34,222,400</u>
NET POSITION				
Restricted for:				
Other governments	<u>1,870,257</u>	<u>19,224,778</u>	<u>-</u>	<u>21,095,035</u>
 Total net position	 <u>\$ 1,870,257</u>	 <u>\$ 19,224,778</u>	 <u>\$ -</u>	 <u>\$ 21,095,035</u>

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEAR ENDED JUNE 30, 2023

Fiduciary Funds – Private-Purpose Trust Funds
 Combining Statement of Changes in Net Position

	State Transit Assistance Fund	Local Transportation Fund	State of Good Repair Fund	Total
ADDITIONS				
Sales tax	\$ -	\$ 60,074,797	\$ -	\$ 60,074,797
Aid from state government	15,695,726	-	1,839,467	17,535,193
Interest revenue	121,100	985,722	15,161	1,121,983
Total additions	<u>15,816,826</u>	<u>61,060,519</u>	<u>1,854,628</u>	<u>78,731,973</u>
DEDUCTIONS				
Administration expense	-	100,000	-	100,000
TDA claims paid	-	66,812,621	1,854,628	68,667,249
STA distributions	14,757,731	-	-	14,757,731
Total deductions	<u>14,757,731</u>	<u>66,912,621</u>	<u>1,854,628</u>	<u>83,524,980</u>
Net increase (decrease) in fiduciary net position	1,059,095	(5,852,102)	-	(4,793,007)
Net position - beginning	<u>811,162</u>	<u>25,076,880</u>	<u>-</u>	<u>25,888,042</u>
Net position - ending	<u>\$ 1,870,257</u>	<u>\$ 19,224,778</u>	<u>\$ -</u>	<u>\$ 21,095,035</u>

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEAR ENDED JUNE 30, 2023

Fiduciary Funds – Private-Purpose Trust Funds

Transportation Development Act Funds – State Transit Assistance Fund

Schedule of Apportionments and Disbursements by Purpose

	Public Utilities Code		
	STA Article 4 C.A.C. 6730(a) 99314.3(a) (Transit Operations)	STA Article 4 C.A.C. 6730(a) 99314.3(a) (Transit Population)	Total
<u>Apportionments</u>			
City of Clovis	\$ 160,018	\$ 1,624,952	\$ 1,784,970
City of Coalinga	-	-	-
City of Firebaugh	-	-	-
City of Fowler	-	-	-
City of Fresno	2,078,143	7,143,659	9,221,802
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)	169,497	4,519,457	4,688,954
Total apportionments	<u>\$ 2,407,658</u>	<u>\$ 13,288,068</u>	<u>\$ 15,695,726</u>
<u>Disbursements</u>			
City of Clovis	\$ 160,018	\$ 1,639,761	\$ 1,799,779
City of Coalinga	-	-	-
City of Firebaugh	-	-	-
City of Fowler	-	-	-
City of Fresno	2,078,143	8,012,328	10,090,471
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)	169,497	2,697,984	2,867,481
Total disbursements	<u>\$ 2,407,658</u>	<u>\$ 12,350,073</u>	<u>\$ 14,757,731</u>

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEAR ENDED JUNE 30, 2023

Fiduciary Funds – Private-Purpose Trust Funds

Transportation Development Act Funds – Local Transportation Fund

Schedule of Apportionments and Disbursements by Purpose

	Article 3 99234 (Bicycle & Pedestrian)	Article 4.5 99275 (Social Services)	Article 4 99260 Transit Operations	Article 8a 99400(a) (Streets & Roads)	Article 4 & 8 99260/99400(a) Transit Operations/ Streets & Roads	Fresno COG RTP 99233.1/ 99233.2 (Planning & Administration)	Total
Apportionments							
City of Clovis	\$ 126,933	\$ 301,784	\$ -	\$ -	\$ 6,718,923	\$ -	\$ 7,147,640
City of Coalinga	17,734	41,485	-	-	938,687	-	997,906
City of Firebaugh	8,662	20,128	-	-	458,504	-	487,294
City of Fowler	7,146	16,351	-	-	378,259	-	401,756
City of Fresno	558,028	1,354,355	-	-	29,537,939	-	31,450,322
City of Huron	6,333	18,340	-	-	335,225	-	359,898
City of Kerman	17,079	39,924	-	-	904,026	-	961,029
City of Kingsburg	12,837	32,409	-	-	679,471	-	724,717
City of Mendota	12,769	30,834	-	-	675,885	-	719,488
City of Orange Cove	9,748	23,732	-	-	515,988	-	549,468
City of Parlier	14,880	39,206	-	-	787,647	-	841,733
City of Reedley	25,642	64,618	-	-	1,357,313	-	1,447,573
City of Sanger	26,999	67,754	-	-	1,429,140	-	1,523,893
City of San Joaquin	3,735	10,267	-	-	197,713	-	211,715
City of Selma	25,170	60,655	-	-	1,332,321	-	1,418,146
County of Fresno	164,305	421,258	-	-	8,697,084	-	9,282,647
Fresno County Rural Transit Agency (FCRTA)	-	-	-	-	-	-	-
Fresno Council of Governments (Fresno COG)	-	-	-	-	-	1,549,572	1,549,572
Fresno County Economic Opportunities Commission (FCEOC)	-	-	-	-	-	-	-
Total apportionments	\$ 1,038,000	\$ 2,543,100	\$ -	\$ -	\$ 54,944,125	\$ 1,549,572	\$ 60,074,797
Disbursements							
City of Clovis	\$ 126,933	\$ 318,127	\$ 7,592,055	\$ -	\$ -	\$ -	\$ 8,037,115
City of Coalinga	-	-	-	561,416	-	-	561,416
City of Firebaugh	15,453	-	-	610,506	-	-	625,959
City of Fowler	-	-	-	113,069	-	-	113,069
City of Fresno	558,028	1,485,704	37,959,727	-	-	-	40,003,459
City of Huron	6,333	-	-	392,821	-	-	399,154
City of Kerman	17,079	-	-	1,082,496	-	-	1,099,575
City of Kingsburg	12,837	-	-	753,487	-	-	766,324
City of Mendota	12,769	-	-	770,830	-	-	783,599
City of Orange Cove	9,748	-	-	480,400	-	-	490,148
City of Parlier	14,880	-	-	944,529	-	-	959,409
City of Reedley	25,642	-	-	1,545,448	-	-	1,571,090
City of Sanger	26,999	-	-	1,569,792	-	-	1,596,791
City of San Joaquin	-	-	-	80,065	-	-	80,065
City of Selma	-	-	-	472,988	-	-	472,988
County of Fresno	142,125	-	-	6,344,503	-	-	6,486,628
Fresno County Rural Transit Agency (FCRTA)	-	739,269	576,996	-	-	-	1,316,265
Fresno Council of Governments (Fresno COG)	-	-	-	-	-	1,549,567	1,549,567
Fresno County Economic Opportunities Commission (FCEOC)	-	-	-	-	-	-	-
Total disbursements	\$ 968,826	\$ 2,543,100	\$ 46,128,778	\$ 15,722,350	\$ -	\$ 1,549,567	\$ 66,912,621

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEAR ENDED JUNE 30, 2023

Fiduciary Funds – Private-Purpose Trust Funds

Transportation Development Act Funds – State of Good Repair Fund

Schedule of Apportionments and Disbursements by Purpose

	SGR 99312.1(c) (Transit Operations)	SGR 99312.1(c) (Transit Population)	Total
<u>Apportionments</u>			
City of Clovis	\$ 18,816	\$ 194,355	\$ 213,171
City of Coalinga	-	-	-
City of Firebaugh	-	-	-
City of Fowler	-	-	-
City of Fresno	244,371	1,065,586	1,309,957
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)	19,931	296,408	316,339
Fresno Council of Governments (Fresno COG)	-	-	-
Fresno County Economic Opportunities Commission (FCEOC)	-	-	-
	<u>\$ 283,118</u>	<u>\$ 1,556,349</u>	<u>\$ 1,839,467</u>
<u>Disbursements</u>			
City of Clovis	\$ 18,816	\$ 196,117	\$ 214,933
City of Coalinga	-	-	-
City of Firebaugh	-	-	-
City of Fowler	-	-	-
City of Fresno	244,371	1,076,130	1,320,501
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)	19,931	299,263	319,194
Fresno Council of Governments (Fresno COG)	-	-	-
Fresno County Economic Opportunities Commission (FCEOC)	-	-	-
	<u>\$ 283,118</u>	<u>\$ 1,571,510</u>	<u>\$ 1,854,628</u>

FRESNO COUNCIL OF GOVERNMENTS | JUNE 30, 2023

Schedule of Grant Receipts and Expenditure Claims

	Total	Local Resources	Federal Highway Works Administration		Federal Transit Administration
			FHWA		FTA MPO
			PL Planning	FHWA RIA	5303
REVENUES					
Federal grants	\$ 5,083,768	\$ -	\$ 1,692,188	\$ 689,634	\$ 349,087
Non-federal revenue:					
State assistance	2,487,451	-	-	-	-
Local revenue sources	4,368,854	4,368,854	-	-	-
Interest revenue	337,056	337,056	-	-	-
Miscellaneous revenue	3,053,382	3,053,382	-	-	-
Total revenues	15,330,511	7,759,292	1,692,188	689,634	349,087
EXPENDITURES					
Regional Streets & Roads	171	\$ 171	\$ -	\$ -	\$ -
Regional Transportation Modeling	680,026	42,330	540,798	-	11,849
Regional Traffic Monitoring	222,003	-	168,109	-	53,894
Intelligent Transportation Systems	5,349	-	-	-	5,349
Regional Transportation Mitigation Fee	36,448	36,448	-	-	-
National Park Studies	309,451	191,869	-	-	-
Golden State Corridor	448,835	448,835	-	-	-
Public Trans. - Urban	388,199	66,417	-	-	90,341
Federal Transit Administration Direct Grants	3,483,982	1,743,115	-	-	-
Access for All Program	193,583	-	-	-	-
Other Modal Elements	18,313	10,075	-	-	8,238
High Speed Rail	171	171	-	-	-
Airport Land Use	16,763	16,763	-	-	-
Regional ATP Update	106,581	5,934	54,842	-	-
Freight Movement/Planning	4,730	-	4,730	-	-
Inland Port Study Phase II	34,167	34,167	-	-	-
SJV Household Travel Survey	535,765	-	164,429	-	-
Inland Port Study Phase III	328,711	65,742	-	-	-
Regional Transportation Plan	290,163	-	221,444	-	68,719
Transportation Performance Management	31,679	-	-	-	31,679
Congestion Management Plan	10,602	-	-	-	10,602
Regional VMT Mitigation Program	145,756	16,718	-	-	-
Inland Port Study Phase IV	2,900	2,900	-	-	-
Inland Port Study Phase V	689,634	-	-	689,634	-
Regional Microtransit Study	7,604	871	-	-	-
Air Quality	97,421	-	97,421	-	-
Measure "C"	557,392	557,392	-	-	-
Measure "C" Oversight Committee	12,969	12,969	-	-	-
Measure "C" Car/Van Pool	390,918	390,918	-	-	-
Measure "C" ADA Seniors	528,908	528,908	-	-	-
Measure "C" Farm/Van Pool	253,360	253,360	-	-	-
Transportation Program Development	295,706	-	35,063	-	30,984
Intergovernmental Coordination	87,769	87,769	-	-	-
Public Info. and Participation	206,177	-	206,177	-	-
Environmental Justice	15,575	-	8,176	-	7,399
Technical Assistance Members	206,691	206,691	-	-	-
Regional Data Center	85,211	-	85,211	-	-
One Voice Advocacy	38,964	38,964	-	-	-
Regional Housing Needs	938,268	938,268	-	-	-
SJV Regional Early Action Planning	841,278	7,950	-	-	-
SJV Regional Early Action Planning 2.0	24,573	24,573	-	-	-
Valley RTPA Coordination	166,731	90,976	75,755	-	-
Fresno COG Administration	365,297	365,297	-	-	-
OWP and Budget	60,066	-	30,033	-	30,033
Transportation Funds Administration	105,782	105,782	-	-	-
FCRTA Administration	607,889	607,889	-	-	-
Transportation Authority Administration	3,099	3,099	-	-	-
Freeway Service Patrol	742,328	149,408	-	-	-
Total expenditures	14,623,958	7,052,739	1,692,188	689,634	349,087
Depreciation	33,750				
Net gain (loss)	\$ 740,303				

FRESNO COUNCIL OF GOVERNMENTS | JUNE 30, 2023
Schedule of Grant Receipts and Expenditure Claims (Continued)

	Federal Transit Administration					
	FTA 5307	FTA 5311(F)	FTA 5339	SPR	State PPM 6504(012/014)	FSP 6504(010/013/016)
REVENUES						
Federal grants	\$ 328,340	\$ 20,683	\$ 1,740,867	\$ 262,969	\$ -	\$ -
Non-federal revenue:						
State assistance	-	-	-	-	229,659	592,920
Local revenue sources	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-
Total revenues	\$ 328,340	\$ 20,683	\$ 1,740,867	\$ 262,969	\$ 229,659	\$ 592,920
EXPENDITURES						
Regional Streets & Roads	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Regional Transportation Modeling	-	-	-	-	-	-
Regional Traffic Monitoring	-	-	-	-	-	-
Intelligent Transportation Systems	-	-	-	-	-	-
Regional Transportation Mitigation Fee	-	-	-	-	-	-
National Park Studies	96,899	20,683	-	-	-	-
Golden State Corridor	-	-	-	-	-	-
Public Trans. - Urban	231,441	-	-	-	-	-
Federal Transit Administration Direct Grants	-	-	1,740,867	-	-	-
Access for All Program	-	-	-	-	-	-
Other Modal Elements	-	-	-	-	-	-
High Speed Rail	-	-	-	-	-	-
Airport Land Use	-	-	-	-	-	-
Regional ATP Update	-	-	-	-	-	-
Freight Movement/Planning	-	-	-	-	-	-
Inland Port Study Phase II	-	-	-	-	-	-
SJV Household Travel Survey	-	-	-	-	-	-
Inland Port Study Phase III	-	-	-	262,969	-	-
Regional Transportation Plan	-	-	-	-	-	-
Transportation Performance Management	-	-	-	-	-	-
Congestion Management Plan	-	-	-	-	-	-
Regional VMT Mitigation Program	-	-	-	-	-	-
Inland Port Study Phase IV	-	-	-	-	-	-
Inland Port Study Phase V	-	-	-	-	-	-
Regional Microtransit Study	-	-	-	-	-	-
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	-	-	-	-	229,659	-
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	-	-	-	-	-	-
SJV Regional Early Action Planning 2.0	-	-	-	-	-	-
Valley RTPA Coordination	-	-	-	-	-	-
Fresno COG Administration	-	-	-	-	-	-
OWP and Budget	-	-	-	-	-	-
Transportation Funds Administration	-	-	-	-	-	-
FCRTA Administration	-	-	-	-	-	-
Transportation Authority Administration	-	-	-	-	-	-
Freeway Service Patrol	-	-	-	-	-	592,920
Total expenditures	\$ 328,340	\$ 20,683	\$ 1,740,867	\$ 262,969	\$ 229,659	\$ 592,920

FRESNO COUNCIL OF GOVERNMENTS | JUNE 30, 2023
 Schedule of Grant Receipts and Expenditure Claims (Continued)

	State SB 1	State REAP	TNC WAV
REVENUES			
Federal grants	\$ -	\$ -	\$ -
Non-federal revenue:			
State assistance	417,912	1,053,377	193,583
Local revenue sources	-	-	-
Interest revenue	-	-	-
Miscellaneous revenue	-	-	-
Total revenues	\$ 417,912	\$ 1,053,377	\$ 193,583
EXPENDITURES			
Regional Streets & Roads	\$ -	\$ -	\$ -
Regional Transportation Modeling	85,049	-	-
Regional Traffic Monitoring	-	-	-
Intelligent Transportation Systems	-	-	-
Regional Transportation Mitigation Fee	-	-	-
National Park Studies	-	-	-
Golden State Corridor	-	-	-
Public Trans. - Urban	-	-	-
Federal Transit Administration Direct Grants	-	-	-
Access for All Program	-	-	193,583
Other Modal Elements	-	-	-
High Speed Rail	-	-	-
Airport Land Use	-	-	-
Regional ATP Update	45,805	-	-
Freight Movement/Planning	-	-	-
Inland Port Study Phase II	-	-	-
SJV Household Travel Survey	151,287	220,049	-
Inland Port Study Phase III	-	-	-
Regional Transportation Plan	-	-	-
Transportation Performance Management	-	-	-
Congestion Management Plan	-	-	-
Regional VMT Mitigation Program	129,038	-	-
Inland Port Study Phase IV	-	-	-
Inland Port Study Phase V	-	-	-
Regional Microtransit Study	6,733	-	-
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	-	833,328	-
SJV Regional Early Action Planning 2.0	-	-	-
Valley RTPA Coordination	-	-	-
Fresno COG Administration	-	-	-
OWP and Budget	-	-	-
Transportation Funds Administration	-	-	-
FCRTA Administration	-	-	-
Transportation Authority Administration	-	-	-
Freeway Service Patrol	-	-	-
Total expenditures	\$ 417,912	\$ 1,053,377	\$ 193,583

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEAR ENDED JUNE 30, 2023

Schedule of Insurance Coverage

Insurance coverage of Fresno COG at June 30, 2023 is as follows:

Fire Insurance:		
Office personal property 90% co-insurance	\$	209,000
Liability Coverage:		
All inclusive (combined single limit):		
Bodily injury	\$	2,000,000
Group Travel Accident	\$	500,000
Worker's Compensation Insurance		Statutory

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEAR ENDED JUNE 30, 2023
 Schedule of Cost Allocation Plan Reconciliation and Fixed Rate Overhead Carryover

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, 2023:

Budget Item	Actual Expense	Eligible Depreciation	Allocated to Other Programs	Direct Expenses	Indirect Expenses
Salaries and benefits:					
Direct	\$ 2,581,511	\$ -	\$ (882,057)	\$ 1,699,454	\$ -
Indirect	740,167	-	-	-	740,167
Total salaries and benefits	<u>3,321,678</u>	<u>-</u>	<u>(882,057)</u>	<u>1,699,454</u>	<u>740,167</u>
Indirect overhead:					
Telephone	11,533	-	-	-	11,533
Insurance	5,165	-	-	-	5,165
Postage	3,269	-	-	-	3,269
Printing supplies	6,750	-	-	-	6,750
Office supplies	17,746	-	-	-	17,746
Publications	2,622	-	-	-	2,622
Advertising and legal notice	13,751	-	-	-	13,751
Computer supplies	37,707	-	-	-	37,707
Debt service principal - building lease	250,903	-	(19,345)	-	231,558
Utilities	64,472	-	-	-	64,472
Equipment lease	14,602	-	-	-	14,602
Repair and maintenance	19,109	-	-	-	19,109
Travel expenses	24,211	-	(1,913)	-	22,298
Depreciation	-	33,750	-	-	33,750
Legal and accounting	26,735	-	-	-	26,735
Total indirect overhead	<u>498,575</u>	<u>33,750</u>	<u>(21,258)</u>	<u>-</u>	<u>511,067</u>
Total costs	<u>\$ 3,820,253</u>	<u>\$ 33,750</u>	<u>\$ (903,315)</u>	<u>\$ 1,699,454</u>	<u>\$ 1,251,234</u>

Direct expenses - at June 30, 2023	\$ 1,699,454
Approved indirect cost rate for June 30, 2023	<u>70.33%</u>
Total allocable indirect expenses - at June 30, 2023	<u>\$ 1,195,226</u>
Actual indirect expenses - at June 30, 2023	\$ 1,251,234
Under recovery indirect expenses - at June 30, 2021	<u>228,429</u>
Net eligible indirect expenses - June 30, 2023	<u>\$ 1,479,663</u>
Under recovery of indirect expense - at June 30, 2023	<u>\$ 284,437</u>
Under recovery of indirect expense - at June 30, 2022	<u>\$ 80,334</u>

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEAR ENDED JUNE 30, 2023

Schedule of Expenditures of Federal Awards

Federal Grantor Pass-Through Grantor/Program Title	ALN Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through Amounts to Subrecipients
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<u>Federal Highway Works Administration:</u>				
Pass-through California Department of Transportation				
Highway Planning and Construction Cluster:				
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	74A0809	\$ 1,955,157	\$ -
Total Highway Planning and Construction Cluster			<u>1,955,157</u>	<u>-</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	231,441	-
FTA 5307 - Federal Transit Formula Grant (Urbanized Area Formula Program) YARTS	20.507	CA-95-X318-00	96,899	-
FTA 5339 - Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Discretionary Programs (Bus and Bus Facilities Program)	20.526	CA-2021-023-00	<u>1,740,867</u>	<u>1,740,867</u>
Total Federal Transit Cluster			<u>2,069,207</u>	<u>1,740,867</u>
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program	20.223	693JJ32250005	689,634	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	74A0809	349,087	-
COVID-19 FTA 5311 - Formula Grants for Rural Areas - YARTS	20.509	64KO20-01362	<u>20,683</u>	<u>-</u>
Total Federal Transit Administration			<u>1,059,404</u>	<u>-</u>
Total U.S. Department of Transportation			<u>5,083,768</u>	<u>1,740,867</u>
Total Expenditures of Federal Awards			<u>\$ 5,083,768</u>	<u>\$ 1,740,867</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.

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.



**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, General Fund, and the aggregate remaining fund information of Fresno Council of Governments (Fresno COG), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Fresno COG's basic financial statements, and have issued our report thereon dated November 2, 2023.

Report on 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 the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

Price Pange & Company

Clovis, California
November 2, 2023



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Fresno Council of Governments (Fresno COG)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Fresno COG's major federal programs for the year ended June 30, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Fresno COG and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Fresno COG's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Fresno COG's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Fresno COG's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Fresno COG's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Fresno COG's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Fresno COG's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Fresno COG's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Price Pange & Company

Clovis, California
November 2, 2023

FINDINGS AND QUESTIONED COSTS

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 weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) 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

Assistance Listing Number

20.507 / 20.526

Name of Federal Program or Cluster

Federal Transit Cluster

Dollar threshold used to distinguish
 between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

FINANCIAL STATEMENT FINDINGS

None reported.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.