

Fresno County Regional Transportation Mitigation Fee Agency | 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
Fresno County Regional Transportation Mitigation Fee Agency
Fresno, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Fresno County Regional Transportation Mitigation Fee Agency (the Agency), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency'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 Agency, as of June 30, 2023, and the respective changes in financial position, thereof 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 the Agency 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 the Agency'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.

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

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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 the Agency'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 Agency'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

Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023, on our consideration of the Agency'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 the Agency'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 Agency's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
December 27, 2023

BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

FRESNO COUNTY REGIONAL TRANSPORTATION MITIGATION FEE AGENCY | JUNE 30, 2023

Fiduciary Funds
Statement of Fiduciary Net Position

ASSETS	
Cash and investments	\$ 1,139,592
Interest receivable	<u>5,557</u>
Total assets	<u>1,145,149</u>
LIABILITIES	
Due to Fresno County Transportation Authority	1,091,945
Due to Fresno Council of Governments	<u>15,751</u>
Total liabilities	<u>1,107,696</u>
NET POSITION	
Restricted for:	
Other governments	<u>37,453</u>
Total net position	<u>\$ 37,453</u>

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

FRESNO COUNTY REGIONAL TRANSPORTATION MITIGATION FEE AGENCY | FOR THE YEAR ENDED JUNE 30, 2023

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

ADDITIONS

Administrative revenue	\$	46,475
Interest revenue		<u>1,055</u>

Total additions		<u>47,530</u>
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DEDUCTIONS

Administrative expense		<u>36,448</u>
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Total deductions		<u>36,448</u>
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Net increase (decrease) in fiduciary net position		11,082
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Net position - beginning		<u>26,371</u>
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Net position - ending	\$	<u><u>37,453</u></u>
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The notes to the basic financial statements are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Fresno County Regional Transportation Mitigation Fee (RTMF) Agency (the Agency) was created by the approval of the Fresno County's Measure C Extension Expenditure Plan (the Plan) by the voters of Fresno County (the County) in November 2006. The Plan authorized the imposition of developer fees in the County for 20 years. The Agency is intended to ensure that future development contributes to its fair share towards the cost of infrastructure to mitigate the indirect regional transportation impacts of new growth in a manner consistent with the provision of the State of California Mitigation Fee Act. The fees will help fund improvements needed to maintain the target level of service in the face of the higher traffic volumes brought on by new developments.

The Agency, which is facilitated through the Fresno Council of Governments, establishes and collects the fees and transfers those funds to the Fresno County Transportation Authority on a quarterly basis to fund specific transportation projects outlined in the Plan.

B. Basis of Presentation – Fund Accounting

The Agency's basic financial statements consist of fund financial statements. The fund financial statements provide information about the Agency's funds, including fiduciary funds. The statement of fiduciary net position and the statement of changes in fiduciary net position provide information regarding the RTMF fees collected and related disbursements, which are exclusively restricted for specific projects outlined in the Plan and administration expenses incurred.

The Agency reports the following fiduciary fund:

Private-Purpose Trust Fund – used to account for RTMF fees held by the Agency in a trustee capacity.

C. Measurement Focus

Measurement focus is a term used to describe which transactions are recorded within the financial statements. The Agency's basic financial statements include the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. The fiduciary financial statements are presented using the economic resources measurement focus. The economic resources measurement focus requires both current and long-term economic resources to be reported in the financial statements.

D. Basis of Accounting

The Basis of Accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting revenues (additions) are recorded when earned and expenses (deductions) 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.

E. Cash

In accordance with the Joint Powers Agreement, under which the Agency is governed, all cash is deposited with the Fresno County Auditor-Controller/Treasurer. The Agency'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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Use of Estimates

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

NOTE 2 – CASH AND INVESTMENTS

A. Investments Authorized by the California Government Code and the Agency's Investment Policy

The table below identifies the investment types that are authorized for the Agency by the California Government Code (or the Agency's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Agency'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

NOTE 2 – CASH AND INVESTMENTS (Continued)

B. Disclosures 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. Note that the Agency's investments are not subject to the fair value hierarchy and as such, are disclosed below as is.

Information about the sensitivity of the fair values of the Agency's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Agency'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	\$ 1,139,592	\$ 1,139,592	\$ -	\$ -	\$ -
Total	\$ 1,139,592	\$ 1,139,592	\$ -	\$ -	\$ -

C. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Agency'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 disclosure as to credit risk.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End	
				AAA	Not Rated
Fresno County Investment Pool	\$ 1,139,592	N/A	\$ 1,139,592	\$ -	\$ -
Total	\$ 1,139,592	N/A	\$ 1,139,592	\$ -	\$ -

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 credit 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. Fair Value Hierarchy

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized 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 County Treasury Investment Pool 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.

OTHER INDEPENDENT AUDITOR'S REPORT



**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
Fresno County Regional Transportation Mitigation Fee Agency
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 Fresno County Regional Transportation Mitigation Fee Agency (the Agency), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 27, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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*.

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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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Price Page & Company

Clovis, California
December 27, 2023