



Board of Directors
Fresno County Transportation Authority
Fresno, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fresno County Transportation Authority as of and for the year ended June 30, 2024, and have issued our report thereon dated September 8, 2026. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Fresno County Transportation Authority are described in Note 1 to the financial statements.

As described in Note 1, the entity changed accounting policies related to accounting changes and error corrections by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 100, *Accounting Changes and Error Corrections*, effective July 1, 2023. The results of this implementation are discussed in Note 15.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

The following material misstatements detected as a result of audit procedures were corrected by management:

- Interest on the loan between the RTMF and Measure C funds was not recorded in prior years as prescribed by the funding agreement.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Circumstances that affect the form and content of the auditors' report

As previously communicated to you, the report was modified to identify corrections to previously issued financial statements. The following paragraph was added to our auditors' opinion on the financial statements:

Restatement of Net Position and Fund Balance

As described in Note 15 to the financial statements, adjustments to beginning net position and fund balances were recorded for the correction of errors in prior year financial statements. Our opinions are not modified with respect to this matter.

Management representations

We have requested certain representations from management that are included in the management representation letter dated September 8, 2026.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

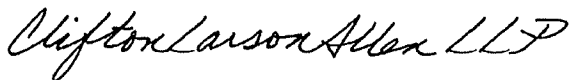
Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

This communication is intended solely for the information and use of the Board of Directors and management of Fresno County Transportation Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Roseville, California
September 8, 2026

CPAs | CONSULTANTS | WEALTH ADVISORS | *NEIGHBORS*

FRESNO COUNTY TRANSPORTATION AUTHORITY

FINANCIAL STATEMENTS

For the Fiscal Year Ended

June 30, 2024

Right there with you

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Fresno County Transportation Authority
Fresno, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fresno County Transportation Authority, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Fresno County Transportation Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fresno County Transportation Authority, as of June 30, 2024, 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 (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fresno County Transportation Authority 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.

Emphasis of Matter

Restatement of Net Position and Fund Balance

As described in Note 15 to the financial statements, adjustments to beginning net position and fund balances were recorded for the correction of errors in prior year financial statements. Our opinions are not modified with respect to this matter.

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 Fresno County Transportation Authority'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.

Auditors' 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 auditors' 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 GAAS 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 GAAS 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 County Transportation Authority'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 Fresno County Transportation Authority's ability to continue as a going concern for a reasonable period of time.

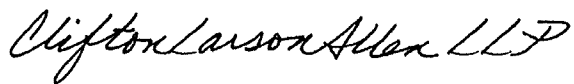
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2026, on our consideration of the Fresno County Transportation Authority'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 Fresno County Transportation Authority'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 County Transportation Authority's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Roseville, California
September 8, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

FRESNO COUNTY TRANSPORTATION AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS June 30, 2024

This section of the Fresno County Transportation Authority's (Authority) annual financial report presents a discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2024. Please read the information contained in this discussion and analysis in conjunction with the Authority's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Authority exceeded liabilities and deferred inflows of resources (referred to as net position) at the end of the 2023-2024 fiscal year by \$398,944,130. Of this amount, \$13,008,179 is considered unrestricted net position, \$385,922,783 is restricted net position and limited for specific purposes, and \$13,168 is invested in capital assets.
- The Authority's total net position increased by \$21,395,308. Revenue received and allocated to capital projects as directed by the Measure C Extension Program during the fiscal year was more than capital project expenses during the fiscal year ended June 30, 2024, thereby resulting in increased net position.
- As of June 30, 2024, the Authority's governmental funds reported combined fund balances of \$398,556,626, which is an increase of \$20,883,604 from last fiscal year's fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of three components 1) **Government-wide** financial statements; 2) **Fund** financial statements; and 3) **Notes** to the basic financial statements. Required Supplementary Information (RSI) is included in addition to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. Therefore, the statements are reported using the accrual basis of accounting. Please refer to Note 1 for further information on the accrual basis of accounting.

The statement of net position presents information on all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of activities presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of these government-wide financial statements distinguish functions of the Authority that are principally supported by intergovernmental revenues and sales taxes (*governmental activities*) from other functions that are intended to recover all, or a portion, of their costs through user fees and charges (*business-type activities*). The governmental activity of the Authority is public ways and facilities. During the fiscal year reported, the Authority did not have any business-type activities. **The government-wide financial statements can be found on pages 11-12 of this report.**

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. The fund financial statements are reported using the modified accrual basis of accounting, which was designed to reflect budgetary processes used by governments. See Note 1, Section B, for further information regarding the modified accrual basis of accounting. The Authority's funds can be

**FRESNO COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

divided into two categories: Governmental funds (General Fund, Measure C Special Revenue Fund, and RTMF Special Revenue Fund) and Fiduciary Funds (Custodial Fund).

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Authority's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Authority's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Authority's General Fund, Measure C Special Revenue Fund, and RTMF Special Revenue Fund budgetary comparison schedules are presented in RSI. The Authority adopts an annual appropriated budget for its General Fund, Measure C Special Revenue Fund, and RTMF Special Revenue Fund. Budgetary comparison schedules are thus provided for the General Fund, Measure C Special Revenue Fund, and RTMF Special Revenue Fund to demonstrate compliance with this budget.

The Authority reports three individual major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances.

The governmental funds financial statements can be found on pages 13-16 of this report.

Fiduciary Funds are used to account for resources held by the Authority in a trustee or agency capacity for others (i.e., Local Agencies). Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Authority's own programs. The type of fiduciary fund used by the Authority can be further classified as a *Custodial Fund*. There are two basic financial statements used to report information on the fiduciary funds: the statement of fiduciary net position (required for all fiduciary funds) and the statement of changes in fiduciary net position (required for all fiduciary funds except agency funds).

The fiduciary fund financial statements can be found on pages 17-18 of this report.

Notes to the Basic Financial Statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 19-31 of this report.

Required Supplementary Information (other than MD&A) is presented for the budgetary comparison schedules of the General Fund, Measure C Special Revenue Fund, and RTMF Special Revenue Fund, which are presented immediately following the notes to the basic financial statements.

**FRESNO COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$398,944,130 at the close of fiscal year 2023-2024.

**STATEMENT OF NET POSITION
June 30, 2024**

	Governmental Activities	
	June 30, 2024	June 30, 2023
Assets:		
Current and other assets	\$ 411,229,779	\$ 392,977,792
Capital assets	13,168	1,911
Total assets	<u>411,242,947</u>	<u>392,979,703</u>
Liabilities:		
Current and other liabilities	12,208,893	14,927,496
Compensated absences	89,924	126,111
Total liabilities	<u>12,298,817</u>	<u>15,053,607</u>
Deferred inflows of resources	<u>—</u>	<u>377,274</u>
Net position:		
Net investment in capital assets	13,168	1,911
Restricted	385,922,783	366,209,802
Unrestricted	<u>13,008,179</u>	<u>11,337,109</u>
Total net position	<u><u>\$398,944,130</u></u>	<u><u>\$377,548,822</u></u>

One portion of net position, in the amount of \$13,168, represents its investment in capital assets (equipment). The Authority has acquired no debt outstanding for those assets. The Authority uses these capital assets in day-to-day operations. Consequently, these assets are not available for future spending.

Another portion of the Authority's net position is unrestricted surplus in the amount of \$13,008,179, which represents the unspent and unassigned cash balances in the General and Special Revenue Funds. The change of not encumbering funds represents the major difference with prior fiscal year amounts. The remaining balance of the Authority's net position of \$385,922,783 represents resources that are subject to external restrictions on how they may be used.

**FRESNO COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

Governmental activities: Governmental activities increased the Authority's net position by \$21,395,308. The following table indicates the changes in net position for governmental activities:

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Governmental Activities	
	June 30, 2024	June 30, 2023
Revenues:		
General revenues:		
Sales tax	\$ 47,305,255	\$ 47,160,375
Interest and investment earnings	18,146,552	5,225,633
Mitigation fees	6,739,153	4,384,643
Program revenues:		
Operating grants and contributions	454,689	7,924
Total revenues	<u>72,645,649</u>	<u>56,778,575</u>
Expenses:		
Public ways and facilities	49,309,460	37,644,357
Interest on long-term debt	1,940,881	—
Total expenses	<u>51,250,341</u>	<u>37,644,357</u>
Change in net position	21,395,308	19,134,218
Net position - beginning	<u>377,548,822</u>	<u>358,414,604</u>
Net position - ending	<u><u>\$398,944,130</u></u>	<u><u>\$377,548,822</u></u>

The key element for the variance between the current fiscal year increases of \$21,395,308 as compared to prior fiscal year is primarily attributable to the increase in mitigation fees revenue and an increase in investment earnings. Governmental activities budget and subsequently issue fund financial statements that reflect the modified accrual basis of accounting under accounting principles generally accepted in the United States of America. Under this approach, capital asset purchases and debt principal payments are recorded as expenditures. Further, revenues are accrued if measurable and available within the Authority's availability period established at 60 days. Conversely, the statement of activities is reported under the accrual basis of accounting, which capitalizes capital asset purchases, reduces liabilities by principal payments and recognizes revenues collected after fiscal year-end and during the 60-day period.

**FRESNO COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

FINANCIAL ANALYSIS OF THE AUTHORITY'S FUNDS

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The general government functions are contained in the General and Special Revenue Funds. The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Authority's financing requirements.

At June 30, 2024, the Authority's governmental funds reported combined fund balances of \$398,556,626, an increase of \$20,883,604 in comparison with the prior fiscal year's combined fund balance. Except for assigned fund balances of \$13,087,049 in the General Fund and the unassigned negative fund balance of \$(77,257,263) in the RTMF Special Revenue Fund, the remaining combined fund balance is reserved to indicate that it is not available for new spending because it is restricted to pay capital projects.

Revenues for the governmental funds totaled \$72,181,389 in fiscal year 2023-2024, which represents an increase of 27.13% from fiscal year 2022-2023. This increase is primarily attributed to an increase in investment earnings from the prior fiscal year.

Expenditures for governmental funds totaled \$51,297,785 in fiscal year 2023-2024, which represents an increase of 36.28% from fiscal year 2022-2023. This increase is primarily due to increased expenses in highway capital improvements as a result of construction phases of major capital projects during the fiscal year and planning phases started for recently accepted projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year there were no adjustments between the original budget and the final budget for the General Fund. Actual revenues were above the final budget by \$229,297 and actual expenditures were less than the final budget by \$547,712. The net effect of the actual amounts results in an increase in fund balance in the General Fund of \$1,623,829.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Authority's investment in capital assets, for its governmental activities as of June 30, 2024, amounted to \$13,168. The total increase in the Authority's investment in capital assets for the current period was 589.06% due the addition of office equipment in fiscal year 2023-2024.

Capital assets for the governmental activities are presented below to illustrate changes from the prior fiscal year:

	Governmental Activities		Increase / (Decrease)
	2024	2023	Percent of Change
Equipment	\$ 13,168	\$ 1,911	589.06%

**FRESNO COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

Long-Term Liabilities

At June 30, 2024, the Authority had no outstanding bonds. Please refer to Note 6 on page 27 for further information on the Authority's long-term liabilities.

ECONOMIC FACTORS AND NEXT FISCAL YEAR'S BUDGET/PROGRAM

The Authority continues its commitment to the implementation of the largest transportation public works project in Fresno County history. Today, as Fresno County continues to grow, a strong transportation system is critical. Not only do our roads and other systems of transportation contribute to the overall economic growth of the region but they also improve personal mobility and contribute to the quality of life enjoyed by our local residents, which is why Measure C funding is of such great importance.

During the fiscal year 23-24, the Authority has accomplished much, including several key, ongoing, and completed transportation projects:

- Shaw Avenue (DeWolf to McCall) - Phase 1 in construction, Phase 2 Design & Right-of-Way activities ongoing;
-
- Route 180E - Trimmer Springs to Frankwood - Environmental Mitigation ongoing;
- Veterans Boulevard - Construction substantially Complete, in plant establishment;
- Golden State Corridor (American to Tulare County Line) - Phase 1 in construction, Phase 2 and 3 in Design;
- Herndon - Polk to Milburn - Design complete, utility coordination with BNSF ongoing;
- Herndon - Temperance to DeWolf - Design & R/W activities ongoing;
- Peach Ave. - Florence to Butler - Construction ongoing;
- SR99 / American Ave. Interchange - In Design, R/W Mapping & Utility Coordination phases;
- SR99/Cedar/North Interchange - in Design, R/W Mapping & Utility Coordination phases; and.
- Blackstone McKinley BNSF Grade Separation project - Design & R/W activities ongoing.
- SR41 / Excelsior Expressway project - Design & R/W activities ongoing

The Authority together with the California Department of Transportation (Caltrans), County of Fresno, and the cities in Fresno County will continue to meet its promised commitments:

- To build a complete freeway system;
- To leverage State and Federal dollars to deliver a \$1.2 billion program;
- To leave a track record of responsible and accountable spending of local sales tax dollars; and
- To make the roads safer, reduce congestion and improve air quality.

The following economic factors were considered in preparing the Authority's fiscal year 2023-2024 budget.

- There was a 0.31% increase in Measure C sales tax revenues for 2023-2024.
- Interest earnings were 2.29% for 2023-2024.

**FRESNO COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

- Estimated expenditures for 2023-2024 capital projects in the amount of \$38 million, with \$18.3 million to urban projects, \$18.8 million to rural projects, \$2.7 million to school bus replacement projects, \$1.4 million to transit oriented in-fill projects and \$8.3 million to alternative transportation programs.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director of the Fresno County Transportation Authority, 2220 Tulare Street, Fresno, California 93721.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

FRESNO COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities
Assets	
Cash and investments (Note 4)	\$ 395,378,748
Interest receivable	4,490,117
Accounts receivable	699
Due from other governments (Note 3)	11,360,215
Capital assets, net (Note 5)	13,168
Total assets	411,242,947
Deferred outflows of resources	—
Liabilities	
Accounts payable	10,503,202
Salaries and benefits payable	132,050
Interest payable	1,573,641
Compensated absences payable (Note 6)	89,924
Total liabilities	12,298,817
Deferred inflows of resources	—
Net position	
Net investment in capital assets	13,168
Restricted for:	
Capital projects	385,922,783
Unrestricted	13,008,179
Total net position	\$ 398,944,130

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

FRESNO COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues	Net (Expense)
		Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental activities:			
Public ways and facilities	\$ 49,309,460	\$ 454,689	\$ (48,854,771)
Interest on long-term debt	1,940,881	—	(1,940,881)
Total	<u>\$ 51,250,341</u>	<u>\$ 454,689</u>	<u>(50,795,652)</u>
General revenues:			
Sales tax			47,305,255
Interest and investment earnings			18,146,552
Mitigation fees			<u>6,739,153</u>
Change in net position			21,395,308
Net position - July 1, 2023			<u>377,548,822</u>
Net position - June 30, 2024			<u><u>\$ 398,944,130</u></u>

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

FUND FINANCIAL STATEMENTS

FRESNO COUNTY TRANSPORTATION AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	General	Measure C Special Revenue	RTMF Special Revenue	Total
Assets				
Cash and investments (Note 4)	\$ 11,290,978	\$372,080,183	\$ 12,007,587	\$395,378,748
Interest receivable	84,650	4,314,813	90,654	4,490,117
Accounts receivable	—	699	—	699
Advances to other funds (Note 7)	—	89,141,822	—	89,141,822
Due from other governments (Note 3)	1,909,335	7,672,360	1,778,520	11,360,215
Total assets	\$ 13,284,963	\$473,209,877	\$ 13,876,761	\$500,371,601
Total assets & deferred outflows of resources	\$ 13,284,963	\$473,209,877	\$ 13,876,761	\$500,371,601
Liabilities				
Accounts payable	\$ 54,810	\$ 10,029,831	\$ 418,561	\$ 10,503,202
Salaries and benefits payable	132,050	—	—	132,050
Advances from other funds (Note 7)	—	—	89,141,822	89,141,822
Interest payable	—	—	1,573,641	1,573,641
Total liabilities	186,860	10,029,831	91,134,024	101,350,715
Deferred inflows of resources (Note 8)	11,054	453,206	—	464,260
Fund balances (Note 13)				
Nonspendable	—	—	—	—
Restricted	—	462,726,840	—	462,726,840
Committed	—	—	—	—
Assigned	13,087,049	—	—	13,087,049
Unassigned	—	—	(77,257,263)	(77,257,263)
Total fund balances (deficits)	13,087,049	462,726,840	(77,257,263)	398,556,626
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 13,284,963	\$473,209,877	\$ 13,876,761	\$500,371,601

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

**FRESNO COUNTY TRANSPORTATION AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
June 30, 2024**

Total fund balances - total governmental funds	\$ 398,556,626
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	13,168
Some assets are deferred in the governmental funds because they are not available within the Authority's 60 day availability period. Thus they are considered unavailable to pay for current-period expenditures. However, they are recognized in the government-wide financial statements.	464,260
Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(89,924)</u>
Total net position of governmental activities	<u><u>\$ 398,944,130</u></u>

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

FRESNO COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2024

	General	Measure C Special Revenue	RTMF Special Revenue	Total
Revenues				
Sales tax	\$ 2,796,461	\$ 44,044,534	\$ —	\$ 46,840,995
Interest	454,135	16,998,594	693,823	18,146,552
Mitigation fees	—	—	6,739,153	6,739,153
Miscellaneous revenue-construction	—	454,689	—	454,689
Total revenues	3,250,596	61,497,817	7,432,976	72,181,389
Expenditures				
Current:				
Public ways and facilities:				
Salaries and employee benefits (Note 14)	711,442	—	—	711,442
Professional services and supplies	900,707	—	—	900,707
Capital outlay	14,618	—	—	14,618
Highway capital improvements	—	36,549,349	11,180,788	47,730,137
Debt service:				
Interest and fiscal charges	—	—	1,940,881	1,940,881
Total expenditures	1,626,767	36,549,349	13,121,669	51,297,785
Net change in fund balances	1,623,829	24,948,468	(5,688,693)	20,883,604
Fund balances, beginning as previously reported	11,463,220	436,564,174	(70,354,372)	377,673,022
Error correction	—	1,214,198	(1,214,198)	—
Fund balance - beginning, as restated	11,463,220	437,778,372	(71,568,570)	377,673,022
Fund balances, ending	<u>\$ 13,087,049</u>	<u>\$462,726,840</u>	<u>\$(77,257,263)</u>	<u>\$398,556,626</u>

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

**FRESNO COUNTY TRANSPORTATION AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024**

Net change in fund balances - total governmental funds	\$	20,883,604
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital assets as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current year.		11,257
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		464,260
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Compensated absence expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		36,187
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Change in net position of governmental activities	\$	<u>21,395,308</u>
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The accompanying notes to the financial statements are an integral part of this statement.

**FRESNO COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
June 30, 2024**

Assets

Cash and investments	\$ 5,789,311
Due from other governments	10,212,461
Interest receivable	<u>41,393</u>
Total assets	<u>16,043,165</u>

Liabilities

Due to other governmental units	<u>5,031,854</u>
Total liabilities	<u>5,031,854</u>

Net position

Restricted for:	
Other governments	<u>11,011,311</u>
Total net position	<u><u>\$ 11,011,311</u></u>

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

**FRESNO COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
For the Fiscal Year Ended June 30, 2024**

Additions	
Sales tax	\$ 62,306,899
Interest	<u>1,456,603</u>
Total additions	<u>63,763,502</u>
Deductions	
Disbursements to local agencies	<u>63,417,754</u>
Total deductions	<u>63,417,754</u>
Net Increase	345,748
Net position - beginning as previously reported	<u>6,700,494</u>
Error correction	<u>3,965,069</u>
Net position - beginning, as restated	<u>10,665,563</u>
Net position - ending	<u><u>\$ 11,011,311</u></u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

FRESNO COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Fresno County Transportation Authority (Authority) was created by the approval of Measure C by the voters of Fresno County (County) in November 1986. Measure C authorized the imposition of a ½% sales and use tax (sales tax) in the County for 20 years, the proceeds of which are principally reserved for highway improvements, local transportation improvements, growth management and regional planning purposes (programs) in the County. The ½% sales tax commenced July 1, 1987, and expired on June 30, 2007.

In November of 2006, County voters approved a ballot Measure extending Measure C for an additional 20 years. This extension continues the authorization and collection of a ½% sales and use tax in the County for 20 years. Under the terms of the extension of the Measure C program, proceeds of Measure C are principally reserved for regional public transit, local transportation, regional transportation, alternative transportation, and environmental enhancement (programs) in the County. The ½% sales tax commenced July 1, 2007, and will expire on June 30, 2027.

The sales tax revenues received by the Authority under Measure C, after deducting certain administrative costs, are to be spent for programs as set forth in the expenditure plan included in Measure C. All revenues, including interest and other revenues, not designated by Measure C for a specific purpose are to be spent on capital projects for other government agencies set forth in the expenditure plan. The expenditure plan will be updated every 2 years to adjust the projection of sales tax receipts.

The basic financial statements of the Authority include all its financial activities. The Authority is the sole independent agency responsible for receiving and allocating funds necessary to complete the programs and is governed by a nine-member board composed of representatives who are elected officials from the County and local cities and two members from the public at large.

B. Measurement Focus, Basis of Accounting, and Financial Statement Approach

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. *Government activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Authority does not have any *business-type activities*.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

FRESNO COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Financial Statement Approach (Continued)

Fund Financial Statements

The fund financial statements provide information about the Authority's individual funds including governmental and fiduciary funds. Separate statements for each fund category are presented. The balance sheet and statement of revenues, expenditures, and changes in fund balances focus on the presentation of the major governmental funds: the General and Special Revenue Funds. These two statements are used to report information regarding the Authority's own operations and programs. The statement of fiduciary net position and the statement of changes in fiduciary net position provide information regarding the sales tax proceeds and related disbursements, which are exclusively restricted for local agencies for the support of regional public transit, local transportation and regional transportation within the County. Disbursements of Measure C funds during fiscal year ended June 30, 2024, were made to the 15 cities within the County and the County along with the Fresno Area Express (FAX), Clovis Transit, Fresno County Rural Transit Agency (FCRTA) and the Council of Fresno County Governments (Fresno COG).

The Authority reports the following major governmental funds:

- The *General Fund* is the general operating fund of the Authority. It is used to account for all the financial resources except those required to be accounted for in another fund. Activities of the General Fund include administrative services and planning related to Measure C projects.
- The *Special Revenue Funds* are used by the Authority to account for the accumulation of resources required to be allocated to local cities and the County for local transportation improvements, including streets and roads as directed by the original Measure C Program. The original Measure C Program allowed for 25% of net sales tax revenues to be disbursed to the local agencies upon compliance with certain provisions and to be used for local street maintenance and improvements. These requirements expired with the original Measure C Program on June 30, 2007. Beginning with July 1, 2007, the Measure C Program extension allowed for resources classified under the Measure C Special Revenue Fund to also be used to fund the School Bus Replacement and Transit Oriented Infrastructure for In-Fill Programs. As of July 1, 2010, the Capital Projects Fund has been reclassified and consolidated to the Measure C Special Revenue Fund. As a result of the consolidation, the Measure C Special Revenue Fund is also being used to account for urban and rural capital projects that were formerly accounted for in the Capital Projects Fund. The Special Revenue Funds consist of the Measure C Special Revenue Fund and the Regional Transportation Mitigation Fee (RTMF) Special Revenue Fund. The Measure C Special Revenue Fund accounts for the Original Measure C and the Measure C Extension Programs. Revenue sources for the Measure C Special Revenue Fund include sales tax revenue and interest earnings. Beginning with the fiscal year 2012-2013, the RTMF Special Revenue Fund is used to account for the RTMF programs. Revenue sources are RTMF fee collections and interest earnings. The fund maintains a negative fund balance as funds are spent in advance of mitigation fees.

The Authority reports the following fiduciary fund:

- The *Custodial Fund* is used to account for the portion of Measure C sales tax proceeds (and related disbursements) exclusively restricted for local agencies for the support of regional public transit, local transportation and regional transportation within the County. Disbursements of Measure C funds during fiscal year ended June 30, 2024, were made to the 15 cities within the County and the County of Fresno along with the FAX, Clovis Transit, FCRTA, and the Fresno COG. This fund is omitted from the government-wide financial statements as its purpose is not for the benefit of the Authority.

FRESNO COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Financial Statement Approach (Continued)

Measurement Focus

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. However, compensated absences and claims and judgments are recorded only when payment is due and payable.

Amounts reported as *program revenue* include: 1) charges for services and 2) operating grants and contributions which, for the fiscal year ended June 30, 2024, are primarily made up of refunds from final accounting by the California Department of Transportation (Caltrans) in the amount of \$454,689. General revenues include all taxes, investment earnings and mitigation fees.

When both restricted and unrestricted resources are available for use, the Authority's practice is to follow the default order of spending which is to use restricted resources first, then unrestricted resources as they are needed.

C. Assets, Liabilities, and Net Position or Fund Balance

Cash and Investments

Investments for the Authority are reported at cost which approximates fair value.

Capital Assets

The Authority's assets are capitalized at historical cost or estimated historical cost. Gifts or contributions of capital assets are recorded at fair value when received. Depreciation is recorded on a straight-line basis over the useful lives of the equipment. The Authority capitalizes all assets with a useful life of five years or longer.

Accounts Payable

Accounts payable reported on the financial statements of the Authority are amounts that are due and payable at fiscal year-end and thereby accrued as an expense and liability. Accounts payable primarily consist of professional and specialized services, office expense, and highway capital improvements.

Compensated Absences

Vested vacation and sick leave benefits are accrued when earned in the governmental activities financial statements and when due and payable in the governmental funds financial statements.

FRESNO COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Net Position or Fund Balance (Continued)

Retainage Payable

The Authority withholds certain amounts due on construction contracts pending completion and inspection of various projects. The retainage payable reflects 5% - 10% of all invoiced expenditures for contract work performed by non-county engineering and construction firms that have not posted securities in the form of certificates of deposit or interest-bearing demand deposit accounts, or irrevocable standby letters of credit as of the fiscal year-end. As of June 30, 2024, all contractors with the Authority had posted collateral in accordance with these terms and conditions. Therefore, there is no retainage payable as of June 30, 2024.

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities, when applicable. Activity between funds that is representative of lending or borrowing arrangements is reported as either due to/from other funds or advances to/from other funds. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line on the government-wide statement of net position, when applicable.

Deferred Outflows and Inflows of Resources

Pursuant to Governmental Accounting Standards Board (GASB) Statements No. 63 and No. 65, the Authority recognizes deferred outflows and inflows of resources. A deferred outflow of resources is defined as a consumption of net position or fund balance by the Authority that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position or fund balance by the Authority that is applicable to a future reporting period. As of June 30, 2024, the Authority had no deferred outflows of resources and reports \$464,260 of deferred inflows of resources.

Net Position

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

Net Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation reduces the balance in this category.

Restricted Net Position - This category presents amounts with external restrictions imposed on their use by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents net position of the Authority, not restricted for any project or other purpose.

FRESNO COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Net Position or Fund Balance (Continued)

Fund Balance

In the fund financial statements, governmental funds report fund balances as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the Authority is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* – 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 fund balance* – amounts with constraints placed on their use that are 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 fund balance* – amounts that can only be used for specific purposes determined by formal action of the Authority's highest level of decision-making authority (the Directors of the Authority's Board of Directors (Board)) and that remain binding unless removed in the same manner. Committed fund balance does not lapse at fiscal year-end. The formal action must occur prior to the end of the reporting period. However, the amount that 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 fund balance* – amounts that are constrained by the Authority's *intent* to be used for specific purposes. The intent can be established at either the highest level of decision-making or by a body or an official designated for that purpose. The Board delegated the authority to assign fund balance for a specific purpose to the Executive Director.
- *Unassigned fund balance* – the residual classification for the Authority's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

When both restricted and unrestricted resources are available for use, the Authority's practice is to follow the default order of spending which is to use restricted resources first, followed by the committed, assigned and unassigned resources as needed.

Minimum Fund Balance Policy: The Authority has not adopted and does not maintain a minimum fund balance policy.

D. Budgets and Budgetary Data

The Authority adopts a legal annual operating budget for its General Fund, Measure C Special Revenue Fund, and RTMF Special Revenue Fund. All budget transfers and expenditures are approved by the Board or by the Authority Administrator prior to disbursement. The legal level of budgetary control is at the object level. The final budget revenue and expenditure amounts represent the original budget modified by any amendments and adjustments that have occurred during the fiscal year. Unencumbered appropriations lapse at the fiscal year-end.

Budgetary comparison schedules for the General Fund, Measure C Special Revenue Fund, and the RTMF Special Revenue Fund are presented on pages 32, 33, and 34, respectively, in Required Supplementary Information. Their purpose is to demonstrate compliance with the approved budget for fiscal year 2023-2024. Actual expenditures appearing on the schedules are presented using the accrual basis of accounting.

FRESNO COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other

Professional Services

The Authority has agreements with the County, whereby the County provides legal, accounting and other professional and technical services.

Use of Management Estimates

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

Recently Issued Accounting Pronouncements

During the fiscal year ending June 30, 2024, the Authority implemented the following standards:

GASB Statement No. 100 – *Accounting Changes and Error Correction – an Amendment of GASB Statement No. 62.* The requirements of this statement are effective for reporting periods after June 15, 2023. Implementation of this statement is reflected in the error correction applied to Custodial Funds.

The following GASB statements will be implemented in future financial statements:

GASB Statement No. 101 – *Compensated Absences.* The requirements of this statement are effective for reporting periods beginning after December 15, 2023. The Authority will implement this statement when and where applicable.

GASB Statement No. 102 - *Certain Risk Disclosures.* The requirements of this statement are effective for reporting periods beginning after June 15, 2024. The Authority will implement this statement when and where applicable.

GASB Statement No. 103 - *Financial reporting Model Improvements.* The requirements of this statement are effective for reporting periods beginning after June 15, 2025. The Authority will implement this statement when and where applicable.

GASB Statement No. 104 - *Disclosure of Certain Capital Assets.* The requirements of this statement are effective for reporting periods beginning after June 15, 2025. The Authority will implement this statement when and where applicable.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND GOVERNMENTAL FUND FINANCIAL STATEMENTS

A reconciliation of the total fund balances for governmental funds to the total net position of governmental activities has been prepared as part of the basic financial statements, including explanations of the differences. A reconciliation of the total net change in fund balances for governmental funds to the total changes in net position of governmental activities has also been prepared as part of the basic financial statements, including explanations of the differences.

FRESNO COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 3 – DUE FROM OTHER GOVERNMENTS

Due from other governments mainly consists of sales tax receipts in the months subsequent to the Authority's fiscal year-end relating to the prior fiscal year's sales activity. The Authority has contracted with the California State Board of Equalization for collection and distribution of the ½% sales tax. The Board of Equalization receives an administrative fee for providing this service. The Authority records sales tax revenues net of such fees.

Another component of due from other governments is due from Fresno COG for the Regional Transportation Mitigation Fee (RTMF). In 2010, a Cooperative Agreement was entered into between the Authority and the Fresno County Regional Transportation Mitigation Fee Agency addressing the respective roles and responsibilities of both parties with respect to implementation and administration of the RTMF Program as part of the Measure C Extension component of the Regional Transportation Program. Based on the provisions of the agreement, Fresno COG has been administering the collection and deposit of all fees imposed under the RTMF Program. The collected fees are transferred to the Authority on a quarterly basis.

A summary of due from other governments is as follows:

	General Fund	Measure C Special Revenue	RTMF Special Revenue	Total Due from Other Governments
Due from Fresno COG - RTMF	\$ —	\$ —	\$ 1,778,520	\$ 1,778,520
Due from State - Measure C Sales Tax	1,909,335	7,672,360	—	9,581,695
Total Due from Other Governments, as of June 30, 2024	<u>\$ 1,909,335</u>	<u>\$ 7,672,360</u>	<u>\$ 1,778,520</u>	<u>\$ 11,360,215</u>

NOTE 4 – CASH AND INVESTMENTS

The Authority, under contract, maintains specific cash deposits and investments with the Fresno County Auditor-Controller/Treasurer-Tax Collector, and participates in the common investment pool of the County.

A. Financial Statement Presentation

As of June 30, 2024, the Authority's cash and investments are reported in the financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 395,378,748
Fiduciary Funds:	
Cash and Investments	<u>5,789,311</u>
Total cash and investments	<u>\$ 401,168,059</u>

As of June 30, 2026, the Authority's cash and investments consisted of the following:

Investments:

County of Fresno Treasurer's Investment Pool	<u>\$ 401,168,059</u>
Total cash and investments	<u>\$ 401,168,059</u>

FRESNO COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024

B. Investments

The Authority does not have a formal investment policy. At June 30, 2024, all investments of the Authority were in the County of Fresno investment pool. Under the provisions of the County's investment policy and the California Government Code (CGC), the County may invest or deposit in the following:

- U.S. Treasury Bills, Note and Bonds
- U.S. Government Agency Obligations
- Bankers' Acceptances
- Commercial paper
- Negotiable Certificates of Deposit
- Non-Negotiable Certificates of Deposit
- Repurchase Agreements
- Local Agency Investment Fund
- Medium-Term Notes
- Mutual Funds
- Mortgage-Backed Securities

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. As a participant in the Fresno County Investment Pool, the Authority is impacted by the County's management of interest rate risk. The County mitigates the risk by maintaining a diversified portfolio that includes a combination of short-term and long-term investments and by strategically timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time.

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. As of June 30, 2024, the Authority's investments were all in with the County Investment Pool which is not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that the Authority may be unable to recover its deposits or the collateral securities held by an external party in the event of a depository institution's failure. Custodial credit risk for investments is the risk that the Authority may be unable to recover the value of its investments or the collateral securities held by another party if the counterparty (such as a broker-dealer) to a transaction fails. All of the Authority's investments are held in the County investment pool, which includes the following provision applicable to deposits: to guarantee the safety of the public funds, any deposits must be collateralized in accordance with CGC Section 53652 et.al.

Concentration of Credit Risk

Concentration of credit risk refers to the potential for loss arising from the Authority's significant investment in a single issuer of securities. All of the Authority's investments are held in the County investment pool, which adheres to the limitations established by the California Government Code (CGC) and provides diversification across various investments.

The Authority maintains, in an escrow account, amounts retained on certain construction projects. The funds belong to contractors but are held in both the name of the contractors and the Authority until projects are completed. There are no amounts held in escrow as of June 30, 2024.

FRESNO COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 5 – CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2024, is as follows:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024
Governmental Activities				
Capital assets, being depreciated:				
Office equipment	\$ 42,387	\$ 14,618	\$ —	\$ 57,005
Less accumulated depreciation for:				
Office equipment	(40,476)	(3,361)	—	(43,837)
Governmental activities				
Capital assets, net	<u>\$ 1,911</u>	<u>\$ 11,257</u>	<u>\$ —</u>	<u>\$ 13,168</u>

Depreciation expense of \$3,361 was recorded in the statement of activities under the public ways and facilities function for the fiscal year ended June 30, 2024.

NOTE 6 – LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the fiscal year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Compensated absences	\$ 126,111	\$ 102,058	\$ 138,245	\$ 89,924	\$ 89,924
Totals	<u>\$ 126,111</u>	<u>\$ 102,058</u>	<u>\$ 138,245</u>	<u>\$ 89,924</u>	<u>\$ 89,924</u>

Compensated absences will be paid by the General Fund.

NOTE 7 – ADVANCES TO/ADVANCES FROM OTHER FUNDS

Balances of advances to and advances from other funds at June 30, 2024, consisted of the following:

	Advances To	Advances From
Measure C Special Revenue Fund	\$ 89,141,822	\$ —
RTMF Special Revenue Fund	—	89,141,822
	<u>\$ 89,141,822</u>	<u>\$ 89,141,822</u>

**FRESNO COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024**

The balances reflect the amount owed by the RTMF Special Revenue Fund to the Measure C Special Revenue Fund for the Measure C/RTMF loan. In November and December 2014, the Fresno COG and the Authority Boards adopted an update to the Measure C Extension Regional Transportation Mitigation Fee (RTMF) Nexus Study. During the Nexus Study update, it was pointed out that between 2010 and 2015 the Measure C revenue had been used to advance major RTMF projects. The Nexus Study also recommended that the Board take a formal action to recognize this temporary substitution of Measure C revenue in lieu of RTMF funding as a loan from the Measure C to the RTMF so that the Measure C funds can be reimbursed as the RTMF collections come in. According to the recommendation, on June 24, 2015, the Board approved the Measure C/RTMF Reimbursement/Loan Program which identifies the advance payments of Measure C funds to RTMF projects as eligible RTMF Project costs and recognizes a variable loan from Measure C to RTMF. The Reimbursement/Loan Program also specifies the terms of loan amortization. According to the RTMF Loan amortization schedule, as of June 30, 2024, the outstanding loan balance the RTMF Special Revenue Fund owes to the Measure C Special Revenue Fund is \$89,141,822. Repayment of the outstanding loan shall be made annually by payment of the RTMF cash available at the fiscal year end.

NOTE 8 – DEFERRED INFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the Authority recognized deferred inflows of resources in the governmental fund statements. Under the modified accrual basis of accounting, governmental funds defer revenue recognition for revenues not considered available to liquidate liabilities of the current period. The Governmental Funds balance sheet report \$464,260 of deferred inflows of resources that are sales tax revenues earned but considered unavailable.

Fund	Description	Deferred Inflows
Measure C Special Revenue	Unavailable Sales Tax Revenue	453,206
General Fund	Unavailable Sales Tax Revenue	11,054
Total Deferred Inflows		<u>464,260</u>

NOTE 9 – OPERATING TRANSFERS

During the fiscal year ended June 30, 2024, the Authority did not make an operating transfer between the General Fund and the RTMF Special Revenue Fund.

NOTE 10 – RIGHT-OF-WAY ACQUISITION AGREEMENTS WITH CALTRANS

The Authority has committed to reimburse the California Department of Transportation for advance right-of-way acquisition work for certain projects. For the fiscal year ended June 30, 2024, \$3,373,125 had been expended for advance right-of-way acquisitions. Additionally, rental income derived from acquired properties held in the name of the State, less amounts required for transfer, will be collected and paid to the Authority.

NOTE 11 – LEASE ACCOUNTING

In accordance with the requirements set forth by the Government Accounting Standard Board (GASB) Statement No. 87, *Leases*, the Authority has evaluated the impact of this standard on its financial statements. GASB Statement No. 87 requires the recognition of certain lease assets and liabilities for lease that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

FRESNO COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024

After a thorough review and analysis of the Authority's lease agreement and the potential impact on the financial statements, management has determined that the effect of implementing GASB Statement No. 87 is immaterial to the Authority's overall financial position and results of operations. Therefore, the Authority has elected not to implement the provisions of GASB Statement No. 87 for the fiscal year ending 2024.

Management will continue to monitor the lease portfolio and reassess the materiality of lease arrangements on an annual basis to ensure compliance with accounting standards and provide accurate and meaningful financial information to the users of the financial statements.

NOTE 12 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Authority manages and finances these risks by purchasing commercial insurance for which a \$500 deductible applies. There have been no significant reductions in insurance coverage from the previous fiscal year, nor have settled claims exceeded the Authority's commercial insurance coverage in any of the past three years.

NOTE 13 – FUND BALANCE

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the Authority is bound to observe constraints imposed upon the use of the resources. As of June 30, 2024, fund balances for governmental funds are made up of the following:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable. At June 30, 2024, there is no nonspendable fund balances of governmental funds.
- *Restricted Fund Balance* – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers. At June 30, 2024, governmental funds report \$462,726,840 of fund balance restricted for non-pass-through transportation projects set force in the Measure C plan.
- *Committed Fund Balance* – includes amounts that can only be used for the specific purposes determined by a formal action of the Authority's highest level of decision-making authority, the Authority's Board. Commitments may be changed or lifted only by the Authority taking the same formal action that imposed the constraint originally. There is no committed fund balance as of June 30, 2024.
- *Assigned Fund Balance* – comprises amounts intended to be used by the Authority for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the Authority's Board or (b) a body (for example: a budget or finance committee) or official to which the Authority's Board has delegated the authority to assign amounts to be used for specific purposes. As of June 30, 2024, governmental funds report assigned fund balances of \$13,087,049 which was assigned for general government.
- *Unassigned Fund Balance* – comprises the residual classification for the General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes. As of June 30, 2024, governmental funds report unassigned negative fund balances of \$77,257,263, which is the result of the expenditures in the RTMF Special Revenue Fund incurred for capital projects exceeding the amounts restricted for those purposes in the fund.

**FRESNO COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024**

The Authority has not adopted and does not maintain a fund balance policy regarding order of spending and minimum fund balance. The Authority follows the default order of spending which is to use restricted fund balance before unrestricted fund balance and committed and assigned fund balance before unassigned fund balance.

NOTE 14 – BENEFIT PLAN

The Authority contracts with the Fresno COG for payroll administration for Authority employees. The Authority employees receive the Fresno COG benefit packages for insurance and retirement. The Authority reimbursed the Fresno COG for all salaries and benefits expended on payroll \$711,442 for the fiscal year ended June 30, 2024.

Fresno COG has agreements with the International City Manager's Association (ICMA) Retirement Corporation to administer its defined contribution retirement and deferred compensation plans. The ICMA retirement and deferred compensation plans qualify to provide contracted Authority employees and their beneficiaries' retirement income and other deferred benefits under Internal Revenue Service Code Sections 401(a) and 457, respectively. Under the 401(a) retirement plan (Plan), employers contribute up to 15% of the participating employee's gross salary to the Plan. Vesting occurs 20% annually over a five-year period. The Plan is portable for rollover to other qualified plans if the new plan meets the definition in Section 401(a). Three of the Authority employees were covered by the Plan.

Under the deferred compensation plan, participating employees are required to contribute a minimum of 7.5% of their gross salary to the 457 plan, as Fresno COG is a non-Federal Insurance Contributions Act (FICA) agency. The maximum contribution to the 457 plan for 2024 is \$23,000 or \$7,500 addition depending on the employee's age and eligibility. The plan trust is maintained for the exclusive benefit of eligible employees and their beneficiaries.

In addition, Fresno COG pays vacation and sick leave benefits when used by an employee. Fresno COG bills the Authority for benefits when used. The Authority accrues benefits when earned. As of June 30, 2024, there were three employees eligible to receive benefits.

NOTE 15 – RESTATEMENTS FOR CHANGES IN ACCOUNTING ESTIMATES AND ERROR CORRECTION

Governmental Activities

During Fiscal Year 2024, the Authority identified that no interest was paid on the interfund loan between the Measure C Special Revenue Fund and the RTMF Special Revenue Fund for fiscal years 2022 and 2023. As a result, Interest Revenue and Interest Receivable were understated in the Measure C Special Revenue Fund and Interest Expense and Interest Payable were understated in the RTMF Special Revenue Fund by \$1,214,198 at June 30, 2023. The effect of correcting these errors is shown in the table below.

	Reporting Unit Affected by Adjustments to and Restatements of Beginning Balances	
	Fund Statements	
	Measure C Special Revenue	RTMF Special Revenue
Fund balance June 30, 2023, as previously reported	\$ 436,564,174	\$ (70,354,372)
Error correction - accrued interest for fiscal years 2022 and 2023 between Special Measure C and RTMF Special Revenue Funds.	1,214,198	(1,214,198)
Fund balance, restated at June 30, 2023	<u>437,778,372</u>	<u>(71,568,570)</u>

FRESNO COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024

Fiduciary Activities

During Fiscal Year 2024, the Authority identified that a Fiscal Year 2022 accrual recorded in the Fiduciary Fund was incorrectly reversed during fiscal year 2023. As a result, Deductions and Due to Other Governments were overstated and Net Position was understated by \$3,965,069 as of June 30, 2023. The effect of correcting these errors is shown in the table below.

	Reporting Unit Affected by Adjustments to and Restatements of Beginning Balances
	Statement of Changes in Fiduciary Net Position
	Custodial Fund
June 30, 2023, as previously reported	\$ 6,700,494
Error correction - over reported distributions during prior year	3,965,069
Net position, restated at June 30, 2023	<u>10,665,563</u>

REQUIRED SUPPLEMENTARY INFORMATION
(Other than MD&A)

**FRESNO COUNTY TRANSPORTATION AUTHORITY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Sales tax	\$ 1,921,299	\$ 1,921,299	\$ 2,796,461	\$ 875,162
Interest	1,100,000	1,100,000	454,135	(645,865)
Total revenues	3,021,299	3,021,299	3,250,596	229,297
Expenditures				
Current:				
Salaries and employee benefits	685,520	685,520	711,442	(25,922)
Capital outlay	—	—	14,618	(14,618)
Professional services and supplies	1,478,959	1,478,959	900,707	578,252
Contingencies	10,000	10,000	—	10,000
Total expenditures	2,174,479	2,174,479	1,626,767	547,712
Net change in fund balance	<u>\$ 846,820</u>	<u>\$ 846,820</u>	1,623,829	<u>\$ 777,009</u>
Fund Balance				
Beginning as previously reported			11,463,220	
Ending			<u>\$ 13,087,049</u>	

**FRESNO COUNTY TRANSPORTATION AUTHORITY
BUDGETARY COMPARISON SCHEDULE
MEASURE C SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Sales tax	\$ 45,766,026	\$ 45,766,026	\$ 44,044,534	\$ (1,721,492)
Interest	6,500,000	6,500,000	16,998,594	10,498,594
Miscellaneous revenue- construction	—	—	454,689	454,689
Total revenues	52,266,026	52,266,026	61,497,817	9,231,791
Expenditures				
Highway capital improvements	62,885,803	62,885,803	36,549,349	26,336,454
Total expenditures	62,885,803	62,885,803	36,549,349	26,336,454
Net change in fund balance	<u>\$ (10,619,777)</u>	<u>\$ (10,619,777)</u>	24,948,468	<u>\$ 35,568,245</u>
Fund Balance				
Beginning as previously reported			436,564,174	
Error correction			1,214,198	
Beginning as restated			437,778,372	
Ending			<u>\$ 462,726,840</u>	

**FRESNO COUNTY TRANSPORTATION AUTHORITY
BUDGETARY COMPARISON SCHEDULE
RTMF SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Interest	\$ 125,950	\$ 125,950	\$ 693,823	\$ 567,873
Mitigation fees	5,500,000	5,500,000	6,739,153	1,239,153
Total revenues	<u>5,625,950</u>	<u>5,625,950</u>	<u>7,432,976</u>	<u>1,807,026</u>
Expenditures				
Current:				
Highway capital improvements	<u>48,814,486</u>	<u>48,814,486</u>	<u>11,180,788</u>	<u>37,633,698</u>
Debt service:				
Interest and fiscal charges	<u>—</u>	<u>—</u>	<u>1,940,881</u>	<u>(1,940,881)</u>
Total expenditures	<u>48,814,486</u>	<u>48,814,486</u>	<u>13,121,669</u>	<u>35,692,817</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,188,536)</u>	<u>(43,188,536)</u>	<u>(5,688,693)</u>	<u>37,499,843</u>
Other Financing Sources (Uses)				
Operating transfers out	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	<u>\$ (43,188,536)</u>	<u>\$ (43,188,536)</u>	<u>(5,688,693)</u>	<u>\$ 37,499,843</u>
Fund Balance				
Beginning as previously reported			<u>(70,354,372)</u>	
Error correction			<u>(1,214,198)</u>	
Beginning as restated			<u>(71,568,570)</u>	
Ending			<u>\$ (77,257,263)</u>	

OTHER INDEPENDENT AUDITOR'S REPORT



**INDEPENDENT AUDITORS' 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**

Board of Directors
Fresno County Transportation Authority
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, each major fund, and the aggregate remaining fund information of Fresno County Transportation Authority, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Fresno County Transportation Authority's basic financial statements, and have issued our report thereon dated September 8, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fresno County Transportation Authority'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 County Transportation Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Fresno County Transportation Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We identified a certain deficiency in internal control, described in the accompanying schedule of audit findings and responses as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

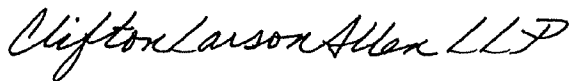
As part of obtaining reasonable assurance about whether Fresno County Transportation Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could 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 did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Fresno County Transportation Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Fresno County Transportation Authority's response to the findings identified in our audit and described in the accompanying schedule of audit findings and responses. Fresno County Transportation Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



CliftonLarsonAllen LLP

Roseville, California
September 8, 2026

**FRESNO COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2024**

2024 – 001 Financial Statement Preparation and Review

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: During the Fiscal Year 2024 audit, CLA noted that reconciliations of significant accounts including interfund payables and fiduciary disbursements and payables were not performed and reviewed at a level of precision that would identify errors or adjustments in a timely manner. This resulted in the following:

1. The Fresno County Transportation Authority maintains an interfund loan between its two special revenue funds for cash flow purposes. Repayments are limited to available cash, with estimated repayment amounts established and approved annually by the Board. Although principal payments are not required annually, interest continues to accrue on the outstanding balance. During audit testing, it was noted that interest paid during fiscal year 2024 was calculated using the fiscal year 2022 ending loan balance rather than the fiscal year 2023 ending balance. In addition, no interest was accrued during fiscal years 2022 or 2023. Correction of the unrecorded prior-year interest resulted in a prior-period adjustment of \$1,214,198.
2. During preparation of the fiscal year 2024 financial statements, the Authority identified that a fiscal year 2022 accrual recorded in the Fiduciary Fund was incorrectly reversed during fiscal year 2023. As a result, Deductions and Due to Other Governments were overstated and Net Position was understated in the custodial fund at June 30, 2023.

Criteria: In accordance with *Governmental Accounting Standards*, management is responsible for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free of material misstatement, and for ensuring that management and financial information is reliable and properly reported in a timely manner. Management is also responsible for the preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP).

Effect: The errors noted above resulted in the following effects:

1. Understatement of Interest Payable and Receivable on Interfund Loans
 - Interest Payable and Interest Expense were understated in the RTMF Special Revenue fund and Interest Receivable and Interest Revenue were understated in the Measure C Special Revenue fund as of June 30, 2023 resulting in a prior period adjustment of \$1,214,198.
 - Interest Payable was understated in the RTMF Special Revenue fund and Interest Receivable was understated in the Measure C Special Revenue fund as of June 30, 2024 by \$1,573,641.
2. Overstatement of Fiduciary Disbursements and Due to Other Governments
 - Fiduciary fund liabilities and deductions were overstated, and fiduciary net position was understated, by \$3,965,069 in the prior year. A prior-period adjustment was required to correct the financial statements.

**FRESNO COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2024**

Cause: The Authority contracts with the County of Fresno Auditor-Controller/Treasurer-Tax Collector's (ACTTC) Financial Reporting and Audits (FR&A) Division for accounting and financial statement preparation services. The FR&A Division experienced turnover in prior years which resulted in a loss of institutional knowledge and limited resources.

Repeat Finding: This is not a repeat finding.

Recommendation: Management has made significant progress in strengthening internal controls and updating policies and procedures over the last year. We recommend that the Authority work with the FR&A Division to continue to strengthen controls over financial statement preparation and review, especially as related to year-end accruals.

Views of responsible officials and planned corrective actions: Management agrees with the finding and will implement the recommendations.



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