Fresno Council of Governments | Fresno, CA

Financial Statements

For the Year Ended June 30, 2026

PRICE PAIGE & COMPANY
Certified Public Accountants

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PRICE PAIGE & COMPANY
Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the General Fund, and the aggregate remaining fund information of the Fresno Council of Governments (Fresno COG), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Fresno COG's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the General Fund, and the aggregate remaining fund information of Fresno COG, as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fresno COG and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2026, the Fresno COG adopted new accounting guidance, GASB Statement No. 103, *Financial Reporting Model Improvements,* and GASB Statement No. 104, *Disclosure of Certain Capital Assets*. 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 Fresno COG's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 28-30 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fresno COG's basic financial statements. The supplementary information, as listed on the table of contents (supplementary information), is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2026, on our consideration of Fresno COG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Fresno COG's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fresno COG's internal control over financial reporting and compliance.

Price Paige & Company

Clovis, California
October 15, 2026

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

	Governmental Activities
ASSETS	
Cash and investments	$ 15,479,836
Accounts receivable	107,728
Due from other governments	3,579,698
Interest receivable	134,328
Prepaids	2,031
Capital assets, net	1,003,387
Total assets	20,307,008
LIABILITIES	
Accounts payable	2,841,903
Due to other governments	467,515
Accrued payroll	94,333
Retention payable	206,513
Unearned revenues	9,763,990
Compensated absences	212,240
Noncurrent liabilities:	
Due within one year: building lease	190,813
Due in more than one year: building lease	822,349
Total liabilities	14,599,656
NET POSITION	
Net investment in capital assets	(9,775)
Unrestricted	5,717,127
Total net position	$ 5,707,352

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Change in Net Position: Governmental Activities
Primary government:				
Governmental activities:				
Planning - Transportation and Housing	$ 17,355,463	$ 1,071,538	$ 15,960,693	$ (323,232)
Total primary government	$ 17,355,463	$ 1,071,538	$ 15,960,693	(323,232)
General revenues:				
Earnings on investments				600,764
Miscellaneous				336,847
Total general revenues				937,611
Change in net position				614,379
Net position - beginning				5,092,973
Net position - ending				$ 5,707,352

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

FUND FINANCIAL STATEMENTS

FRESNO COUNCIL OF GOVERNMENTS | JUNE 30, 2026
General Fund
Balance Sheet

ASSETS		
Cash and investments	$	15,479,836
Accounts receivable		107,728
Due from other governments		3,579,698
Interest receivable		134,328
Prepaids		2,031
Total assets	$	19,303,621
LIABILITIES		
Accounts payable	$	2,841,903
Due to other governments		467,515
Accrued payroll		94,333
Retention payable		206,513
Unearned revenues		9,763,990
Compensated absences		212,240
Total liabilities		13,586,494
FUND BALANCE		
Nonspendable:		
Prepaids		2,031
Assigned to:		
Self-insurance		84,351
Transportation planning		5,630,745
Total fund balance		5,717,127
Total liabilities and fund balance	$	19,303,621
Amounts reported for governmental activities in the Statement of Net Position (Page 6) are different because:		
Total fund balance - General Fund	$	5,717,127
Capital assets used in governmental activities are not financial resources and therefore are not reported in the Balance Sheet		1,003,387
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds. Long-term liabilities at year-end consist of lease payable.		(1,013,162)
Net position of governmental activities (Page 6)	$	5,707,352

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

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEAR ENDED JUNE 30, 2026
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance

REVENUES		
Aid from federal government	$	6,217,949
Aid from state government		4,503,228
Aid from local government		4,958,003
Intergovernmental revenue		75,000
Grant retention revenue		206,513
Charges for services		1,071,538
In-kind revenue		297,494
Interest revenue		600,764
Miscellaneous		39,353
Total revenues		17,969,842
EXPENDITURES		
Current:		
General government:		
Salaries and benefits		3,902,420
Supplies and services		11,359,206
Contributions to other local agencies		1,822,070
Capital outlay		1,108,852
Debt service:		
Building lease		250,903
Total expenditures		18,443,451
Excess (deficiency) of revenues over (under) expenditures		(473,609)
OTHER FINANCING SOURCES (USES)		
Proceeds from lease		1,108,852
Total other financing sources (uses)		1,108,852
Net changes in fund balance		635,243
Fund balance - beginning		5,081,884
Fund balance - ending	$	5,717,127
Amounts reported for governmental activities in the Statement of Activities (Page 7) are different because:		
Net change in fund balance - General Fund	$	635,243
Governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays ($1,108,852) exceeded depreciation and amortization expense in the current period.		866,846
Leases and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of leases and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position.		
Lease issued		(1,108,852)
Principal paid on leases		221,142
Change in net position of governmental activities (Page 7)	$	614,379

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

ASSETS	
Cash and investments	$ 33,082,485
Interest receivable	220,248
Due from other governments	3,488,474
Total assets	36,791,207
LIABILITIES	
Due to other governments	31,873,783
Total liabilities	31,873,783
NET POSITION	
Restricted for:	
Other governments	4,917,424
Total net position	$ 4,917,424

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

ADDITIONS	
Sales tax	$ 60,252,402
Aid from state government	13,778,242
Interest revenue	2,029,871
Total additions	76,060,515
DEDUCTIONS	
Administration expense	180,628
TDA claims paid	80,022,294
STA distributions	13,161,340
TIRCP/ZETCP distributions	82,979,768
Total deductions	176,344,030
Net increase (decrease) in fiduciary net position	(100,283,515)
Net position - beginning	105,200,939
Net position - ending	$ 4,917,424

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Basis of Presentation

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

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

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

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

Fresno COG reports the following major governmental fund:

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

Fresno COG reports the following fiduciary funds:

- *Private-Purpose Trust Funds* – The Trust Funds are used to account for Local Transportation funds, State Transit Assistance funds, State of Good Repair funds, and Transit and Intercity Rail Capital Program and the Zero-Emission Transit Capital Program (TIRCP/ZETCP) funds held by Fresno COG in a trustee capacity.

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

C. Basis of Accounting

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

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

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

D. Assets, Liabilities, and Net Position/Fund Balance

Cash and Investments

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

Cash held in Bank of Montreal is insured up to $250,000 by the Federal Depository Insurance Corporation. At June 30, 2026, Fresno COG had $426,181 of uninsured funds.

Capital Assets

Purchases of capital assets are capitalized at cost in the Government-Wide Statement of Net Position at the time of purchase and recorded as expenditures in the General Fund. Capital assets are defined by Fresno COG as assets with an estimated useful life in excess of one year and initial individual cost of $100,000 or more. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Asset Type	Useful Life
Computer equipment	5 to 10 years
Office furniture and equipment	5 to 10 years
Traffic monitoring equipment	5 to 10 years

Right-to-use leased building is amortized over the life of the associated contract.

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

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

Right-to-Use Lease Assets

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

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

Leases

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

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

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

- Fresno COG uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, Fresno COG generally uses its estimated incremental borrowing rate as the discount rate for leases, which it has determined is the prime rate at the inception of the lease.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that Fresno COG is reasonably certain to exercise.

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

Unearned Revenues

Unearned revenue is that for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

Compensated Absences

Fresno COG recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, compensated absences are made up of vacation and sick leave.

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

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

Net Position

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

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

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

Fund Balance

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

- *Nonspendable* – This classification includes amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- *Restricted* – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – This classification includes amounts that can only be used for specific purposes determined by formal action of Fresno COG's highest level of decision-making authority (the Board) and that remain binding unless removed in the same manner. Committed fund balance does not lapse at year-end. The formal action must occur prior to the end of the reporting period. However, the amount which will be subject to the constraint may be determined in the subsequent period. The formal action required to commit fund balance shall be Board resolution.
- *Assigned* – This classification includes amounts that are constrained by Fresno COG's intent to be used for specific purposes but are neither restricted nor committed. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- *Unassigned* – This classification includes the residual classification for Fresno COG's General Fund that includes amounts not contained in the other classifications.

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

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

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

Overhead

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

Risk Management Liability

Fresno COG is exposed to various risks of loss related to torts; theft of, or damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Fresno COG is insured with commercial carriers. Fresno COG's schedule of insurance coverage is included on page 45.

Use of Estimates

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

Adoption of New GASB Pronouncements

For the year ended June 30, 2026, Fresno FCOG implemented GASB Statement No. 103, *Financial Reporting Model Improvements* and GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The implementation of these statements did not result in any changes to beginning net position or fund balance.

Statement No. 103 requires that the budgetary comparison information presented as required supplementary information include the variances between original and final budget and between final budget and actual, along with explanations of significant variances. These changes are reflected in the budgetary comparison schedule and the accompanying explanations starting on page 28.

Statement No. 104 requires that lease assets be disclosed separately from other capital assets by major class of underlying asset. Fresno FCOG's lease asset, a right-to-use asset building, is presented separately in Note 3, Capital Assets.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments are classified in the financial statements as shown below at June 30, 2026:

Primary Government:	
Cash and investments	$ 15,479,836
Fiduciary Fund:	
Cash and investments	33,082,485
Total cash and investments	$ 48,562,321

Cash and investments are comprised of the following at June 30, 2026:

Petty cash	$ 300
Cash in bank	709,339
Fresno County Investment Pool	47,852,682
Total cash and investments	$ 48,562,321

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

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

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

NOTE 2 – CASH AND INVESTMENTS (Continued)

B. Disclosure Relating to Interest Rate Risk

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

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

		Remaining Maturity (in Months)		
Investment Type	Amount	12 Months or Less	25 to 60 Months	More Than 60 Months
Fresno County Investment Pool	$ 47,852,682	$ 47,852,682	$ -	$ -
Total	$ 47,852,682	$ 47,852,682	$ -	$ -

C. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, Fresno COG's investment policy, and the actual rating as of year-end for each investment type.

		Minimum Legal	Rating as of Year-End	
Investment Type	Amount	Rating	AAA	Not Rated
Fresno County Investment Pool	$ 47,852,682	N/A	$ -	$ 47,852,682
Total	$ 47,852,682	N/A	$ -	$ 47,852,682

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

D. Investment Valuation

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

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

NOTE 2 – CASH AND INVESTMENTS (Continued)

E. Concentration of Credit Risk

The investment policy of Fresno COG contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Fresno COG's potential losses from credit risk are increased if a significant portion of its resources are invested in a single issuer. Investments issued by or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are exempt from these limitations. At June 30, 2026, Fresno COG did not have any investments in any one issuer that is not exempt that represents 5% or more of the total investments.

NOTE 3 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2026 is as follows:

	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026
Capital assets being depreciated/amortized:				
Computer equipment	$ 314,229	$ -	$ -	$ 314,229
Office furniture and equipment	110,043	-	-	110,043
Traffic monitoring equipment	53,563	-	-	53,563
Lease assets:				
Buildings	1,505,418	1,108,852	(1,505,418)	1,108,852
Total capital assets being depreciated/amortized	1,983,253	1,108,852	(1,505,418)	1,586,687
Less accumulated depreciation/amortization for:				
Computer equipment	(306,835)	(2,501)	-	(309,336)
Office furniture and equipment	(106,348)	(3,168)	-	(109,516)
Traffic monitoring equipment	(53,563)	-	-	(53,563)
Lease assets:				
Buildings	(1,379,966)	(236,337)	1,505,418	(110,885)
Total accumulated depreciation/amortization	(1,846,712)	(242,006)	1,505,418	(583,300)
Total capital assets being depreciated/amortized, net	136,541	866,846	-	1,003,387
Capital assets, net	$ 136,541	$ 866,846	$ -	$ 1,003,387

For the year ended June 30, 2026, total depreciation and amortization expense was $242,006.

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

Individual receivables from members and other governmental entities for services rendered as of June 30, 2026 are as follows:

General Fund	
Fresno County Rural Transit Agency	$ 110,702
Fresno County Transportation Authority	1,079,645
Fresno County Regional Transportation Mitigation Fee Agency	5,703
City of Fresno	58,846
Federal and state governments	2,324,802
Total due from other governments	$ 3,579,698
Private-Purpose Trust Fund	
State of California - STA Article 4	$ 2,952,146
State of California - SGR	536,328
Total due from other governments	$ 3,488,474

Individual payables to members and other governmental entities for services provided as of June 30, 2026 are as follows:

General Fund	
City of Fresno	$ 462,682
Fresno County	4,833
Total due to other governments	$ 467,515
Private-Purpose Trust Fund	
Article 3	$ 270,512
Article 4	14,872,811
Article 4.5	422,334
Article 8A	15,386,375
SGR	917,148
ZETCP	4,603
Total due to other governments	$ 31,873,783

NOTE 5 – MEASURE "C" UNEARNED REVENUES

The Fresno County Transportation Authority allocates Measure "C" funds to Fresno COG to provide various program administrative and planning services. Allocations are considered earned when they are properly spent for operations. Allocations received but not earned are recorded as unearned revenues.

Changes in the unearned revenues applicable to the Measure "C" account for the year ended June 30, 2026 are summarized as follows:

	Planning	ADA/Seniors	Farm-worker/ Van Pool	Car/Van Pool	Total
Unearned revenues, beginning of year	$ 1,769,017	$ 4,706,103	$ 3,977,261	$ 2,270,218	$ 12,722,599
Funds received	565,076	892,815	655,485	655,484	2,768,860
Funds allowed	(431,040)	(789,107)	(170,980)	(388,312)	(1,779,439)
Reallocation - Safe routes to school	-	(2,500,000)	(2,500,000)	(1,000,000)	(6,000,000)
Interest	74,110	105,868	89,384	64,315	333,677
Taxi Scrip	-	176,436	-	-	176,436
Unearned revenues, end of year	$ 1,977,163	$ 2,592,115	$ 2,051,150	$ 1,601,705	$ 8,222,133

NOTE 6 – DEFINED CONTRIBUTION EMPLOYEE RETIREMENT BENEFIT PLAN

Fresno COG provides retirement benefits for all its full-time employees through a defined contribution plan (the Plan) created in accordance with the Internal Revenue Code (IRC) Section 401(a) which is currently being administered by MissionSquare Retirement. In addition to the employer defined contribution, the employees are permitted to make contributions to a defined contribution plan created in accordance with IRC Section 457. The plan is administered by MissionSquare Retirement. The IRC Section 457 plan permits employees to defer up to the maximum allowed per IRC statutes. The 401(a) plan does not permit employee contributions. Under the 401(a) plan, the employer contributes 15% of the employee's gross salary. Fresno COG recognized pension expense of $437,897.

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

Fresno COG had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2026.

NOTE 7 – FRESNO COUNTY RURAL TRANSIT AGENCY RELATED PARTY TRANSACTIONS

Included in the budget of Fresno COG is a work element representing its responsibility for the administration of Fresno County Rural Transit Agency (FCRTA). Administration costs consist of direct and indirect labor and allocated overhead costs. These costs are recovered by Fresno COG. Total revenue earned for the year ended June 30, 2026 was $835,010. Total receivable from FCRTA was $110,702 for the year ended June 30, 2026. Fresno COG also reimburses FCRTA for expenses that will be covered by grants and for providing certain transit services. The total expenditures and accounts payable for the year ended June 30, 2026 were $ 632,330 and $632,330, respectively.

NOTE 8 – LEASES

Fresno COG conducts its operations from a leased building under a lease originally dated December 31, 2025, as amended. During the fiscal year, the lease was amended to extend the term five years, through December 31, 2030, but the lease may be terminated if Fresno COG does not receive sufficient allocations to continue the lease. In the event sufficient funds are not allocated, the lease shall be subject to termination upon at least a ninety-day prior written notice. Fresno COG is required to make monthly payments from $20,909 to $22,632 over the extended term. The value of the right-to-use asset as of the end of the current fiscal year was $1,108,852 and had accumulated amortization of $110,885.

A summary of the governmental activities long-term lease transactions for the year ended June 30, 2026 is as follows:

	Balance July 1, 2025	Issued	Retired	Balance June 30, 2026	Due Within One Year
Leased building	$ 125,452	$ 1,108,852	$ (221,142)	$ 1,013,162	$ 190,813

The following is a schedule of annual requirements to amortize long-term obligations under the office building lease as of June 30, 2026:

Year Ending June 30,	Principal	Interest
2027	$ 190,813	$ 62,599
2028	209,326	49,154
2029	229,233	34,417
2030	250,631	18,291
2031	133,159	2,634
Total	$ 1,013,162	$ 167,095

NOTE 9 – CONTINGENT LIABILITIES

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

NOTE 10 – REGIONAL EARLY ALLOCATION PLAN

Through the Department of Housing and Community Development (HCD), the State of California made $125 million available to Councils of Governments and other regional agencies pursuant to Section 50515, to develop a Regional Early Action Planning Program (REAP) for the purpose of assisting regions and jurisdictions to meet the 6th cycle of the regional housing needs assessment. This is in coordination with a separate $125 million available to cities and counties for the same purpose. The legislation that created the funding reserved $18,975,323 to the San Joaquin Valley Early Action Planning Committee for Housing, consisting of eight central valley councils of governments: Fresno Council of Governments, Kern Council of Governments, Kings County Association of Governments, Madera County Transportation Commission, Merced County Association of Governments, San Joaquin Council of Governments, Stanislaus Council of Governments and Tulare County Association of Governments. The work was done in three phases and was statutorily completed in December 2025. In September 2020, Fresno COG entered into an agreement with HCD for the first two phases and received an advance of $10,218,831. Fresno COG distributed $5,726,465 to the other seven central valley councils of governments to address local planning issues associated with REAP, retained $1,239,738 for Fresno County REAP and used the balance to perform studies for the central valley as a region. An amendment was executed in December 2022, increasing the amount of the grant to $18,975,323. An additional advance of $4,378,246 was received for phase three. Fresno COG distributed $3,349,417 to the other seven central valley councils of governments and retained $1,028,829. The balance of $4,378,246 was received in fiscal year 2024/25 and Fresno COG distributed $2,515,780 to the other seven central valley councils of governments. No additional funding was received in fiscal year 2025/26 and Fresno COG distributed $1,038,063 to the other seven central valley councils of governments and remitted $164,808 of unspent proceeds back to the funder. There was no remaining unearned revenue balance at June 30, 2026.

The Regional Early Action Planning Grants Program of 2021 was established for the purpose of providing regions with one-time funding, including grants for transformative planning and implementation activities (REAP 2.0). In February 2023, Fresno COG entered into an agreement with HCD for $13,633,148. An amendment to the agreement with HCD was executed reducing the award amount to $12,831,198 and grant funding agreements with three member agencies were awarded during fiscal year 2024/25. Pursuant to 50515.08(c)(3), an MPO may request up to 10 percent of its available funding in advance. Fresno COG submitted a Request for Funds for a 25% advance of funds, in the amount of $2,808,287, which was received and the remaining amount is included in the June 30, 2026 unearned revenue balance of $1,287,530.

NOTE 11 – IN-KIND REVENUE

Fresno COG is the recipient of certain grants which are passed through to subrecipient agencies for eligible projects. In order for Fresno COG to properly report total project expenditures to the grantor agency, Fresno COG records the subrecipients' local match portion of project costs that will not be reimbursed by the grantor agency as in-kind revenue and expenditures. During the fiscal year ended June 30, 2026, Fresno COG had in-kind revenue and expenditures of $297,494.

NOTE 12 – SUBSEQUENT EVENTS

Measure C was approved by the voters in 2006 pursuant to California Government Code § 142000. Fresno COG administrates programs funded by Measure C to supplement taxi transportation to seniors and subsidize commuter and ag worker van pools. Measure C will expire June 30, 2027, and there is presently no proposed alternative funding for these programs.

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

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

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEAR ENDED JUNE 30, 2026

General Fund

Budgetary Comparison Schedule

	Budgeted Amounts		Variance with Original Budget Over (Under)		Variance with Final Budget Over (Under)
	Original	Final	Final Budget	Actual	Actual
BUDGETARY REVENUES					
Aid from federal government	$ 8,465,293	$ 10,549,285	$ (2,083,992)	$ 6,217,949	$ (4,331,336)
Aid from state government	15,447,473	16,706,423	(1,258,950)	4,503,228	(12,203,195)
Aid from local government	8,098,726	8,122,782	(24,056)	4,958,003	(3,164,779)
Intergovernmental revenue	75,000	75,000	-	75,000	-
Grant retention revenue	-	-	-	206,513	206,513
Charges for services	1,300,256	1,300,256	-	1,071,538	(228,718)
In-kind revenue	297,494	297,494	-	297,494	-
Interest revenue	150,000	150,000	-	600,764	450,764
Miscellaneous	1,426,464	1,308,783	117,681	39,353	(1,269,430)
Total budgetary revenues	35,260,706	38,510,023	(3,249,317)	17,969,842	(20,540,181)
BUDGETARY EXPENDITURES					
Current:					
General government:					
Salaries and benefits	4,525,775	4,525,775	-	3,902,420	623,355
Supplies and services	28,296,940	31,546,257	(3,249,317)	11,359,206	20,187,051
Contributions to other local agencies	2,113,837	2,113,837	-	1,822,070	291,767
Capital outlay	-	-	-	1,108,852	(1,108,852)
Debt service:					
Building lease	231,558	231,558	-	250,903	(19,345)
Total budgetary expenditures	35,168,110	38,417,427	(3,249,317)	18,443,451	19,973,976
Budgetary excess of revenues over expenditures	92,596	92,596	-	(473,609)	(566,205)
BUDGETARY OTHER FINANCING SOURCES (USES)					
Proceeds from lease	-	-	-	1,108,852	1,108,852
Total budgetary other financing sources (uses)	-	-	-	1,108,852	1,108,852
Net change in fund balance	$ 92,596	$ 92,596	$ -	635,243	$ 542,647
Fund balance - beginning				5,081,884	
Fund balance - ending				$ 5,717,127	

See accompanying notes to the Budgetary Comparison Schedule.

NOTE 1 – BUDGETARY INFORMATION

A. Budgets and Budgetary Accounting

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

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

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

All transfers, modifications, and supplemental appropriations to the budget must be approved by Fresno COG through resolution. During the year ended June 30, 2026, appropriations were increased by $3,249,317 as a result of budget amendments. The Budgetary Comparison Schedule reflects these revisions. Actual expenditures may not legally exceed "budget" appropriations at the individual fund level. Budgetary control, however, is maintained at the departmental level.

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

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

B. Excess of Expenditures Over Appropriations

As of June 30, 2026, expenditure exceeded appropriations in individual funds as follows:

Appropriations Category	Excess Expenditures
General Fund:	
Capital outlay	$ 1,108,852
Debt service:	
Building lease	19,345

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

NOTE 1 – BUDGETARY INFORMATION (Continued)

C. Budgetary Variance Highlights

Budgetary Revenues

Differences – Final budget to actual:

This is due to multi-year grants that are programmed in the year in which they are awarded. Revenue is recognized as expenses are incurred.

Differences – Original budget to final budget:

Federal budgetary revenues increased $2,083,992 because two grants totaling $1,500,000 were awarded after the original budget was adopted, actual carryover exceeded the budgeted estimate by $421,443, and the final FTA 5303 and FHWA PL allocations of $162,549 were amended into the budget. State budgetary revenues increased $1,258,950 to include unspent prior-year grant funds carried over to the current year, once the prior fiscal year was closed and the actual carryover amounts were determined.

Budgetary Expenditures

Differences - Original budget to final budget:

Budgetary expenditures correspond to budgetary revenues. When grants are awarded or carryover amounts are adjusted, the expenditure budget is amended by the same amount. Accordingly, supplies and services increased $3,249,317, consistent with the net increase in budgeted revenues.

SUPPLEMENTARY INFORMATION

GENERAL FUND

FRESNO COUNCIL OF GOVERNMENTS| JUNE 30, 2026 AND 2025
General Fund
Comparative Balance Sheets

	2026	2025
ASSETS		
Cash and investments	$ 15,479,836	$ 20,763,033
Accounts receivable	107,728	411,562
Due from other governments	3,579,698	3,841,429
Interest receivable	134,328	152,434
Prepaids	2,031	20,576
Total assets	$ 19,303,621	$ 25,189,034
LIABILITIES		
Accounts payable	$ 2,841,903	$ 2,245,031
Due to other governments	467,515	74,256
Accrued payroll	94,333	80,638
Retention payable	206,513	282,039
Unearned revenues	9,763,990	17,185,099
Compensated absences	212,240	240,087
Total liabilities	13,586,494	20,107,150
FUND BALANCE		
Nonspendable:		
Prepaids	2,031	20,576
Assigned to:		
Self-insurance	84,351	83,990
Transportation planning	5,630,745	4,977,318
Total fund balance	5,717,127	5,081,884
Total liabilities and fund balance	$ 19,303,621	$ 25,189,034

FRESNO COUNCIL OF GOVERNMENTS| FOR THE YEARS ENDED JUNE 30, 2026 AND 2025
General Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance

	2026	2025
REVENUES		
Aid from federal government	$ 6,217,949	$ 6,305,862
Aid from state government	4,503,228	5,737,897
Aid from local government	4,958,003	5,170,599
Intergovernmental revenue	75,000	12,317
Grant retention revenue	206,513	282,039
Charges for services	1,071,538	995,946
In-kind revenue	297,494	475,964
Interest revenue	600,764	602,482
Miscellaneous	39,353	60,586
Total revenues	17,969,842	19,643,692
EXPENDITURES		
Current:		
General government:		
Salaries and benefits	3,902,420	3,713,766
Supplies and services	11,359,206	11,130,839
Contributions to other local agencies	1,822,070	3,982,280
Capital outlay	1,108,852	-
Debt service:		
Building lease	250,903	250,903
Total expenditures	18,443,451	19,077,788
Excess (deficiency) of revenues over (under) expenditures	(473,609)	565,904
OTHER FINANCING SOURCES (USES)	1,108,852	-
Proceeds from lease		
Total other financing sources (uses)	1,108,852	-
Net changes in fund balance	635,243	565,904
Fund balance - beginning	5,081,884	4,515,980
Fund balance - ending	$ 5,717,127	$ 5,081,884

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

General Fund

Comparative Schedules of Grant Receipts and Expenditures Claims

	2026	2025
REVENUES		
Federal grants	$ 6,217,949	$ 6,305,862
Non-federal revenue:		
State assistance	4,503,228	5,737,897
Local revenue	6,029,541	6,166,545
Interest revenue	600,764	602,482
Miscellaneous revenue	411,847	548,867
Total revenues	17,763,329	19,361,653
EXPENDITURES		
Regional Streets & Roads	-	6,373
Regional Transportation Modeling	902,640	758,564
Regional Traffic Monitoring	256,773	262,736
Intelligent Transportation Systems	6,954	5,367
Regional Transportation Mitigation Fee	21,447	28,821
Golden State Corridor	155,262	435,948
Public Trans. - Urban	297,217	307,917
Federal Transit Administration Direct Grants	2,270,387	2,679,895
Regional Mobility Hub	471,771	335,285
Access for All Program	288,417	98,171
Pavement Management	332,311	928,610
Fresno County Climate Resiliency Plan	-	487,723
SB743 Impact Update	16,935	77,550
Other Modal Elements	29,619	20,984
High Speed Rail	1,987	2,614
Airport Land Use	13,455	18,881
FCRR Feasibility Study	230,094	1,444
Safe Routes to School Addendum	6,701	-
Freight Movement/Planning	820	6,072
On Board Transit Survey	-	72,091
Regional Transportation Plan	938,543	980,533
Transportation Performance Management	28,949	27,972
Congestion Management Plan	13,080	17,962
Regional VMT Mitigation Program	15,064	9,856
Inland Port Study Phase V	721,875	329,015
Managed Lane Study	197,638	8,476
Complete Streets Planning	36,866	45,783
Air Quality	136,252	117,715
Regional Climate Action Plan	256,996	215,835
Extreme Heat Analysis	124,478	65,891
Valley Transport Resiliency Study	11,032	-
Measure "C"	1,815,313	1,758,928
Measure "C" Oversight Committee	7,451	8,365
Measure "C" Car/Van Pool	388,312	419,436
Measure "C" ADA Seniors	789,107	847,313
Measure "C" Farm/Van Pool	170,979	216,414
Transportation Program Development	399,469	350,421
Intergovernmental Coordination	82,615	101,551
Public Info. and Participation	220,686	265,134
Environmental Justice	14,464	25,247
Technical Assistance Members	193,628	201,776
Regional Data Center	76,656	79,479
One Voice Advocacy	180,438	85,893
Regional Housing Needs	2,168	566,357
SJV Regional Early Action Planning	1,038,062	3,144,431
SJV Regional Early Action Planning 2.0	1,679,240	338,097
Valley RTPA Coordination	206,384	155,336
Fresno COG Administration	318,281	21,752
OWP and Budget	62,985	62,312
Transportation Funds Administration	115,260	319,213
TIRCIP-ZETCP Administration	10,242	2,614
FCRTA Administration	835,010	740,609
Transportation Authority Administration	2,931	3,000
Freeway Service Patrol	738,010	748,737
Total expenditures	17,131,254	18,816,499
Depreciation	3,168	(20,750)
Net gain (loss)	$ 628,907	$ 565,904

FIDUCIARY FUNDS

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

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

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

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

Transit and Intercity Rail Capital Program and the Zero-Emission Transit Capital Program (TIRCP/ZETCP) - This fund is used to account for the revenues created by Senate Bill (SB) 862 (Chapter 36, Statutes of 2014) and modified by SB 9 (Chapter 710, Statutes of 2015). These funds are eligible for transit capital projects.

FRESNO COUNCIL OF GOVERNMENTS | JUNE 30, 2026
Fiduciary Funds – Private Purpose Trust Funds
Combining Statement of Net Position

	State Transit Assistance Fund	Local Transportation Fund	State of Good Repair Fund	TIRCP/ ZETCP	Total
ASSETS					
Cash and investments	$ 1,919,991	$ 28,856,103	$ 378,600	$ 1,927,791	$ 33,082,485
Interest receivable	12,186	188,897	2,220	16,945	220,248
Due from other governments	2,952,146	-	536,328	-	3,488,474
Total assets	4,884,323	29,045,000	917,148	1,944,736	36,791,207
LIABILITIES					
Due to other governments	4,873,808	26,078,224	917,148	4,603	31,873,783
Total liabilities	4,873,808	26,078,224	917,148	4,603	31,873,783
NET POSITION					
Restricted for:					
Other governments	10,515	2,966,776	-	1,940,133	4,917,424
Total net position	$ 10,515	$ 2,966,776	$ -	$ 1,940,133	$ 4,917,424

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEAR ENDED JUNE 30, 2026

Fiduciary Funds – Private-Purpose Trust Funds

Combining Statement of Changes in Net Position

	State Transit Assistance Fund	Local Transportation Fund	State of Good Repair Fund	TIRCP/ ZETCP	Total
ADDITIONS					
Sales tax	$ -	$ 60,252,402	$ -	$ -	$ 60,252,402
Aid from state government	11,653,714	-	2,124,528	-	13,778,242
Interest revenue	153,624	1,533,334	21,742	321,171	2,029,871
Total additions	11,807,338	61,785,736	2,146,270	321,171	76,060,515
DEDUCTIONS					
Administration expense	-	180,628	-	-	180,628
TDA claims paid	-	77,876,024	2,146,270	-	80,022,294
STA distributions	13,161,340	-	-	-	13,161,340
TIRCP/ZETCP distributions	-	-	-	82,979,768	82,979,768
Total deductions	13,161,340	78,056,652	2,146,270	82,979,768	176,344,030
Net increase (decrease) in fiduciary net position	(1,354,002)	(16,270,916)	-	(82,658,597)	(100,283,515)
Net position - beginning	1,364,517	19,237,692	-	84,598,730	105,200,939
Net position - ending	$ 10,515	$ 2,966,776	$ -	$ 1,940,133	$ 4,917,424

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEAR ENDED JUNE 30, 2026
Fiduciary Funds – Private-Purpose Trust Funds
Transportation Development Act Funds – State Transit Assistance Fund
Schedule of Apportionments and Disbursements by Purpose

	Public Utilities Code		
	STA Article 4 C.A.C. 6730(a) 99314.3(a) (Transit Operations)	STA Article 4 C.A.C. 6730(a) 99314.3(a) (Transit Population)	Total
Apportionments			
City of Clovis	$ 117,065	$ 1,231,672	$ 1,348,737
City of Coalinga	-	-	-
City of Firebaugh	-	-	-
City of Fowler	-	-	-
City of Fresno	1,520,310	5,313,469	6,833,779
City of Huron	-	-	-
City of Kerman	-	-	-
City of Kingsburg	-	-	-
City of Mendota	-	-	-
City of Orange Cove	-	-	-
City of Parlier	-	-	-
City of Reedley	-	-	-
City of Sanger	-	-	-
City of San Joaquin	-	-	-
City of Selma	-	-	-
County of Fresno	-	-	-
Fresno County Rural Transit Agency (FCRTA)	123,998	3,347,200	3,471,198
Total apportionments	$ 1,761,373	$ 9,892,341	$ 11,653,714
Disbursements			
City of Clovis	$ 117,065	$ 1,250,800	$ 1,367,865
City of Coalinga	-	-	-
City of Firebaugh	-	-	-
City of Fowler	-	-	-
City of Fresno	1,520,310	7,183,740	8,704,050
City of Huron	-	-	-
City of Kerman	-	-	-
City of Kingsburg	-	-	-
City of Mendota	-	-	-
City of Orange Cove	-	-	-
City of Parlier	-	-	-
City of Reedley	-	-	-
City of Sanger	-	-	-
City of San Joaquin	-	-	-
City of Selma	-	-	-
County of Fresno	-	-	-
Fresno County Rural Transit Agency (FCRTA)	123,998	2,965,427	3,089,425
	-	-	-
Total disbursements	$ 1,761,373	$ 11,399,967	$ 13,161,340

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEAR ENDED JUNE 30, 2026

Fiduciary Funds – Private-Purpose Trust Funds

Transportation Development Act Funds – Local Transportation Fund

Schedule of Apportionments and Disbursements by Purpose

	Article 3 99234 (Bicycle & Pedestrian)	Article 4.5 99275 (Social Services)	Article 4 99260 Transit Operations	Article 8a 99400(a) (Streets & Roads)	Article 4 & 8 99260/99400(a) Transit Operations/ Streets & Roads	Fresno COG RTP 99233.1/ 99233.2 (Planning & Administration)	Total
Apportionments							
City of Clovis	$ 146,469	$ 357,306	$ -	$ -	$ 6,769,531	$ -	$ 7,273,306
City of Coalinga	19,974	48,460	-	-	923,150	-	991,584
City of Firebaugh	9,885	23,838	-	-	456,858	-	490,581
City of Fowler	8,697	20,869	-	-	401,964	-	431,530
City of Fresno	631,872	1,549,446	-	-	29,203,959	-	31,385,277
City of Huron	7,863	17,982	-	-	363,429	-	389,274
City of Kerman	19,891	48,882	-	-	919,321	-	988,094
City of Kingsburg	15,070	36,945	-	-	696,503	-	748,518
City of Mendota	14,418	35,497	-	-	666,359	-	716,274
City of Orange Cove	11,023	26,957	-	-	509,441	-	547,421
City of Parlier	16,617	40,701	-	-	768,014	-	825,332
City of Reedley	30,177	72,669	-	-	1,394,736	-	1,497,582
City of Sanger	30,670	74,663	-	-	1,417,490	-	1,522,823
City of San Joaquin	4,145	10,243	-	-	191,572	-	205,960
City of Selma	27,888	69,037	-	-	1,288,937	-	1,385,862
County of Fresno	181,728	448,654	-	-	8,399,144	-	9,029,526
Fresno County Rural Transit Agency (FCRTA)	-	-	-	-	-	-	-
Fresno Council of Governments (Fresno COG)	-	-	-	-	-	1,823,458	1,823,458
Fresno County Economic Opportunities Commission (FCEOC)	-	-	-	-	-	-	-
Total apportionments	$ 1,176,387	$ 2,882,149	$ -	$ -	$ 54,370,408	$ 1,823,458	$ 60,252,402
Disbursements							
City of Clovis	$ 146,469	$ 374,714	$ 6,835,593	$ -	$ -	$ -	$ 7,356,776
City of Coalinga	19,974	-	-	387,809	-	-	407,783
City of Firebaugh	9,885	-	-	375,742	-	-	385,627
City of Fowler	25,273	-	-	1,156,683	-	-	1,181,956
City of Fresno	631,872	1,689,334	41,253,891	-	-	-	43,575,097
City of Huron	7,863	-	-	352,669	-	-	360,532
City of Kerman	19,891	-	-	768,282	-	-	788,173
City of Kingsburg	15,070	-	-	527,398	-	-	542,468
City of Mendota	14,418	-	-	509,108	-	-	523,526
City of Orange Cove	11,023	-	-	348,579	-	-	359,602
City of Parlier	16,617	-	-	692,864	-	-	709,481
City of Reedley	30,177	-	-	1,199,519	-	-	1,229,696
City of Sanger	30,670	-	-	1,376,928	-	-	1,407,598
City of San Joaquin	4,145	-	-	171,113	-	-	175,258
City of Selma	27,888	-	-	775,284	-	-	803,172
County of Fresno	543,414	-	-	13,620,806	-	-	14,164,220
Fresno County Rural Transit Agency (FCRTA)	-	818,101	1,444,133	-	-	-	2,262,234
Fresno Council of Governments (Fresno COG)	-	-	-	-	-	1,823,453	1,823,453
Fresno County Economic Opportunities Commission (FCEOC)	-	-	-	-	-	-	-
Total disbursements	$ 1,554,649	$ 2,882,149	$ 49,533,617	$ 22,262,784	$ -	$ 1,823,453	$ 78,056,652

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEAR ENDED JUNE 30, 2026
Fiduciary Funds – Private-Purpose Trust Funds
Transportation Development Act Funds – State of Good Repair Fund
Schedule of Apportionments and Disbursements by Purpose

	SGR 99312.1(c) (Transit Operations)	SGR 99312.1(c) (Transit Population)	Total
Apportionments			
City of Clovis	$ 21,414	$ 229,716	$ 251,130
City of Coalinga	-	-	-
City of Firebaugh	-	-	-
City of Fowler	-	-	-
City of Fresno	278,092	1,163,201	1,441,293
City of Huron	-	-	-
City of Kerman	-	-	-
City of Kingsburg	-	-	-
City of Mendota	-	-	-
City of Orange Cove	-	-	-
City of Parlier	-	-	-
City of Reedley	-	-	-
City of Sanger	-	-	-
City of San Joaquin	-	-	-
City of Selma	-	-	-
County of Fresno	-	-	-
Fresno County Rural Transit Agency (FCRTA)	22,682	409,423	432,105
Fresno Council of Governments (Fresno COG)	-	-	-
Fresno County Economic Opportunities Commission (FCEOC)	-	-	-
Total apportionments	$ 322,188	$ 1,802,340	$ 2,124,528
Disbursements			
City of Clovis	$ 21,414	$ 232,258	$ 253,672
City of Coalinga	-	-	-
City of Firebaugh	-	-	-
City of Fowler	-	-	-
City of Fresno	278,092	1,178,294	1,456,386
City of Huron	-	-	-
City of Kerman	-	-	-
City of Kingsburg	-	-	-
City of Mendota	-	-	-
City of Orange Cove	-	-	-
City of Parlier	-	-	-
City of Reedley	-	-	-
City of Sanger	-	-	-
City of San Joaquin	-	-	-
City of Selma	-	-	-
County of Fresno	-	-	-
Fresno County Rural Transit Agency (FCRTA)	22,682	413,530	436,212
Fresno Council of Governments (Fresno COG)	-	-	-
Fresno County Economic Opportunities Commission (FCEOC)	-	-	-
Total disbursements	$ 322,188	$ 1,824,082	$ 2,146,270

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEAR ENDED JUNE 30, 2026

Schedule of Grant Receipts and Expenditure Claims

	Total	Local Resources	Federal Highway Works Administration		Federal Transit Administration
			FHWA PL Planning	FHWA RIA	FTA MPO 5303
REVENUES					
Federal grants	$ 6,217,949	$ -	$ 2,254,268	$ 721,875	$ 406,284
Non-federal revenue:					
State assistance	4,503,228	-	-	-	-
Local revenue sources	6,029,541	6,029,541	-	-	-
Interest revenue	600,764	600,764	-	-	-
Miscellaneous revenue	411,847	411,847	-	-	-
Total revenues	17,763,329	$ 7,042,152	$ 2,254,268	$ 721,875	$ 406,284
EXPENDITURES					
Regional Streets & Roads	-	-	-	-	-
Regional Transportation Modeling	902,640	122,672	779,968	-	-
Regional Traffic Monitoring	256,773	241,373	-	-	15,400
Intelligent Transportation Systems	6,954	-	-	-	6,954
Regional Transportation Mitigation Fee	21,447	21,447	-	-	-
Golden State Corridor	155,262	155,262	-	-	-
Public Trans. - Urban	297,217	58,841	-	-	3,010
Federal Transit Administration Direct Grants	2,270,387	325,715	-	-	-
Regional Mobility Hub	471,771	78,644	-	-	-
Access for All Program	288,417	-	-	-	-
Pavement Management	332,311	9,889	322,422	-	-
SB743 Impact Update	16,935	1,942	-	-	-
Other Modal Elements	29,619	29,619	-	-	-
High Speed Rail	1,987	-	-	-	1,987
Airport Land Use	13,455	13,455	-	-	-
FCRR Feasibility Study	230,094	32,870	-	-	-
Safe Routes to School Addendum	6,701	1,340	-	-	-
Freight Movement/Planning	820	-	820	-	-
Regional Transportation Plan	938,543	10,645	788,649	-	139,249
Transportation Performance Management	28,949	-	-	-	28,949
Congestion Management Plan	13,080	-	-	-	13,080
Regional VMT Mitigation Program	15,064	1,728	-	-	-
Inland Port Study Phase V	721,875	-	-	721,875	-
Managed Lane Study	197,638	22,669	-	-	-
Complete Streets Planning	36,866	-	36,866	-	-
Air Quality	136,252	17,952	79,930	-	38,370
Regional Climate Action Plan	256,996	-	-	-	-
Extreme Heat Analysis	124,478	14,278	-	-	-
Valley Transport Resiliency Study	11,032	11,032	-	-	-
Measure "C"	1,815,313	1,815,313	-	-	-
Measure "C" Oversight Committee	7,451	7,451	-	-	-
Measure "C" Car/Van Pool	388,312	388,312	-	-	-
Measure "C" ADA Seniors	789,107	789,107	-	-	-
Measure "C" Farm/Van Pool	170,979	170,979	-	-	-
Transportation Program Development	399,469	1,159	-	-	-
Intergovernmental Coordination	82,615	82,615	-	-	-
Public Info. and Participation	220,686	-	173,492	-	47,194
Environmental Justice	14,464	-	-	-	14,464
Technical Assistance Members	193,628	193,628	-	-	-
Regional Data Center	76,656	-	40,628	-	36,028
One Voice Advocacy	180,438	180,438	-	-	-
Regional Housing Needs	2,168	2,168	-	-	-
SJV Regional Early Action Planning	1,038,062	-	-	-	-
SJV Regional Early Action Planning 2.0	1,679,240	-	-	-	-
Valley RTPA Coordination	206,384	176,277	-	-	30,107
Fresno COG Administration	318,281	318,281	-	-	-
OWP and Budget	62,985	-	31,493	-	31,492
Transportation Funds Administration	115,260	115,260	-	-	-
TIRCIP-ZETCP Administration	10,242	10,242	-	-	-
FCRTA Administration	835,010	835,010	-	-	-
Transportation Authority Administration	2,931	2,931	-	-	-
Freeway Service Patrol	738,010	149,533	-	-	-
Total expenditures	17,131,254	$ 6,410,077	$ 2,254,268	$ 721,875	$ 406,284
Depreciation	(3,168)				
Net gain (loss)	$ 635,243				

	Federal Transit Administration					
	FTA 5307	FTA 5339	FTA 5304	FTA 5310	EPA	SS4A
REVENUES						
Federal grants	$ 235,366	$ 150,886	$ 393,127	$ 1,793,786	$ 256,996	$ 5,361
Non-federal revenue:						
State assistance	-	-	-	-	-	-
Local revenue sources	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-
Total revenues	$ 235,366	$ 150,886	$ 393,127	$ 1,793,786	$ 256,996	$ 5,361
EXPENDITURES						
Regional Streets & Roads	-	-	-	-	-	-
Regional Transportation Modeling	-	-	-	-	-	-
Regional Traffic Monitoring	-	-	-	-	-	-
Intelligent Transportation Systems	-	-	-	-	-	-
Regional Transportation Mitigation Fee	-	-	-	-	-	-
Golden State Corridor	-	-	-	-	-	-
Public Trans. - Urban	235,366	-	-	-	-	-
Federal Transit Administration Direct Grants	-	150,886	-	1,793,786	-	-
Regional Mobility Hub	-	-	393,127	-	-	-
Access for All Program	-	-	-	-	-	-
Pavement Management	-	-	-	-	-	-
SB743 Impact Update	-	-	-	-	-	-
Other Modal Elements	-	-	-	-	-	-
High Speed Rail	-	-	-	-	-	-
Airport Land Use	-	-	-	-	-	-
FCRR Feasibility Study	-	-	-	-	-	-
Safe Routes to School Addendum	-	-	-	-	-	5,361
Freight Movement/Planning	-	-	-	-	-	-
Regional Transportation Plan	-	-	-	-	-	-
Transportation Performance Management	-	-	-	-	-	-
Congestion Management Plan	-	-	-	-	-	-
Regional VMT Mitigation Program	-	-	-	-	-	-
Inland Port Study Phase V	-	-	-	-	-	-
Managed Lane Study	-	-	-	-	-	-
Complete Streets Planning	-	-	-	-	-	-
Air Quality	-	-	-	-	-	-
Regional Climate Action Plan	-	-	-	-	256,996	-
Extreme Heat Analysis	-	-	-	-	-	-
Valley Transport Resiliency Study	-	-	-	-	-	-
Measure "C"	-	-	-	-	-	-
Measure "C" Oversight Committee	-	-	-	-	-	-
Measure "C" Car/Van Pool	-	-	-	-	-	-
Measure "C" ADA Seniors	-	-	-	-	-	-
Measure "C" Farm/Van Pool	-	-	-	-	-	-
Transportation Program Development	-	-	-	-	-	-
Intergovernmental Coordination	-	-	-	-	-	-
Public Info. and Participation	-	-	-	-	-	-
Environmental Justice	-	-	-	-	-	-
Technical Assistance Members	-	-	-	-	-	-
Regional Data Center	-	-	-	-	-	-
One Voice Advocacy	-	-	-	-	-	-
Regional Housing Needs	-	-	-	-	-	-
SJV Regional Early Action Planning	-	-	-	-	-	-
SJV Regional Early Action Planning 2.0	-	-	-	-	-	-
Valley RTPA Coordination	-	-	-	-	-	-
Fresno COG Administration	-	-	-	-	-	-
OWP and Budget	-	-	-	-	-	-
Transportation Funds Administration	-	-	-	-	-	-
TIRCIP-ZETCP Administration	-	-	-	-	-	-
FCRTA Administration	-	-	-	-	-	-
Transportation Authority Administration	-	-	-	-	-	-
Freeway Service Patrol	-	-	-	-	-	-
Total expenditures	$ 235,366	$ 150,886	$ 393,127	$ 1,793,786	$ 256,996	$ 5,361

	State PPM 6504(012/014)	FSP 6504(010/013/016)	State SB 1	Climate Adaption	State REAP	TNC WAV
REVENUES						
Federal grants	$ -	$ -	$ -	$ -	$ -	$ -
Non-federal revenue:						
State assistance	398,310	588,477	400,522	110,200	2,717,302	288,417
Local revenue sources	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-
Total revenues	398,310	$ 588,477	$ 400,522	$ 110,200	$ 2,717,302	$ 288,417
EXPENDITURES						
Regional Streets & Roads	-	-	-	-	-	-
Regional Transportation Modeling	-	-	-	-	-	-
Regional Traffic Monitoring	-	-	-	-	-	-
Intelligent Transportation Systems	-	-	-	-	-	-
Regional Transportation Mitigation Fee	-	-	-	-	-	-
Golden State Corridor	-	-	-	-	-	-
Public Trans. - Urban	-	-	-	-	-	-
Federal Transit Administration Direct Grants	-	-	-	-	-	-
Regional Mobility Hub	-	-	-	-	-	-
Access for All Program	-	-	-	-	-	288,417
Pavement Management	-	-	-	-	-	-
SB743 Impact Update	-	-	14,993	-	-	-
Other Modal Elements	-	-	-	-	-	-
High Speed Rail	-	-	-	-	-	-
Airport Land Use	-	-	-	-	-	-
FCRR Feasibility Study	-	-	197,224	-	-	-
Safe Routes to School Addendum	-	-	-	-	-	-
Freight Movement/Planning	-	-	-	-	-	-
Regional Transportation Plan	-	-	-	-	-	-
Transportation Performance Management	-	-	-	-	-	-
Congestion Management Plan	-	-	-	-	-	-
Regional VMT Mitigation Program	-	-	13,336	-	-	-
Inland Port Study Phase V	-	-	-	-	-	-
Managed Lane Study	-	-	174,969	-	-	-
Complete Streets Planning	-	-	-	-	-	-
Air Quality	-	-	-	-	-	-
Regional Climate Action Plan	-	-	-	-	-	-
Extreme Heat Analysis	-	-	-	110,200	-	-
Valley Transport Resiliency Study	-	-	-	-	-	-
Measure "C"	-	-	-	-	-	-
Measure "C" Oversight Committee	-	-	-	-	-	-
Measure "C" Car/Van Pool	-	-	-	-	-	-
Measure "C" ADA Seniors	-	-	-	-	-	-
Measure "C" Farm/Van Pool	-	-	-	-	-	-
Transportation Program Development	398,310	-	-	-	-	-
Intergovernmental Coordination	-	-	-	-	-	-
Public Info. and Participation	-	-	-	-	-	-
Environmental Justice	-	-	-	-	-	-
Technical Assistance Members	-	-	-	-	-	-
Regional Data Center	-	-	-	-	-	-
One Voice Advocacy	-	-	-	-	-	-
Regional Housing Needs	-	-	-	-	-	-
SJV Regional Early Action Planning	-	-	-	-	1,038,062	-
SJV Regional Early Action Planning 2.0	-	-	-	-	1,679,240	-
Valley RTPA Coordination	-	-	-	-	-	-
Fresno COG Administration	-	-	-	-	-	-
OWP and Budget	-	-	-	-	-	-
Transportation Funds Administration	-	-	-	-	-	-
TIRCIP-ZETCP Administration	-	-	-	-	-	-
FCRTA Administration	-	-	-	-	-	-
Transportation Authority Administration	-	-	-	-	-	-
Freeway Service Patrol	-	588,477	-	-	-	-
Total expenditures	398,310	$ 588,477	$ 400,522	$ 110,200	$ 2,717,302	$ 288,417

Insurance coverage of Fresno COG at June 30, 2026 is as follows:

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

FRESNO COUNCIL OF GOVERNMENTS | FOR THE YEAR ENDED JUNE 30, 2026
Schedule of Cost Allocation Plan Reconciliation and Fixed Rate Overhead Carryover

The following is a reconciliation of Fresno COG's expenses per the basic financial statements to the expenses per Fresno COG's cost allocation plan for the year ended June 30, 2026:

Budget Item	Actual Expense	Eligible Depreciation	Allocated to Other Programs	Direct Expenses	Indirect Expenses
Salaries and benefits:					
Direct	$ 2,982,917	$ -	$ (1,109,873)	$ 1,873,044	$ -
Indirect	919,503	-	(8,124)	-	911,379
Total salaries and benefits	3,902,420	-	(1,117,997)	1,873,044	911,379
Indirect overhead:					
Telephone	8,618	-	-	-	8,618
Insurance	5,725	-	-	-	5,725
Postage	3,255	-	-	-	3,255
Printing supplies	5,050	-	-	-	5,050
Office supplies	18,569	-	-	-	18,569
Publications	1,725	-	-	-	1,725
Advertising and legal notice	2,576	-	-	-	2,576
Computer supplies	26,042	-	-	-	26,042
Debt service principal - building lease	250,903	-	(19,345)	-	231,558
Utilities	16,464	-	-	-	16,464
Equipment lease	22,558	-	-	-	22,558
Repair and maintenance	44,944	-	-	-	44,944
Travel expenses	31,187	-	(1,032)	-	30,155
Depreciation	-	3,168	-	-	3,168
Legal and accounting	41,629	-	-	-	41,629
Total indirect overhead	479,245	3,168	(20,377)	-	462,036
Total costs	$ 4,381,665	$ 3,168	$ (1,138,374)	$ 1,873,044	$ 1,373,415

Direct expenses - at June 30, 2026	$ 1,873,044
Approved indirect cost rate for June 30, 2026	76.43%
Total allocable indirect expenses - at June 30, 2026	$ 1,431,568
Actual indirect expenses - at June 30, 2026	$ 1,373,415
Under recovery indirect expenses - at June 30, 2024	61,275
Net eligible indirect expenses - June 30, 2026	$ 1,434,690
Under (over) recovery of indirect expense - at June 30, 2026	$ 3,122
Under (over) recovery of indirect expense - at June 30, 2025	$ 4,894

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the General Fund, and the aggregate remaining fund information of the Fresno Council of Governments (Fresno COG), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Fresno COG's basic financial statements, and have issued our report thereon dated October 15, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fresno COG's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Fresno COG's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fresno COG's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

Price Paige & Company

Clovis, California
October 15, 2026