

**CALAVERAS COUNCIL OF  
GOVERNMENTS**

Audited Financial Statements  
Supplementary Information and Compliance Report

June 30, 2020

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CALAVERAS COUNCIL OF GOVERNMENTS

Audited Financial Statements,  
Supplementary Information and Compliance Reports

June 30, 2020

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## INDEPENDENT AUDITOR'S REPORT

To the Council Members  
Calaveras Council of Governments  
San Andreas, California

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

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Calaveras Council of Governments (the Council), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the Calaveras Council of Governments, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedule of the Proportionate Share of the Net Pension Liability and Schedule of Contributions to the Pension Plan listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by the TDA and Other State Program Guidelines**

In accordance with the Transportation Development Act (TDA) and other state program guidelines, we have also issued our report dated November 19, 2020 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with the TDA and other state program guidelines. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. That report is an integral part of an audit

To the Council Members  
Calaveras Council of Governments

performed in accordance with the Transportation Development Act and other state program guidelines in considering the Council's compliance.

*Richardson & Company, LLP*

November 19, 2020

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# CALAVERAS COUNCIL OF GOVERNMENTS

## Management's Discussion and Analysis June 30, 2020

This section of Calaveras Council of Governments' (the Council) basic financial statements presents management's overview and analysis of the financial activities of the Council for the fiscal year ended June 30, 2020. We encourage the reader to consider the information presented here in conjunction with the financial statements as a whole.

### **Introduction to the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Council's audited financial statements, which are comprised of the basic financial statements (pages 10-32). This annual report is prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for States and Local Governments*.

The required financial statements include the Combined Government-wide and Fund Financial Statements; Balance Sheet and Balance Sheet – General Fund; Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund; and the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund.

These statements are supported by notes to the financial statements. All sections must be considered together to obtain a complete understanding of the financial picture of the Council.

### **The Basic Financial Statements**

The Basic Financial Statements comprise the Combined Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the Council's financial activities and financial position.

The Government-wide Financial Statements provide a longer-term view of the Council's activities as a whole and are comprised of the Balance Sheet and the Statement of Activities. The Balance Sheet provides information about the financial position of the Council as a whole, including all of its capital assets, deferred inflows and outflows of resources related to the pension plan and long-term liabilities on the full accrual basis, similar to that used by private companies. The Statement of Activities provides information about all of the Council's revenues and all of its expenses, also on the full accrual basis, with an emphasis on measuring net revenues or expenses of the Council's programs. The Statement of Activities explains in detail the change in net position for the year.

All of the Council's activities are reported as Government Activities, as explained below.

The Fund Financial Statements report the Council's operations in more detail than the Government-wide statements and focus primarily on the short-term activities of the Council's General Fund. The Fund Financial Statements measure only current revenues, expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts. Major funds account for the major financial activities of the Council and are presented individually. Major funds are explained below.

The Fiduciary Fund Statements provide financial information about the activities of the Transportation Development Act Funds and Regional Surface Transportation Program Fund for which the Council acts solely as agent. The Fiduciary Fund Statements provide information about the cash balances and activities of these funds. These statements are separate from, and their balances are excluded from, the Council's financial activities.

# CALAVERAS COUNCIL OF GOVERNMENTS

## Management's Discussion and Analysis June 30, 2020

### **The Government-wide Financial Statements**

Government-wide Financial Statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the Council as a whole.

The Balance Sheet and the Statement of Activities present information about the Council's Governmental Activities. The Council's basic services are considered to be governmental activities. These services are supported by specific program revenues from state grants and local transportation claims.

### **Fund Financial Statements**

The Fund Financial Statements provide detailed information about the Council's General Fund, which is the only major fund. The concept of major funds, and the determination of which are major funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them in total. Instead, each major fund is presented individually, with all non-major funds summarized and presented only in a single column. Major funds present the major activities of the Council for the year and may change from year-to-year as a result of changes in the pattern of the Council's activities.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Comparisons of budget and actual financial information are presented for the General Fund as required supplementary information along with required supplementary information related to the Council's pension plans.

The Council's fiduciary activities are reported in the separate Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. Their balances are excluded from the Council's other financial statements because the Council cannot use these assets to finance its own operations.

### **Government-wide Financial Analysis**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Council, assets exceeded liabilities by \$955,733 at the close of the most recent fiscal year. Net position includes \$288,287 restricted for grant programs and \$667,466 that is unrestricted. The Council's unrestricted net position decreased 26% during the year due to project expenses being incurred in excess of revenues.

# CALAVERAS COUNCIL OF GOVERNMENTS

## Management's Discussion and Analysis June 30, 2020

The following table summarizes the changes in the Council's Condensed Government-wide Balance Sheets:

### CONDENSED BALANCE SHEETS

	June 30,		Change	%
	2020	2019		
<b>ASSETS</b>				
Current and other assets	\$ 796,917	\$ 1,059,876	\$ (262,959)	-25%
Restricted cash and investments	288,287	498,326	(210,039)	-42%
Total assets	<u>1,085,204</u>	<u>1,558,202</u>	<u>(472,998)</u>	<u>-30%</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>76,695</u>	<u>86,490</u>	<u>(9,795)</u>	<u>-11%</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 1,161,899</u>	<u>\$ 1,644,692</u>	<u>\$ (482,793)</u>	<u>-29%</u>
<b>LIABILITIES</b>				
Long-term liabilities	\$ 138,962	\$ 115,675	\$ 23,287	20%
Other liabilities	61,679	121,966	(60,287)	-49%
Total liabilities	<u>200,641</u>	<u>237,641</u>	<u>(37,000)</u>	<u>-16%</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>5,525</u>	<u>4,574</u>	<u>951</u>	<u>21%</u>
<b>NET POSITION</b>				
Restricted	288,287	498,326	(210,039)	-42%
Unrestricted	667,446	904,151	(236,705)	-26%
Total net position	<u>955,733</u>	<u>1,402,477</u>	<u>(446,744)</u>	<u>-32%</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 1,161,899</u>	<u>\$ 1,644,692</u>	<u>\$ (482,793)</u>	<u>-29%</u>

The decrease in the restricted cash and investments of \$210,039 was due to the Council reimbursing the Calaveras Transit Agency approximately \$218,000 for bus purchases and new vehicle wraps for existing vans and buses. These expenses were offset by about \$8,200 in interest earnings from Public Transportation Modernization, Improvement & Service Enhancement Program (PTMISEA) and California Governor's Office of Emergency Services (CalOES) cash balances during the year. The decrease of current and other assets of \$262,959 was the result from a decrease in operating cash of \$429,000 during the year offset by an increase in state grants receivable of \$166,000.

The long-term liabilities increased \$23,287 from 2019 to 2020. This increase was primarily due to the Council's increase in pension liability and employee compensated absences. Other liabilities decreased \$60,000 from the prior year, mostly because the Council did not have any amounts outstanding to other governments and the close of the fiscal year. The outstanding balance at June 30, 2020 of payables for operating and project expenditures was comparable to the balances of the preceding year.

With the implementation of the Capital Improvement Program (CIP), the Council no longer holds the member agency's project allocations in the Overall Work Program Operating Fund, instead Regional Surface Transportation Program (RSTP), Local Transportation Fund (LTF), and Bike and Pedestrian, and Congestion Mitigation and Air Quality (CMAQ) allocations are programmed in the CIP to Calaveras Transit Agency, City or County approved projects. The Council has created a comprehensive Call for

# CALAVERAS COUNCIL OF GOVERNMENTS

## Management's Discussion and Analysis June 30, 2020

Projects process, first initiated in 2014, coordinated with City and County Staff to program multiple years of funding. Through this process the Council has programmed nine years of funding (2014/15 – 2022/23) of City and County projects. The City and County submitted claims quarterly, the approved claims are reimbursed from the pertaining fund.

The following table summarizes the changes in the Council's Condensed Government-wide Statement of Activities:

### CONDENSED STATEMENTS OF ACTIVITIES

	June 30,		Change	%
	2020	2019		
<b>REVENUES</b>				
Program revenues:				
Charges for services	\$ 42,182	\$ 53,467	\$ (11,285)	-21%
Operating grants and contributions	500,576	757,179	(256,603)	-34%
General revenues:				
Local Transportation Fund allocation	297,908	272,114	25,794	9%
Regional Surface Transportation Program allocation	86,835	82,060	4,775	6%
Other revenues	19,326	26,191	(6,865)	-26%
<b>Total revenues</b>	<u>946,827</u>	<u>1,191,011</u>	<u>(244,184)</u>	<u>-21%</u>
<b>EXPENSES</b>				
Planning, programming, monitoring and project delivery	1,393,571	1,138,886	254,685	22%
Change in net position	(446,744)	52,125	(498,869)	-957%
Net position, beginning of year	1,402,477	1,350,352	52,125	4%
Net position, end of year	<u>\$ 955,733</u>	<u>\$ 1,402,477</u>	<u>\$ (446,744)</u>	<u>-32%</u>

The chart above is a breakdown of the Overall Work Program (OWP) Operating Fund. The charges for services represents administration expenses billed to the Calaveras Transit Agency for staff in fiscal 2019/2020. The Calaveras Transit Agency has no staff and is administered by the Council. The decrease in operating grants and contributions of \$256,603 or 34% from the previous year, was due to a decrease in state and federal grants.

Local Transportation Fund allocations increased \$26,000 or 9% over the prior year. Regional Surface Transportation allocations remained consistent with the prior year, recognizing an increase of \$5,000 or 6%. The 26% decrease reflected in other revenues is due to interest earnings throughout the year.

Overall, 2020 ended with a net position of \$955,733, which is a decrease of 32%. Since the creation of the CCOG CIP in 2013, the OWP Operating Fund reflects CCOG's core functions and activities, and City and County project allocations and programming are reflected in the CIP.

# CALAVERAS COUNCIL OF GOVERNMENTS

## Management's Discussion and Analysis June 30, 2020

### **Analyses of Major Funds**

#### Governmental Funds

The Council's governmental fund balance, the General Fund, amounted to \$865,383 as of June 30, 2020, a decrease of \$418,090 from 2019. This change in fund balance is reflected in the Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund. The Council's fund balance as of June 30, 2020 comprised the following:

- Cash and investments (including restricted cash) of \$749,632, decreased \$638,993 or 46% from the prior year, primarily due to PTMISEA payments to the Calaveras Transit Agency for equipment, increased operating expenses and an overall decrease total revenues of the Council.
- Due from other agencies was \$335,572 which mainly represents reimbursable grant proceeds earned by incurring qualifying expenses that were not yet received as of year-end.
- Current liabilities, including accounts payable, accrued wages and benefits totaled \$61,679. This represents a decrease of \$60,287 over the prior year, primarily due to there being no amounts due to other governmental agencies at the end of the current fiscal year.
- Deferred inflows of resources of \$158,142 represents grant proceeds that were not received within the Council's 60-day availability period.

General Fund revenues totaled \$941,448, a decrease of \$273,306 this fiscal year due primarily to the reduced state and federal grant funding awarded and administered by CCOG. Expenditures were \$1,359,538, an increase of \$247,642 from the prior year, which was mainly due to consultant contracts for development and completion of multiple planning projects. These included completion of three planning grants, completion of the Countywide Pavement Management System update, completion of the Coordinated Public Transit-Human Services Transportation Plan, completion of the Classification and Compensation Study, and progress on the Short Range Transit Plan and Regional Transportation Plan updates.

The Fund's fiscal year-end fund balance of \$865,383 represents funds not yet expended on operations. \$288,287 of this amount represents PTMISEA and CalOES revenues received and not yet expended on approved projects, a decrease of \$210,039 over the prior year amount of \$498,326. Unassigned fund balance of \$577,096 represents a decrease of \$208,051 over the prior year amount of \$785,147.

### **Overall Work Program and Budget**

The Council annually adopts a budget through the preparation of an Overall Work Program (OWP). This OWP describes the multiple projects and phases within each project that are to be funded and the type of grant funding that will pay for each project. The draft OWP is prepared by the Executive director, submitted and approved by the Council, and then submitted to the State of California, Department of Transportation (Caltrans) by March of each year. The final OWP is approved by Council and submitted to Caltrans by June 30.

As shown on page 33 of the financial statements, the FY 2019/20 budgeted revenues and expenses were \$1,465,035 and \$1,645,953, respectively. Actual revenues and expenditures were \$941,448 and \$1,359,538, respectively. The Council's OWP revenue budget does not include the previous fiscal years carryover amount which is reflected in the net change in fund balance (\$914,625).

# CALAVERAS COUNCIL OF GOVERNMENTS

## Management's Discussion and Analysis June 30, 2020

### **Capital Assets**

GASB Statement No. 34 requires the Council to record all its capital assets. Detail on capital assets can be found in Note C. All capital assets are fully depreciated at June 30, 2020.

### **Debt Administration**

The Council does not utilize long-term debt to fund operations or growth.

### **Economic Outlook and Major Initiatives**

Financial planning is based on specific assumptions from recent trends, State of California economic forecasts and historical growth patterns in the various communities served by the Council.

The Council will continue to maintain a watchful eye over expenditures and remain committed to sound fiscal management practices to deliver the highest quality service to the citizens of the area.

### **Contacting the Council's Financial Management**

This comprehensive Annual Financial Report is intended to provide citizens, taxpayers, and creditors with a general overview of the Council's finances. Questions about this report should be directed to the Administrative Services Officer at Calaveras Council of Governments, P.O. Box 280, San Andreas, CA 95249.

CALAVERAS COUNCIL OF GOVERNMENTS

BALANCE SHEET

June 30, 2020

	<u>Governmental Activities</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and investments	\$ 461,345
Due from other agencies	<u>335,572</u>
TOTAL CURRENT ASSETS	<u>796,917</u>
<b>NONCURRENT ASSETS</b>	
Restricted cash and investments	<u>288,287</u>
TOTAL NONCURRENT ASSETS	<u>288,287</u>
TOTAL ASSETS	<u>1,085,204</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension plan	<u>76,695</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,161,899</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 53,472
Accrued wages and benefits	8,207
Compensated absences - current portion	<u>7,865</u>
TOTAL CURRENT LIABILITIES	<u>69,544</u>
<b>NONCURRENT LIABILITIES</b>	
Compensated absences - noncurrent portion	19,846
Net pension liability	<u>111,251</u>
TOTAL NONCURRENT LIABILITIES	<u>131,097</u>
TOTAL LIABILITIES	<u>200,641</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension plan	<u>5,525</u>
<b>NET POSITION</b>	
Restricted for PTMISEA projects	263,650
Restricted for CalOES projects	24,637
Unrestricted	<u>667,446</u>
TOTAL NET POSITION	<u>955,733</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 1,161,899</u>

The accompanying notes are an integral part of these financial statements.

CALAVERAS COUNCIL OF GOVERNMENTS

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020

	<u>Governmental Activities</u>
GOVERNMENTAL ACTIVITIES	
PROGRAM EXPENSES	
Governmental activities:	
Planning, programming, monitoring and project delivery	\$ 1,393,571
PROGRAM REVENUES	
Charges for services	42,182
Operating grants and contributions	<u>500,576</u>
	TOTAL PROGRAM REVENUES
	<u>542,758</u>
NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	(850,813)
GENERAL REVENUES	
Local Transportation Fund allocation	297,908
Regional Surface Transportation Program allocation	86,835
Other revenues	<u>19,326</u>
	TOTAL GENERAL REVENUES
	<u>404,069</u>
	CHANGE IN NET POSITION
	(446,744)
Net position, beginning of year	<u>1,402,477</u>
	NET POSITION, END OF YEAR
	<u>\$ 955,733</u>

The accompanying notes are an integral part of these financial statements.



CALAVERAS COUNCIL OF GOVERNMENTS

BALANCE SHEET - GENERAL FUND

June 30, 2020

ASSETS		
CURRENT ASSETS		
Cash and investments		\$ 461,345
Due from other agencies		<u>335,572</u>
	TOTAL CURRENT ASSETS	<u>796,917</u>
NONCURRENT ASSETS		
Restricted cash and investments		<u>288,287</u>
	TOTAL NONCURRENT ASSETS	<u>288,287</u>
	TOTAL ASSETS	<u>\$ 1,085,204</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
LIABILITIES		
Accrued liabilities		\$ 53,472
Accrued wages and benefits		<u>8,207</u>
	TOTAL LIABILITIES	<u>61,679</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue		<u>158,142</u>
FUND BALANCE		
Restricted for PTMISEA projects		263,650
Restricted for CalOES projects		24,637
Unassigned		<u>577,096</u>
	TOTAL FUND BALANCE	<u>865,383</u>
	LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 1,085,204</u>

The accompanying notes are an integral part of these financial statements.

CALAVERAS COUNCIL OF GOVERNMENTS

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO  
THE GOVERNMENT-WIDE BALANCE SHEET - GOVERNMENTAL ACTIVITIES

June 30, 2020

Fund balance - governmental funds, June 30, 2020	\$ 865,383
Amounts reported for governmental activities in the government-wide balance sheet are different from those reported in the governmental funds above because:	
Pension contributions made subsequent to the measurement date and other pension adjustments will reduce the pension liability in the future and are reported as deferred outflows of resources on the government-wide balance sheet.	76,695
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Compensated absences	(27,711)
Net pension liability	(111,251)
Net differences between projected and actual earnings on pension plan investments and changes in assumptions are reported as deferred inflows of resources on the government-wide balance sheet.	(5,525)
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in the governmental funds. Unavailable revenue is recognized under the full accrual basis for government-wide purposes.	<u>158,142</u>
Net position - governmental activities, June 30, 2020	<u>\$ 955,733</u>

The accompanying notes are an integral part of these financial statements.

CALAVERAS COUNCIL OF GOVERNMENTS

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GENERAL FUND

For the Year Ended June 30, 2020

REVENUES

Intergovernmental revenues:		
State and local subvention and planning grants		\$ 495,197
Local Transportation Fund allocation		297,908
Regional Surface Transportation Program allocation		86,835
Calaveras Transit Agency administration reimbursement		42,182
Other revenue		19,326
	TOTAL REVENUES	<u>941,448</u>

EXPENDITURES

Services and supplies:		
Professional services, including County and City contracts		939,665
Salaries and benefits		334,905
Rents and leases		29,619
Office expense		19,380
Insurance		15,352
Training and travel		1,399
Other expenses		19,218
	TOTAL EXPENDITURES	<u>1,359,538</u>

NET CHANGE IN FUND BALANCE (418,090)

Fund balance, beginning of year		<u>1,283,473</u>
	FUND BALANCE, END OF YEAR	<u><u>\$ 865,383</u></u>

The accompanying notes are an integral part of these financial statements.

CALAVERAS COUNCIL OF GOVERNMENTS

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL  
FUND TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020

Net change in fund balance - governmental fund \$ (418,090)

Amounts reported for governmental activities in the statement of activities are different because:

Changes in certain 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.

Change in deferred outflows of resources related to pension plans	(9,795)
Change in compensated absences liability	(7,689)
Change in net pension liability	(15,598)
Change in deferred inflows of resources related to pension plans	(951)

Revenues not received within the availability period are deferred in governmental funds, but are recognized as revenue under the full accrual method of accounting in the government-wide statements. Amount represents the change in unavailable revenue.

5,379

Change in net position - governmental activities \$ (446,744)

The accompanying notes are an integral part of these financial statements.

CALAVERAS COUNCIL OF GOVERNMENTS  
 STATEMENT OF FIDUCIARY NET POSITION -  
 FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS

June 30, 2020

<b>ASSETS</b>		
Cash and investments		\$ 2,439,610
Due from other agencies		363,735
Loan to Calaveras Transit Agency		<u>512,618</u>
	<b>TOTAL ASSETS</b>	<u>3,315,963</u>
 <b>LIABILITIES</b>		
Due to other agencies		<u>472,517</u>
	<b>TOTAL LIABILITIES</b>	<u>472,517</u>
 <b>NET POSITION</b>		
Net position held in trust for other purposes		
Unapportioned		<u>2,843,446</u>
	<b>TOTAL NET POSITION</b>	<u><u>\$ 2,843,446</u></u>

The accompanying notes are an integral part of these financial statements.

CALAVERAS COUNCIL OF GOVERNMENTS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS

For the Year Ended June 30, 2020

ADDITIONS:

Taxes:		
Local Transportation Fund allocation		\$ 1,192,920
State Transit Assistance Fund allocation		383,538
Intergovernmental		619,975
Interest revenue		58,184
	TOTAL ADDITIONS	<u>2,254,617</u>

DEDUCTIONS:

Allocations to claimants:		
Calaveras Transit Agency		748,677
CCOG - Planning and administration		1,107,007
Calaveras County - Streets and roads		450,854
City of Angels - Streets and roads		44,589
Pedestrian and bicycle		15,689
Calaveras County - Administration		1,465
	TOTAL DEDUCTIONS	<u>2,368,281</u>

CHANGE IN NET POSITION (113,664)

Net position, beginning of year 2,957,110

NET POSITION, END OF YEAR \$ 2,843,446

The accompanying notes are an integral part of these financial statements.

# CALAVERAS COUNCIL OF GOVERNMENTS

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Calaveras Council of Governments (the Council) are prepared in conformity with U.S. generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the Council are described below.

Description of Reporting Entity: The Council, the regional transportation planning agency for the County of Calaveras, was created pursuant to Title 3 of California Government Code Section 29535. The Council is responsible for transportation planning activities as well as administration of the Local Transportation Fund (LTF), the State Transit Assistance Fund (STAF) and State of Good Repair (SGR) funds. The Council does not exercise control over any other entities and, thus, has no component units. Criteria used in determining the reporting entity was based on control or dependence determined on the basis of budget adoption, funding, and appointment of the respective governing board.

The Council is composed of seven members – two County Supervisors, two Council Members from the City of Angels and three members selected from the public at large (citizen members). The citizen members serve two-year terms and are appointed by the elected members, who are appointed by their respective bodies on a yearly basis.

Council Support of Transit JPA: In March 2018, a Joint Powers Agreement (the Agreement) was executed between the County of Calaveras and City of Angels Camp to form a Joint Powers Authority called the Calaveras Transit Agency (the Agency) to assume responsibility for the operations and administration of the public transportation system of the County of Calaveras. The County of Calaveras transferred transit operations to the Agency on July 1, 2018. The Agency is a separate legal entity. However, the Agreement calls for the Agency and Council to share the same governing boards, names the Council's Executive Director as the Agency's Executive Director and indicates the Council's staff will manage the Agency's operations. The Agency is not considered to be a component unit of the Council because a financial benefit or burden relationship does not exist between the two organizations. The Council will be reimbursed by the Agency for the time the Council staff spends on Agency business under the Agreement, subject to budgetary control. Reimbursements for the year ended June 30, 2020 were \$42,182.

Basis of Presentation – Government-wide Financial Statements: The government-wide balance sheet and statement of activities display information about the non-fiduciary activity of the primary government (the Council). These statements include only the financial activities of the Council and not the fiduciary funds.

The statement of activities presents a comparison between direct expenses and program revenues for the Council's governmental activities. Direct expenses are those that are specifically associated with the Council's activities. Program revenues include operating grants and contributions that are restricted to meeting the operational requirements of the Council. Revenues that are not classified as program revenues, including regional surface enhancement program allocations, LTF allocations and interest income, are presented as general revenues.

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. Nonexchange transactions in which the Council gives (or receives) value without directly receiving (or giving) equal value in exchange,

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

include grants, entitlements and contributions. Revenues from grants and contributions are recognized in the fiscal year in which all eligibility requirements have been satisfied, even if no claim has been filed.

Basis of Presentation – Fund Financial Statements: The accounts of the Council are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations.

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 Council considers all 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 accrual basis accounting, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured and are payable from current financial resources. General capital asset acquisitions are reported as expenditures in governmental funds.

Non-exchange transactions, in which the Council gives or receives value without directly receiving or giving equal value in exchange, include grants, entitlements, and contributions. Revenue from grants, entitlements, and contributions is recognized in the fiscal year in which all eligibility requirements have been met.

The Council may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted fund balance/net position may be available to finance program expenditures. The Council's policy is to first apply restricted resources to such programs, followed by unrestricted resources as necessary.

The Council reports the following major governmental fund:

General Fund – The General Fund is the general operating fund of the Council and accounts for revenues collected to provide services and finance the fundamental operations of the Council. The fund is charged with all costs of operations not reported in another fund.

Fiduciary Funds: The Council reports six fiduciary funds. Fiduciary funds are used to account for assets held in a trustee or agent capacity for others and therefore cannot be used to support the governments' own programs. Private purpose trust funds are used to report trust arrangements under which principal and income benefit individuals, private organizations or other governments. Private purpose trust funds use the accrual basis of accounting and the economic resources measurement focus. Although the Council receives resources from the Local Transportation Fund, the resources provided are not considered significant enough to preclude the use of a private purpose trust fund to account for the Local Transportation Fund. Private purpose trust funds are used by the Council for the following purposes:

*Local Transportation Fund (LTF)* - This fund is utilized by the Council, as trustee, to receive the 1/4 of 1% retail sales tax collected under the Transportation Development Act (TDA) that is returned to each county by the State Board of Equalization. These funds are apportioned and allocated by the Council to eligible claimants for transit, streets and roads projects, transportation planning and for administration.



CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*State Transit Assistance Fund (STAF)* - This fund is utilized by the Council, as trustee, to receive sales tax derived from statewide sales of gasoline and diesel fuel. Each county receives its share of these funds based upon a population and operator revenue formula. These funds may only be allocated by the Council to fund transit operations.

*State of Good Repair Fund (SGR)*: In April of 2017, the State of California approved the Road Repair and Accountability Act, Senate Bill 1 (2017), that created the State of Good Repair program. The program will be administered by the State of California and will account for a new state gas tax that began to be collected in November 1, 2017. The funding is available for eligible transit maintenance, rehabilitation and capital projects. The Council is the administering agency for the State of Good Repair program in the County of Calaveras.

*Low Carbon Transit Operations Program Fund (LCTOP)* – LCTOP was created to provide operating and capital assistance to transit agencies with the goal of reducing greenhouse gas emissions and improving mobility. Eligible recipients are entities included in the list provided by the State Controller's Office (SCO) and are transportation planning agencies and transit operators that are eligible for State Transit Assistance (STA) Fund per PUC 99313 or 99314. This fund is utilized by the Council, as trustee, to account for eligible operating and capital projects.

*Regional Surface Transportation Program Fund (RSTP)* - This fund is utilized by the Council, as trustee, to account for regional transportation projects.

*Pedestrian and Bicycle Fund* - This fund is utilized by the Council, as trustee, to account for LTF funds set aside by the Council for pedestrian and bicycle projects.

The process for delivering the LTF and STA funds to the various recipients is as follows:

- The County Auditor-Controller estimates the amount of funds to be available in the LTF, and notifies the claimants before February 1 of each year.
- The Council determines how much funding it will need for the planning work program and administration of the TDA, as well as how much of the funds will be reserved for pedestrian and bicycle facilities. The Calaveras Transit Agency then submits a claim for LTF funds as a joint powers authority of eligible claimants, with transit needs required to be met before any streets and roads funds can be claimed. The Council then determines the split of LTF funds between the County of Calaveras and the City of Angels based upon the population amounts provided by the State of California Department of Finance. Each recipient is then notified of the amount of LTF funds available in its area of apportionment (apportionment being the process of dividing the funds based upon population).
- The Council acts upon transit claims, adopting resolutions and preparing allocation instructions that notify the recipient of the funds approved, and notifies the County Auditor-Controller of what expenditures are approved and when they are to be paid.

The STA process is similar, except that the estimate is made by the State of California Controller's Office and the funds cannot be used for administration, streets and roads, or pedestrian and bicycle facilities. The Calaveras Transit Agency is the only eligible claimant.

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets: An annual appropriated budget is adopted for the General Fund. The budget presented in the Budget vs. Actual Schedule reported as required supplementary information is not on a basis consistent with U.S. generally accepted accounting principles because the budget includes carry-over funding from the overall work program, which represents the use of fund balance resulting from revenue previously recognized in a prior year. Budgeted revenues and expenditures represent the originally adopted budget modified by amendment during the year.

*General Fund* - The Council annually adopts a budget through the preparation of an overall work program. This work program describes the projects or work elements that are to be funded and the type of funds that will pay for the expenditures, such as Rural Planning Assistance, Local Transportation or Federal Transit Administration (FTA). The work program, in draft form, is prepared by the Executive Director, submitted and approved by the Council and submitted to the State of California, Department of Transportation (Caltrans) in March and the final work program is approved by June 30. Caltrans, as the grantor of Rural Planning Assistance and 1-TA funds, approves the work program, which then becomes the budget for the operating fund of the Council for the fiscal year.

Restricted Cash and Investments: The Council has amounts invested with the County of Calaveras that are restricted for Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) projects totaling \$263,650 and for California Governor’s Office of Emergency Services (CalOES) projects totaling \$24,637 at June 30, 2020.

Capital Assets: Capital assets are stated at historical cost or estimated historical cost if historical cost is not available. Capital assets are defined as assets with an initial cost of \$10,000 or more and an estimated useful life in excess of one year. Donated capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Provision is made for depreciation by the straight-line method over the estimated useful lives of these individual assets, which is five years for automobiles and range from three to seven years for office furniture and equipment. 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.

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the balance sheet will sometimes report separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earnings process is complete. Deferred outflows and inflows of resources include amounts deferred related to the Council’s pension plan under GASB Statement No. 68 as described in Note H. Unavailable revenue in governmental funds arise when a potential revenue source does not meet both the “measurable” and “available” criteria for recognition in the current period. Unavailable revenue at June 30, 2020 consisted of Rural Planning Assistance receivable of \$62,008 and Road Repair and Accountability Act of 2017 (SB1) receivable of \$96,134 not received within the Council’s availability period.

Compensated Absences: Unused vacation of 80 to 160 hours per year may be accumulated with no specified maximum number of hours available to be accrued. Accrued vacation is paid at the time of termination from the Council’s employment. Sick leave is not directly payable to employees at retirement and is not accrued in the compensated absences liability. However, the sick leave may be converted to

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

service credits under the Council's retirement plan. The cost of vacation is recorded in the period earned in the government-wide statements. A liability for compensated absences is reported in the General Fund only if the liability has matured, for example, as a result of employee resignations or retirements.

Fund Balance: Governmental funds report nonspendable, restricted, committed, assigned and unassigned fund balances.

Nonspendable Funds – Fund balance should be reported as nonspendable when the amounts cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Nonspendable balances are not expected to be converted to cash within the next operating cycle, which include pre-paid expenses and long-term receivables.

Restricted Funds – Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The purpose of each restriction is listed on the face of the balance sheet.

Committed Funds – Fund balance should be reported as committed when the amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which is by resolution of the Council. These amounts cannot be used for any other purpose unless the governing body modifies or removes the fund commitment.

Assigned Funds – Fund balance should be reported as assigned when the amounts are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned Funds – Unassigned fund balance is the residual classification of the Council's funds and includes all spendable amounts that have not been restricted, committed, or assigned to specific purposes. Unassigned fund balance includes amounts designated by the Council of \$303,906 in the General Fund for operating expenses. The terms for use of these amounts are not sufficiently detailed to consider the amounts committed under GASB Statement No. 54.

The Council has only restricted and unassigned fund balances.

Net Position: The government-wide financial statements present net position. Net position is categorized as the investment in capital assets, restricted and unrestricted.

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 external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The purpose of each restriction is listed on the face of the statement of net position.

Unrestricted Net Position – This category represents net position of the Council that is not restricted for any project or other purpose.

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pension Plan: For purposes of measuring the net pension liability and deferred outflows/inflows of resources and pension expense related to the pension plan, information about the fiduciary net position of the Council's California Public Employees' Retirement System (CalPERS) pension plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates: The financial statements have been prepared in conformity with U.S. generally accepted accounting principles, and as such; include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those amounts.

Related Party Transactions: The County of Calaveras performs various services for the Council. The County Auditor-Controller's Office and Treasurer's Office performed accounting and investing services for the Council for \$20,000 and \$5,000, respectively, during the year ended June 30, 2020. The Council's governing body is also the governing body of the Calaveras Transit Agency. The Council's staff performs administration of the Agency under a contract and received contract payments of \$42,182.

New Accounting Pronouncements: In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying and reporting fiduciary activities of all state and local governments. The focus of the criteria is generally on whether the government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists and activities meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The Council expects to reclassify its private purpose trust funds as special revenue funds when this Statement is implemented. The requirements of this Statement are effective for periods beginning after December 15, 2019.

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases 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. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the lease guidance, unless specifically excluded in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

The Council will fully analyze the impact of these new Statements prior to the effective dates listed above.

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE B – CASH AND INVESTMENTS

Cash and investment balances from all funds were combined and invested by the County of Calaveras on the Council’s behalf. The County invests according to its investment policy and the California State Government Code. The Council has not formally adopted investment policies that limit the Council's allowable deposits or investments risks to which the Council is exposed. Cash and investments consisted of the following at June 30, 2020:

Investment in County of Calaveras investment pool:	
Governmental funds - unrestricted	\$ 461,345
Governmental funds - restricted	288,287
Total governmental funds	<u>749,632</u>
Fiduciary funds	<u>2,439,610</u>
Total cash and investments	<u>\$ 3,189,242</u>

Investment in County of Calaveras Investment Pool: The Council invests all of its cash and investments in the investment pool of the County of Calaveras (the County). The County is limited by the California State Government Code in the types of investments it can make. Furthermore, the County Treasurer has a written investment policy, approved by the Board of Supervisors, which is more restrictive than the California Government Code as to maturity and types of investments. Also, the County has an investment committee, which performs regulatory oversight for its pool as required by California Government Code Section 27134. The County’s investment policy is discussed in the County’s Comprehensive Annual Financial Report at Calaveras.gov.us under the Auditor/Controller section.

At June 30, 2020, the Council's investment in the County’s investment pool is stated at amortized cost, which approximates fair value. However, the value of the pool shares in the County investment pool that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Council's position in the pool.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value on an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. As of June 30, 2020, the weighted average maturity of the investments contained in the County investment pool was approximately 1.23 years.

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. The County investment pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk: Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Custodial credit risk does not apply to a local government’s indirect deposits or investment in securities through the use of government investment pools (such as the County’s investment pool).

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE C – LOAN AND LINE OF CREDIT TO CALAVERAS TRANSIT AGENCY

In June 2018, the Council approved an allocation from the LTF Fund to the Calaveras Transit Agency (Agency) in the amount of \$512,618 as a loan until reimbursements from Federal Transit Administration (FTA) grants are received. The Agency will repay the loan with interest at the County’s pooled money rate. The loan is not expected to be repaid within one year.

In January of 2019, the Council also approved a \$400,000 line of credit from the LTF Fund to the Agency to finance any additional cash shortfalls experienced by the Agency. The line of credit currently has no expiration date. The Agency is required to repay any borrowings with interest equal to the County pooled investment rate calculated by the County Auditor-Controller. There is no maximum term for any borrowings under the agreement, but repayments are expected to occur by the Agency as federal funding is received. There were no borrowings under the line of credit as of June 30, 2020.

NOTE D - CAPITAL ASSETS

Capital assets activity was as follows for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Capital assets, being depreciated:				
Automobile	\$ 25,564			\$ 25,564
Total capital assets, being depreciated	<u>25,564</u>			<u>25,564</u>
Less accumulated depreciation:				
Automobile	(25,564)			(25,564)
Total accumulated depreciated	<u>(25,564)</u>			<u>(25,564)</u>
Capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE E – LONG-TERM LIABILITIES

The following is a summary of long-term liability activity for the year ended June 30, 2020 with the exception of the net pension liability reported in Note H:

	July 1, 2019	Additions	Retirements	June 30, 2020	Due Within One Year	Due in More Than One Year
Compensated absences	<u>\$ 20,022</u>	<u>\$ 14,776</u>	<u>\$ (7,087)</u>	<u>\$ 27,711</u>	<u>\$ 7,865</u>	<u>\$ 19,846</u>

NOTE F – CONTINGENCIES AND COMMITMENTS

Grant Contingency: The Council receives revenue from federal, state and local agencies that have requirements to be followed when expending the revenues. If the requirements are not followed, the unauthorized expenditures could be required to be refunded to the granting agency.

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE F – CONTINGENCIES AND COMMITMENTS (Continued)

Legal Contingencies: The Council is a party to claims, legal actions and complaints that arise in the normal course of operations. It is management’s belief, after consultation with legal counsel, that there are no loss contingencies that will result in a material adverse impact on the financial position of the Council.

Insurance: The Council participates in the Special Districts Risk Management Authority (SDRMA) for insurance coverage. SDRMA is a risk-pooling self-insurance authority created under the provisions of the California Government Code Sections 6500 et. seq. Its purpose is to provide a full risk management program for California local governments. The Council pays an annual premium based on its pro-rata share of charges for the pooled risk, claims adjusting, legal costs and administrative costs to operate the SDRMA. Coverage includes property (including boiler & machinery, pollution and cyber), general liability (including bodily injury, property damage, public officials personal, employment benefits, employee/public officials E & O, employment practices liability and employee/public officials dishonesty), auto liability, physical damage, and workers’ compensation (employer’s liability and workers’ compensation coverage), for which the Council has combined SDRMA and commercial reinsurance coverage limits of up to \$1,000,000,000, \$10,000,000, \$10,000,000 and \$5,000,000 and the statutory limit, respectively. Financial statements are available from SDRMA at sdrma.org.

Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from the prior year.

Contract commitments: The Council had the following contract commitments at June 30, 2020:

<u>Project</u>	<u>Amount</u>
Regional Transportation Plan update	\$ 44,253

NOTE G – OPERATING LEASE

The Council is currently leasing office space under a lease agreement ending July 31, 2022. The rent expense is adjusted on September 1 each year in an amount equal to the change in the Consumer Price Index for the western region, with maximum yearly increases of 3.5%. The total rent expense for the office space during the year was \$25,247.

Future minimum lease payments under the operating lease as of June 30, 2020 were as follows:

<u>Year Ending June 30:</u>	
2021	\$ 26,096
2022	27,954
2023	2,425
	<u>\$ 56,475</u>

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE H – PENSION PLAN

Plan Description: All qualified permanent and probationary employees are eligible to participate in the Council’s cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). The Council participates in the Miscellaneous Risk Pool and the following rate plans:

- Miscellaneous Plan
- PEPRA Miscellaneous Plan

Benefit provisions under the Plan are established by state statute and Council resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov). The Council has one employee who was hired after June 30, 2013 and is a participant in the PEPRA rate plan. This participant was hired by the Council in October 2017.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRA rate plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the following: the 1959 Survivor Benefit level 4. The cost of living adjustments for the plan are applied as specified by the Public Employees’ Retirement Law.

The Plan’s provisions and benefits in effect at June 30, 2020, are summarized as follows:

Hire date	Miscellaneous	PEPRA Miscellaneous
	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	6.906%	7.000%
Required employer contribution rates	10.516%	7.026%

The Miscellaneous rate plan is closed to new members that are not already CalPERS eligible participants.

Contributions: Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Council is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2020, the contributions of \$35,575 were made.



CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE H – PENSION PLAN (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, 2020, the Council reported a net pension liability of \$111,251 for its proportionate share of the net pension liability of the Plan (both rate plans combined).

The Council’s net pension liability for its Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The Council’s proportion of the net pension liability was based on a projection of the Council’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Council’s proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2019 was as follows:

Proportion - June 30, 2020	0.00278%
Proportion - June 30, 2019	0.00254%
Change - increase (decrease)	0.00024%

For the year ended June 30, 2020, the Council recognized pension expense of \$26,344. At June 30, 2020, the Council reported deferred outflows of resources and deferred inflows of resources related to its Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 35,575	
Differences between actual and expected experience	7,727	\$ 599
Changes in assumptions	5,305	1,881
Differences between the employer's contributions and the employer's proportionate share of contributions	7,831	1,101
Change in employer's proportion	20,257	
Net differences between projected and actual earnings on plan investments		1,944
Total	<u>\$ 76,695</u>	<u>\$ 5,525</u>

The amount reported as deferred outflows of resources related to contributions subsequent to the measurement date above will be recognized as a reduction of the net pension liability in the following year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2021	\$ 26,323
2022	6,564
2023	2,315
2024	393
	<u>\$ 35,595</u>

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE H – PENSION PLAN (Continued)

Actuarial Assumptions: The total pension liability at the June 30, 2019 measurement date for the Plan was determined using the following actuarial assumptions:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Actuarial cost method	Entry-Age Normal Cost Method
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.625%
Payroll growth	2.875%
Projected salary increase	3.2% - 12.2% (1)
Mortality	Derived using CalPERS membership data for all funds (2)

(1) Depending on age, service and type of employment

(2) The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website. All other actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study Report can be found on CalPERS' website under Forms and Publications.

Discount Rate: The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used for the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE H – PENSION PLAN (Continued)

The table below reflects the long-term expected real rate of return by asset class for each risk pool. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100.0%		

- (a) An expected inflation of 2.00% used for this period.
- (b) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Council’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Council’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% decrease	6.15%
Net pension liability	\$ 208,008
Current discount rate	7.15%
Net pension liability	\$ 111,251
1% increase	8.15%
Net pension liability	\$ 31,385

Pension Plan Fiduciary Net Position: Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial report.

Payable to the Pension Plan: The Council did not have any significant payables to the Plan as of June 30, 2020.

NOTE I – OTHER STATE GRANTS

PTMISEA: In November 2006, California Voters passed a bond measure (Proposition 1B) enacting the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006. Of the \$19.925 billion of state general obligation bonds authorized, \$4 billion was set aside by the state as instructed by statute as the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA).

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE I – OTHER STATE GRANTS (Continued)

These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation or replacement.

During the year ended June 30, 2020, the Council did not receive proceeds from the State's PTMISEA account. Funds were on hand from previous proceeds for vehicle and equipment purchases, an automatic vehicle location system and bus stop improvements. Qualifying expenditures must be encumbered within three years from the date of the allocation and expended within three years from date of the encumbrance.

As of June 30, 2020, PTMISEA funds received and expended were verified in the course of our audit as follows:

Balance at July 1, 2019	\$ 474,173
Interest earned	7,731
Expenditures incurred:	
Buses	(200,175)
Bus wrap project	<u>(18,079)</u>
Unexpended proceeds at June 30, 2020	<u><u>\$ 263,650</u></u>

California Office of Emergency Services (CalOES): As approved by the voters in the November 2006 general elections, Proposition 1B enacts the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 to authorize \$19.925 billion of state general obligation bonds for specified purposes, including grants for transit system safety, security and disaster response projects. CalOES has been charged with administering the following Prop 1B California Transit Security Grant Program (CTSGBP).

The Council received allocations from CalOES during the years ended June 30, 2015 and 2012 for bus stop lighting expenses that will be incurred by the County of Calaveras Transit Fund, of which \$24,637, including interest earned, was still held by the Council at June 30, 2020. As of June 30, 2020, interest was received and no funds were expended:

Balance at July 1, 2019	\$ 24,153
Interest earnings	<u>484</u>
Unexpended proceeds at June 30, 2020	<u><u>\$ 24,637</u></u>

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE I – OTHER STATE GRANTS (Continued)

Low Carbon Transit Operations Program (LCTOP): The LCTOP was established by the California Legislature in 2014 by Senate Bill 862. The LCTOP provides funds to transit agencies to reduce greenhouse gas emission and improve mobility through operating and capital grants. Projects approved for LCTOP will support bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions. As of June 30, 2020, LCTOP funds received and expended were verified in the course of the audit as follows:

Balance at July 1, 2019	\$ 6,500
LCTOP funds received	84,709
Interest earnings	1,660
Expenditures incurred:	
Saturday Hopper Service and Columbia College student fares program	(32,197)
Unexpended proceeds	\$ 60,672

NOTE J – CONTINGENCY

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Council’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and impact on the donors, members, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain.

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**REQUIRED SUPPLEMENTARY INFORMATION**

CALAVERAS COUNCIL OF GOVERNMENTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL – GENERAL FUND

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues:				
State and local subvention and planning grants	\$ 663,833	\$ 663,833	\$ 495,197	\$ (168,636)
Local Transportation Fund allocation	365,048	377,148	297,908	(79,240)
Federal grants	110,855	110,855		(110,855)
Regional Surface Transportation Program allocation	247,614	247,614	86,835	(160,779)
Calaveras Transit Agency administration reimbursement	95,585	65,585	42,182	(23,403)
Other revenue			19,326	19,326
TOTAL REVENUES	<u>1,482,935</u>	<u>1,465,035</u>	<u>941,448</u>	<u>(523,587)</u>
<b>EXPENDITURES</b>				
Services and supplies:				
Professional services, including County and City contracts	1,098,383	1,135,483	939,665	195,818
Salaries and benefits	416,842	391,842	334,905	56,937
Rents and leases	29,035	29,035	29,619	(584)
Office expense	25,980	25,980	19,380	6,600
Insurance	15,500	15,500	15,352	148
Training and travel	11,500	11,500	1,399	10,101
Other expenses	36,613	36,613	19,218	17,395
TOTAL EXPENDITURES	<u>1,633,853</u>	<u>1,645,953</u>	<u>1,359,538</u>	<u>286,415</u>
NET CHANGE IN FUND BALANCE	(150,918)	(180,918)	(418,090)	(237,172)
Fund balance, beginning of year	<u>1,283,473</u>	<u>1,283,473</u>	<u>1,283,473</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,132,555</u>	<u>\$ 1,102,555</u>	<u>\$ 865,383</u>	<u>\$ (237,172)</u>



**SUPPLEMENTARY INFORMATION**

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CALAVERAS COUNCIL OF GOVERNMENTS  
REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2020

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY - MISCELLANEOUS PLAN (UNAUDITED)  
Last 10 Years**

	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.002778%	0.002538%	0.002397%	0.002084%	0.002583%	0.002030%
Proportionate share of the net pension liability	\$ 111,251	\$ 95,653	\$ 94,479	\$ 72,388	\$ 70,864	\$ 50,106
Covered - employee payroll - plan measurement period	\$ 244,530	\$ 230,826	\$ 293,677	\$ 310,105	\$ 294,074	\$ 210,148
Proportionate share of the net pension liability as a percentage of covered payroll	45.50%	41.44%	32.17%	23.34%	24.10%	23.84%
Plan fiduciary net position as a percentage of the total pension liability	84.53%	81.91%	83.29%	83.73%	78.40%	83.03%

Notes to Schedule:

Change in Benefit Terms: There were no changes to benefit terms

Changes in assumptions: The discount rate was changed from 7.50% in 2015 to 7.65% in 2016 and to 7.15% in 2018.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)  
Last 10 Years**

	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 35,575	\$ 27,885	\$ 23,704	\$ 28,325	\$ 28,353	\$ 25,608
Contributions in relation to the actuarially determined contributions	(35,575)	(27,885)	(23,704)	(28,325)	(28,353)	(25,608)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered - employee payroll - Council's fiscal year	\$ 259,988	\$ 244,530	\$ 230,826	\$ 293,677	\$ 310,105	\$ 294,074
Contributions as a percentage of covered - employee payroll	13.68%	11.40%	10.27%	9.64%	9.14%	8.71%

Notes to Schedules:

Valuation date for contributions: June 30, 2017 June 30, 2016 June 30, 2015 June 30, 2014 June 30, 2013 June 30, 2012

Methods and assumptions used to determine contribution rates:

	Market Value	Market Value	Market Value	Market Value	Market Value	15-year smoothed market
Actuarial cost method						2.75%
Amortization method						
Remaining amortization period						
Asset Valuation Method						
Inflation	2.625%	2.75%	2.75%	2.75%	2.75%	
Salary increases						
Payroll growth	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment rate of return	7.25% <sup>(1)</sup>	7.50% <sup>(1)</sup>	7.50% <sup>(1)</sup>	7.50% <sup>(1)</sup>	7.50% <sup>(1)</sup>	7.50% <sup>(1)</sup>
Mortality	(3)	(3)	(3)	(2)	(2)	(2)

Notes to Schedule:

<sup>(1)</sup> Net of administrative expenses, including inflation

<sup>(2)</sup> Probabilities of retirement and mortality are based on CalPERS' 2010 Experience Study for the period from 1997 to 2007

<sup>(3)</sup> Probabilities of retirement and mortality are based on CalPERS' 2014 Experience Study for the period from 1997 to 2011

Omitted Years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Information will be provided prospectively as it becomes available

CALAVERAS COUNCIL OF GOVERNMENTS

COMBINING SCHEDULE OF FIDUCIARY NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS

June 30, 2020

	Private Purpose Trust Funds			
	Local Transportation Fund	State Transit Assistance Fund	State of Good Repair Fund	Low Carbon Transit Operations Program Fund
<b>ASSETS</b>				
Cash and investments	\$ 594,282	\$ 18,985	\$ 51,952	\$ 60,672
Due from other agencies	256,072	96,905	10,758	
Loan to Calaveras Transit Agency	512,618			
<b>TOTAL ASSETS</b>	<u>1,362,972</u>	<u>115,890</u>	<u>62,710</u>	<u>60,672</u>
<b>LIABILITIES</b>				
Due to other agencies		112,117		
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>112,117</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net position held in trust for other purposes				
Unapportioned:	1,362,972	3,773	62,710	60,672
<b>TOTAL NET POSITION</b>	<u>\$ 1,362,972</u>	<u>\$ 3,773</u>	<u>\$ 62,710</u>	<u>\$ 60,672</u>

Regional Surface Transportation Program Fund	Pedestrian Bicycle Fund	Total
\$ 1,629,071	\$ 84,648	\$ 2,439,610
		363,735
		512,618
<u>1,629,071</u>	<u>84,648</u>	<u>3,315,963</u>
<u>360,400</u>		<u>472,517</u>
<u>360,400</u>	<u>-</u>	<u>472,517</u>
<u>1,268,671</u>	<u>84,648</u>	<u>2,843,446</u>
<u>\$ 1,268,671</u>	<u>\$ 84,648</u>	<u>\$ 2,843,446</u>

CALAVERAS COUNCIL OF GOVERNMENTS

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS

For the Year Ended June 30, 2020

	Private Purpose Trust Funds			
	Local Transportation Fund	State Transit Assistance Fund	State of Good Repair Fund	Low Carbon Transit Operations Program Fund
<b>ADDITIONS</b>				
Taxes:				
Local Transportation Fund	\$ 1,177,231			
State Transit Assistance Fund		\$ 383,538		
Intergovernmental			\$ 62,328	\$ 84,709
Interest revenue	15,275	1,186	344	1,660
<b>TOTAL ADDITIONS</b>	<u>1,192,506</u>	<u>384,724</u>	<u>62,672</u>	<u>86,369</u>
<b>DEDUCTIONS</b>				
Allocations to claimants:				
Calaveras Transit Agency	332,942	383,538		32,197
CCOG - Planning and administration	297,908			
Calaveras County - Streets and roads	450,854			
City of Angels - Streets and roads	44,589			
Pedestrian and bicycle	15,689			
Calaveras County - Administration	1,465			
<b>TOTAL DEDUCTIONS</b>	<u>1,143,447</u>	<u>383,538</u>	<u>-</u>	<u>32,197</u>
<b>CHANGE IN NET POSITION</b>	49,059	1,186	62,672	54,172
Net position, beginning of year	<u>1,313,913</u>	<u>2,587</u>	<u>38</u>	<u>6,500</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 1,362,972</u>	<u>\$ 3,773</u>	<u>\$ 62,710</u>	<u>\$ 60,672</u>

Regional Surface Transportation Program Fund	Pedestrian Bicycle Fund	Total
	\$ 15,689	\$ 1,192,920
		383,538
\$ 472,938		619,975
38,153	1,566	58,184
<u>511,091</u>	<u>17,255</u>	<u>2,254,617</u>
		748,677
809,099		1,107,007
		450,854
		44,589
		15,689
		1,465
<u>809,099</u>		<u>2,368,281</u>
(298,008)	17,255	(113,664)
<u>1,566,679</u>	<u>67,393</u>	<u>2,957,110</u>
<u>\$ 1,268,671</u>	<u>\$ 84,648</u>	<u>\$ 2,843,446</u>

CALAVERAS COUNCIL OF GOVERNMENTS

SCHEDULE OF ALLOCATIONS AND EXPENDITURES -  
LOCAL TRANSPORTATION FUND

For the Year Ended June 30, 2020

	Public Utilities Code Section			
	99233.1	99260(a)	99400(a)	Total
<b>ALLOCATIONS</b>				
Calaveras Council of Governments	\$ 297,908		\$ 15,689	\$ 313,597
Calaveras Transit Agency		\$ 332,942		332,942
Calaveras County - Streets			450,854	450,854
City of Angels			44,589	44,589
Calaveras County - Administration	1,465			1,465
<b>TOTAL ALLOCATIONS</b>	<b>\$ 299,373</b>	<b>\$ 332,942</b>	<b>\$ 511,132</b>	<b>\$ 1,143,447</b>
<b>EXPENDITURES</b>				
Calaveras Council of Governments	\$ 297,908		\$ 15,689	\$ 313,597
Calaveras Transit Agency		\$ 332,942	450,854	783,796
City of Angels			44,589	44,589
Calaveras County - Administration	1,465			1,465
<b>TOTAL EXPENDITURES</b>	<b>299,373</b>	<b>332,942</b>	<b>511,132</b>	<b>1,143,447</b>
<b>OVER (UNDER) EXPENDED ALLOCATIONS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



CALAVERAS COUNCIL OF GOVERNMENTS  
 SCHEDULE OF ALLOCATIONS AND EXPENDITURES -  
 STATE TRANSIT ASSISTANCE FUND

For the Year Ended June 30, 2020

	Public Utilities Code Section 6731(b)
<b>ALLOCATIONS</b>	
Calaveras Transit Agency	<u>\$ 383,538</u>
<b>TOTAL ALLOCATIONS</b>	<u><u>\$ 383,538</u></u>
<b>EXPENDITURES</b>	
Calaveras Transit Agency	<u>\$ 383,538</u>
<b>TOTAL EXPENDITURES</b>	<u><u>383,538</u></u>
<b>OVER (UNDER) EXPENDED ALLOCATIONS</b>	<u><u>\$ -</u></u>

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## **COMPLIANCE REPORT**

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH THE TRANSPORTATION DEVELOPMENT ACT AND  
OTHER STATE PROGRAM GUIDELINES

To the Council Members  
Calaveras Council of Governments  
San Andreas, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Calaveras Council of Governments (the Council), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated November 19, 2020.

**Compliance and Other Matters (including Other State Programs)**

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests to determine that Transportation Development Act (TDA) allocated to and received by the Council were expended in conformance with the applicable statutes, rules and regulations of the TDA and Sections 6661 and 6662 of the California Code of Regulations. We also tested the receipt and appropriate expenditure of other state grant funds, as presented in Note I of the financial statements, in accordance with state program guidelines. 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 the TDA or other state program guidelines.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of compliance and the result of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with the TDA and the other state program guidelines in considering the entity's compliance. Accordingly, this communication is not suitable for any other purpose.

*Richardson & Company, LLP*

November 19, 2020