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GOVERNANCE LETTER

To the Council Members/Board Members
Calaveras Council of Governments/Calaveras Transit Agency
San Andreas, California

We have audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Calaveras Council of Governments (the Council) and Calaveras Transit Agency (the Agency) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter included as Attachment E of the Professional Services Agreement dated May 5, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Council/Agency are described in Note A to the financial statements. Governmental Accounting Standards Board Statement No. 96, *Subscription-based Information Technology Arrangements*, was implemented during the year ended June 30, 2023, but the Council/Agency determined that no long-term subscriptions meeting the requirement to report as subscription assets and liabilities existed during the year. Existing policies were not changed during the year ended June 30, 2023. We noted no transactions entered into by the Council/Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Council's financial statements include the fair value of the County investment pool, grant receivables based on management's determination of qualifying expenses incurred as of year-end, the current portion of the compensated absence liability, the value of the right-to-use lease asset and lease liability, and the deferred outflows of resources, net pension liability and deferred inflows of resources related to the pension plan. The most sensitive estimates affecting the Agency's financial statements are grant receivables based on management's determination of qualifying expenses incurred as of year-end, the value of the right-to-use lease asset and lease liability, and depreciable lives on capital assets. The right-to-use lease asset and lease liability are based on the present value of future lease payments using an estimated cost of funds. The pension liability and related deferred inflows and outflows of resources are based on an actuarial valuation prepared by CalPERS. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

To the Council Members/Board Members
Calaveras Council of Governments/Calaveras Transit Agency

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Council's financial statements were the pension plan disclosures in Note F and state grant disclosures in Note H to the financial statements.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Eight audit adjustments and closing entries were made during our audit of the Council. Adjustments included entries to adjust fund balances, recognize prior year revenue not received within the availability period, record the government-wide adjustment to update the lease liability, reclassify Net Investment in Capital Assets for government wide purposes, record a Council entry to adjust amounts recorded for employe pension contributions, reclassify RSTP expenditures to break out amounts expended to individual claimants, and to accrue as an expense payment made to a vendor after June 30, 2023. No adjustments were proposed during the Calaveras Transit Agency audit.

The attached list identified an audit difference in the financial statements that management believes is immaterial to the financial statements as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 18, 2024.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

To the Council Members/Board Members
Calaveras Council of Governments/Calaveras Transit Agency

Other Matters

We applied certain limited procedures to the budgetary comparison schedule and required supplementary information related to the Council's pension plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Council's supplementary information listed in the table of contents of the financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restrictions on Use

This information is intended solely for the use of the Council Members/Board Members and management of the Council and Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Richardson & Company, LLP

January 18, 2024



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MANAGEMENT LETTER

To the Council Members and Management
Calaveras Council of Governments
Sacramento, California

In planning and performing our audit of the 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, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Council'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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 may exist that have not been identified.

The following matters have been included in this letter for your consideration:

Allocation Instruction

California Code of Regulations (CCR) §6659 states, in part, each allocation instruction shall include the section of the Act under which the allocation is authorized. Because Council resolutions approving claims also serve as allocation instructions, the resolutions should include the section (Public Utility Code (PUC) or CCR) of the act under which the allocation is authorized. Resolution FY23-2 approving excess LTF to the City of Angels did not include a reference to the applicable PUC or CCR section(s). The Council should ensure that all resolutions allocating funds include a reference to the applicable PUC or CCR. The PUC codes are used in the State Controller's Financial Transaction Report.

Supplementary Information

CCR §6632 requires operator or transit service claimants to accompany its claim with, among other things, the following statements: (1) a budget or proposed budget for the fiscal year of the claim, and (2) a statement of projected or estimated revenues and expenditures for the prior fiscal year. The Calaveras Transit Agency did not include these statements in its TDA claim. The inclusion of a budget vs actual

To the Board of Directors and Management
Page 2

report for the prior fiscal year would satisfy this requirement. The council should ensure that TDA claims include all statements required by CCR §6632.

Reserves

Fund balance reserves were not approved by the Council during the years ended June 30, 2022 and 2023. We recommend the Council approve the ending fund balance reserves each year during the budget process or by approving a Resolution at each fiscal year-end in the June Council meeting. We recommend the Resolution approving the reserves indicate the method of computing the reserves (e.g., a percentage of actual or budgeted revenue for example) and the reserves be updated accordingly. We also recommend the reserves be recorded in the Council's QuickBooks general ledger for use in the audit.

* * * * *

This communication is intended solely for the information and use of the Council Members, management, and others within the entity and is not intended to be, and should not be, used by anyone other than these specific parties.

Richardson & Company, LLP

January 18, 2024

**CALAVERAS COUNCIL OF
GOVERNMENTS**

Audited Financial Statements
Supplementary Information and Compliance Report

June 30, 2023

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CALAVERAS COUNCIL OF GOVERNMENTS
 Audited Financial Statements,
 Supplementary Information and Compliance Report

June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, each 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, 2023, and the related notes to the financial statements, which collectively comprise the Council'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, each major fund and the aggregate remaining fund information of the Calaveras Council of Governments, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Basis for Opinions

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

Responsibilities of Management's for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council'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.

To the Council Members
Calaveras Council of Governments

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 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, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison schedule, schedule of the proportionate share of the net pension liability and schedule of contributions to the pension plan, as listed in the table of contents, 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.

To the Council Members
Calaveras Council of Governments

Management has omitted 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 required 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary 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, as listed in the table of contents, is presented for the 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 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 January 18, 2024, 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 this 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 performed in accordance with the Transportation Development Act and other state program guidelines in considering the Council's compliance.

Richardson & Company, LLP

January 18, 2024

CALAVERAS COUNCIL OF GOVERNMENTS

STATEMENT OF NET POSITION

June 30, 2023

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
ASSETS	
CURRENT ASSETS	
Cash and investments	\$ 4,840,978
Due from other agencies	629,542
TOTAL CURRENT ASSETS	<u>5,470,520</u>
NONCURRENT ASSETS	
Restricted cash and investments	221,125
Capital assets, net	25,709
TOTAL NONCURRENT ASSETS	<u>246,834</u>
TOTAL ASSETS	<u>5,717,354</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension plan	93,888
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 5,811,242</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable	\$ 34,870
Accrued wages and benefits	9,100
Lease liability - current portion	24,706
Compensated absences - current portion	7,705
TOTAL CURRENT LIABILITIES	<u>76,381</u>
NONCURRENT LIABILITIES	
Lease liability - noncurrent portion	2,123
Compensated absences - noncurrent portion	12,045
Net pension liability	146,331
TOTAL NONCURRENT LIABILITIES	<u>160,499</u>
TOTAL LIABILITIES	<u>236,880</u>
DEFERRED INFLOWS OF RESOURCES	
Pension plan	14,965
NET POSITION	
Net investment in capital assets	(1,120)
Restricted for PTMISEA projects	221,125
Restricted for program requirements	4,531,004
Unrestricted	808,388
TOTAL NET POSITION	<u>5,559,397</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 5,811,242</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, 2023

	<u>Governmental Activities</u>
GOVERNMENTAL ACTIVITIES	
PROGRAM EXPENSES	
Governmental activities:	
Planning, programming, monitoring and project delivery	\$ 2,520,021
PROGRAM REVENUES	
Charges for services	55,333
Operating grants and contributions	<u>950,009</u>
	TOTAL PROGRAM REVENUES <u>1,005,342</u>
	NET (EXPENSE) REVENUE <u>(1,514,679)</u>
GENERAL REVENUES	
Local Transportation Fund allocation	1,597,861
State Transit Assistance	599,120
Regional Surface Transportation Program allocation	141,131
Investment income	54,276
Other revenues	<u>913</u>
	TOTAL GENERAL REVENUES <u>2,393,301</u>
	CHANGE IN NET POSITION 878,622
Net position, beginning of year	<u>4,680,775</u>
	NET POSITION, END OF YEAR <u><u>\$ 5,559,397</u></u>

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

CALAVERAS COUNCIL OF GOVERNMENTS

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2023

	Major Funds					Total
	General Fund	Local Transportation Fund	State Transit Assistance Fund	Regional Surface Transportation Program Fund	Nonmajor Governmental Funds	
ASSETS						
Cash and investments	\$ 582,810	\$ 2,165,731	\$ 77,727	\$ 1,615,031	\$ 399,679	\$ 4,840,978
Due from other agencies	189,149	272,836	155,556	-	12,001	629,542
Restricted cash and investments	221,125	-	-	-	-	221,125
TOTAL ASSETS	\$ 993,084	\$ 2,438,567	\$ 233,283	\$ 1,615,031	\$ 411,680	\$ 5,691,645
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accrued liabilities	\$ 34,870	\$ -	\$ -	\$ -	\$ -	\$ 34,870
Accrued wages and benefits	9,100	-	-	-	-	9,100
TOTAL LIABILITIES	43,970	-	-	-	-	43,970
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	121,489	-	155,556	-	12,001	289,046
FUND BALANCES						
Restricted for PTMISEA projects	221,125	-	-	-	-	221,125
Restricted for program requirements	-	2,438,567	77,727	1,615,031	399,679	4,531,004
Unassigned	606,500	-	-	-	-	606,500
TOTAL FUND BALANCES	827,625	2,438,567	77,727	1,615,031	399,679	5,358,629
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 993,084	\$ 2,438,567	\$ 233,283	\$ 1,615,031	\$ 411,680	\$ 5,691,645

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 STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES

June 30, 2023

Fund balances - governmental funds, June 30, 2023 \$ 5,358,629

Amounts reported for governmental activities in the government-wide statement of activities
are different from those reported in the governmental funds above because:

Capital assets used in governmental activities are not financial resources and,
therefore, are not reported in the governmental funds. 25,709

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 statement of activities. 93,888

Certain liabilities are not due and payable in the current period and, therefore,
are not reported in the governmental funds.

Lease liability	(26,829)
Compensated absences	(19,750)
Net pension liability	(146,331)

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. (14,965)

Unavailable revenue is recognized under the full accrual basis for
government-wide purposes. 289,046

Net position - governmental activities, June 30, 2023 \$ 5,559,397

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

CALAVERAS COUNCIL OF GOVERNMENTS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

For the Year Ended June 30, 2023

	Major Funds					Total
	General Fund	Local Transportation Fund	State Transit Assistance Fund	Regional Surface Transportation Program Fund	Nonmajor Governmental Funds	
REVENUES						
Intergovernmental revenues						
State and local subvention and planning grants	\$ 414,088	\$ -	\$ -	\$ 504,022	\$ 58,174	\$ 976,284
Local Transportation Fund	64,405	1,514,061	-	-	19,395	1,597,861
State Transit Assistance	-	-	443,564	-	-	443,564
Regional Surface Transportation Program allocation	141,131	-	-	-	-	141,131
Calaveras Transit Agency administration reimbursement	55,333	-	-	-	-	55,333
Use of money and property	20,633	7,336	739	20,444	5,124	54,276
Other revenue	913	-	-	-	-	913
TOTAL REVENUES	696,503	1,521,397	444,303	524,466	82,693	3,269,362
EXPENDITURES						
Current:						
Services and supplies:						
Professional services, including						
County and City contracts	524,422	-	-	-	-	524,422
Salaries and benefits	322,033	-	-	-	-	322,033
Rents and leases	4,075	-	-	-	-	4,075
Office expense	16,062	-	-	-	-	16,062
Insurance	20,971	-	-	-	-	20,971
Training and travel	716	-	-	-	-	716
Other expenses	14,432	-	-	-	-	14,432
Debt service - lease:						
Principal	23,156	-	-	-	-	23,156
Interest	1,971	-	-	-	-	1,971
Allocations to claimants:						
Calaveras Transit Agency	-	409,183	557,811	-	131,627	1,098,621
CCOG - Planning and administration	-	64,405	-	141,131	-	205,536
Calaveras County - streets and roads	-	-	-	88,171	-	88,171
City of Angles - streets and roads	-	27,881	-	84,544	-	112,425
CCOG - pedestrian and bicycle	-	19,395	-	-	-	19,395
Calaveras County - administration	-	1,035	-	-	-	1,035
TOTAL EXPENDITURES	927,838	521,899	557,811	313,846	131,627	2,453,021
NET CHANGE IN FUND BALANCES	(231,335)	999,498	(113,508)	210,620	(48,934)	816,341
Fund balances, beginning of year	1,058,960	1,439,069	191,235	1,404,411	448,613	4,542,288
FUND BALANCES, END OF YEAR	\$ 827,625	\$ 2,438,567	\$ 77,727	\$ 1,615,031	\$ 399,679	\$ 5,358,629

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
FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

Net change in fund balances - governmental funds \$ 816,341

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 plan	17,881
Change in compensated absences liability	(13,959)
Change in net pension liability	(97,939)
Change in deferred inflows of resources related to pension plan	27,593

Capital outlay and lease proceeds are reported in governmental funds. Lease payments reduce long-term liabilities in the statement of net position. A right-of-use asset is recorded in the statement of activities and is allocated over the life of the lease as amortization expense.

Amortization of leased asset	(23,732)
Principal payments on lease liability	23,156

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.

129,281

Change in net position - governmental activities \$ 878,622

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

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

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), State of Good Repair (SGR) and other state grant 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. The reimbursement is disclosed in the related party transaction footnote.

Basis of Presentation – Government-wide Financial Statements: The government-wide Statement of Net Position and statement of activities display information about the non-fiduciary activities of the primary government (the Council).

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, 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.

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Revenues from grants, entitlements, and contributions are 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 funds:

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.

Local Transportation Fund (LTF) - This fund is utilized by the Council to receive the 1/4 of 1% retail sales tax collected under the Mills-Alquist-Deddeh Act (SB 325), known as 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, pedestrian and bicycle projects, transportation planning and for administration.

State Transit Assistance (STA) Fund – This fund is utilized by the Council to receive funds from a statewide sale tax on motor vehicle fuel (gasoline) and use tax on diesel fuel for transportation planning, public transportation and community transit purposes. The funds are appropriated by the State Controller's Office and are then allocated by formula to each designated regional planning and programming agency. The formula allocates 50% of the funds based on population of the region compared to the population of the state and the remaining 50% is allocated based on transit operator revenues for the prior fiscal year compared with statewide transit operator revenues. Eligible claimants include only STA-eligible operators, which includes only the Calaveras Transit Agency in the Council's service area.

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regional Surface Transportation Program (RSTP) Fund - This fund is utilized by the Council to account for nonfederal state highway funds, which may be used for any transportation purpose pursuant to Article XIX of the State Constitution, including regional transportation projects.

Additionally, the Council reports the following fund type:

GOVERNMENTAL FUNDS

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (not including major capital projects) that are legally restricted to expend for specified purposes, including the State of Good Repair program, Low Carbon Transit Operations program and LTF pedestrian and bicycle allocations approved by the Board of Directors.

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.

Budgets: An annual appropriated budget is adopted only 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 Funds, Regional Surface Transportation Funds and various federal and state grants. 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. The Council approves all changes to the budget and budget appropriations lapse at the end of the year.

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Caltrans, as the grantor of Rural Planning Assistance and other funding 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 in the County of Calaveras Investment Pool in the General Fund that are restricted for Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) projects totaling \$221,125 at June 30, 2023.

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.

Right-to-use lease assets are recognized at the lease commencement date and represent the Council's right to use an underlying asset for the lease term. Right-to-use lease assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-to-use lease assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period is 3 years.

Subscription assets are recognized at the subscription commencement data and represent the Council's right to use the underlying asset for the subscription term. Subscription assets are measured at initial value of the subscription liability plus and payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Subscription assets are amortized over the subscription term or useful life of the underlying asset using the straight-line method. The Council had no subscription assets at June 30, 2023.

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 assets by the government that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net assets 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 J. 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, 2023 consisted of Rural Planning Assistance (RPA), State Transit Assistance, and a State SB1 grant of \$121,489, \$155,556, and \$12,001, respectively.

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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. The General Fund is used to liquidate the liability.

Lease and Subscription Liabilities: Lease liabilities represent the Council's obligation to make lease payments arising from leases. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The lease payments are discounted at the rate inherent in the lease agreement or, if not determinable, at an estimated incremental borrowing rate.

Subscription liabilities represent the Council's obligation to make subscription payments arising from subscription contracts. Subscription liabilities are recognized at the subscription commencement date based on the present value of the future subscription payments expected to be made during the subscription term. The subscription payments are discounted at the rate inherent in the lease agreement or, if not determinable, at an estimated incremental borrowing rate. The Council had no right-to-use subscription liabilities at June 30, 2023.

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 and capital related liabilities reduce 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.

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

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.

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 amounts designated by the Council include \$303,906 in the General Fund, \$132,372 in the LTF Fund, and \$132,647 in the RSTP 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.

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. The General Fund is used to liquidate the pension liability.

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 \$3,750, respectively, during the year ended June 30, 2023. 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 \$55,333.

New Accounting Pronouncements

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. This Statement 1) defines the term SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs to a SBITA; and 4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITA are based on the standards established in Statement No. 87, *Leases*, as amended. This statement was effective for the year ended June 30, 2023 and the Council determined it had no material subscriptions.

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections, an Amendment of GASB Statement No. 62*. This Statement prescribes the accounting and financial reporting for each type of accounting change, including changes in accounting principles, changes in accounting estimates and changes to or within the financial reporting entity, and error corrections. This Statement requires changes in accounting principles and error corrections to be reported retroactively by restating prior periods; requires changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period; and requires changes in accounting estimates to be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of new pronouncements in absence of specific transition provisions in the new pronouncement. This Statement also requires the aggregate amount of adjustments to and restatements of beginning net position, fund balance or fund net position, as applicable, to be displayed by reporting unit in the financial statements. Furthermore, this Statement requires information presented in required supplementary information or supplementary information to be restated for error corrections, if practicable, but not for changes in accounting principles. The provisions of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

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, 2023

NOTE B – CASH AND INVESTMENTS

Cash and investment balances from all funds were combined and invested in the County of Calaveras Investment Pool 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 deposit or investment risks to which the Council is exposed. Cash and investments consisted of the following at June 30, 2023:

Investment in County of Calaveras investment pool:	
Governmental funds - unrestricted	\$ 4,840,978
Governmental funds - restricted	<u>221,125</u>
Total cash and investments	<u>\$ 5,062,103</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 27131. The County's investment policy is discussed in the County's Comprehensive Annual Financial Report at calaverasgov.us under the Auditor/Controller section.

At June 30, 2023, 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, 2023, the weighted average maturity of the investments contained in the County investment pool was approximately 0.94 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, 2023

NOTE C – CAPITAL ASSETS

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

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
Capital assets, being depreciated/amortized:				
Automobile	\$ 25,564	\$ -	\$ -	\$ 25,564
Leased asset - office	73,172	-	-	73,172
Total capital assets, being depreciated/amortized	<u>98,736</u>	<u>-</u>	<u>-</u>	<u>98,736</u>
Less accumulated depreciation/amortization:				
Automobile	(25,564)	-	-	(25,564)
Leased asset - office	(23,731)	(23,732)	-	(47,463)
Total accumulated depreciation/amortization	<u>(49,295)</u>	<u>(23,732)</u>	<u>-</u>	<u>(73,027)</u>
Capital assets, net	<u>\$ 49,441</u>	<u>\$ (23,732)</u>	<u>\$ -</u>	<u>\$ 25,709</u>

NOTE D – LONG-TERM LIABILITIES

The following is a summary of long-term liability activity for the year ended June 30, 2023 with the exception of the net pension liability reported in Note F:

	Balance July 1, 2022	Additions	Retirements	June 30, 2023	Due Within One Year	Due in More Than One Year
Lease liability - office	\$ 49,985	\$ -	\$ (23,156)	\$ 26,829	\$ 24,706	\$ 2,123
Compensated absences	5,791	17,665	(3,706)	19,750	7,705	12,045
	<u>\$ 55,776</u>	<u>\$ 17,665</u>	<u>\$ (26,862)</u>	<u>\$ 46,579</u>	<u>\$ 32,411</u>	<u>\$ 14,168</u>

The Council is currently leasing office space under a lease agreement ending July 31, 2024. 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 lease payments were discounted at 5% at the July 1, 2021, GASB Statement No. 87 implementation date. The total lease expense for the office space during the year was \$25,127. The leased asset had a cost of \$73,172 and accumulated amortization of \$47,463 at June 30, 2023.

Future minimum lease payments under the lease as of June 30, 2023 were as follows:

Year Ending June 30:	Principal Payments	Interest Payments	Total
2024	\$ 24,706	\$ 782	\$ 25,488
2025	2,123	9	2,132
	<u>\$ 26,829</u>	<u>\$ 791</u>	<u>\$ 27,620</u>

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE E – 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.

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 1) property, (including boiler & machinery, pollution, cyber, and catastrophic loss), 2) 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), 3) auto liability, 4) auto physical damage, and 5) 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. Coverage limits for property insurance increased \$200,000,000 during the year ended June 30, 2023. There were no significant reductions in other insurance coverage from the prior year.

Contract commitments: In February 2023 the Council entered into a contract for an electric vehicle charging infrastructure implementation plan for Calaveras County. The not to exceed amount is approximately \$131,000, with approximately \$120,000 remaining unspent at June 30, 2023. All work should be completed by June 30, 2024.

NOTE F – 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
- PEPRM 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.

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE F – PENSION PLAN (Continued)

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, 2023, are summarized as follows:

	PEPRA	
	Miscellaneous	Miscellaneous
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
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	7.00%	7.00%
Required employer contribution rates	11.18%	7.56%

The Miscellaneous rate plan is closed to new members that are not already CalPERS eligible participants. In addition to the rates above, the Council made unfunded accrued liability (UAL) contributions of \$11,624 during the year ended June 30, 2023.

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, 2023, contributions of \$32,626 were made to the Plan.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, 2023, the Council reported a net pension liability of \$146,331 for its proportionate share of the net pension liability of the Plan.

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, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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.

CALAVERAS COUNCIL OF GOVERNMENTS
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE F – PENSION PLAN (Continued)

The Council's proportionate share of the net pension liability for the Plan as of June 30, 2023 and 2022 was as follows:

Proportion - June 30, 2023	0.00313%
Proportion - June 30, 2022	0.00255%
Change	0.00058%

For the year ended June 30, 2023, the Council recognized pension expense of \$85,093. At June 30, 2023, the Council reported deferred outflows of resources and deferred inflows of resources related to its Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 32,626	
Differences between actual and expected experience	2,939	(1,968)
Changes in assumptions	14,996	
Differences between the employer's contributions and the employer's proportionate share of contributions	12,355	
Change in employer's proportion	4,168	(12,997)
Net differences between projected and actual earnings on plan investments	26,804	
Total	\$ 93,888	\$ (14,965)

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:

Year Ended June 30	
2024	17,068
2025	9,490
2026	3,343
2027	16,396
	\$ 46,297

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE F – PENSION PLAN (Continued)

Actuarial Assumptions: The total pension liability at the June 30, 2022 measurement date for the Plan was determined using the following actuarial assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry-Age Normal Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	Market value
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Payroll growth	2.80%
Projected salary increase	0.20% to 7.64% depending on entry age and service
Investment rate of return	6.90%
Mortality	Derived using CalPERS membership data for all funds (1)

(1) The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 Experience

Study report that can be found on the CalPERS website. 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 the Plan was 6.9%, which declined from 7.15% used at the June 30, 2021 measurement date. 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, 2023

NOTE F – 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,b)
Global equity - cap-weighted	30.0%	4.45%
Global equity non-cap-weighted	12.0%	3.84%
Private equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	-5.00%	-0.59%
Total	100.0%	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021-22 Asset Liability Management Study.

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	5.90%
Net pension liability	\$ 272,356
Current discount rate	6.90%
Net pension liability	\$ 146,331
1% increase	7.90%
Net pension liability	\$ 42,644

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

Payables to the Plan: The Council did not have any significant payables to the Plan as of June 30, 2023.

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE G – DEFERRED COMPENSATION PLAN

The Council offers an Internal Revenue Code (IRC) Section 457 deferred compensation plan (the Plan) to full-time employees at their date of hire. Benefit terms, including contribution requirements for the Plan, were established by and may be amended by the Council Members. The Plan is administered by MissionSquare Retirement. The Council is required to match employee contributions of \$50 per month up to \$600 per year and the participants may contribute voluntarily to the Plan up to the applicable IRC contribution limits. Employees vest immediately in their own contributions and employer contributions. The Council and employees contributed \$1,800 and \$3,600 to the Plan during the year ended June 30, 2023, respectively. Contributions are made to individual accounts held in qualifying trusts for each participant and participants self-direct investment options.

NOTE H – 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).

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.

The Council received funds from the State's PTMISEA account in previous years 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 and all PTMISEA funds must be expended by June 30, 2023.

As of June 30, 2023, PTMISEA interest received and funds expended were verified in the course of the audit as follows:

Balance at July 1, 2022	\$ 221,429
Investment income	4,032
Expenditures incurred:	
Bus stop facility improvements	<u>(4,336)</u>
Unexpended proceeds at June 30, 2023	<u>\$ 221,125</u>

In accordance with the Budget Act of 2018 the remaining balances of PTMISEA appropriations were to be encumbered and liquidated by June 30, 2023. Caltrans has accepted from the Council final project reports that have purchase orders that coincide with unexpended PTMISEA proceeds. The Council expects to take delivery of busses and expend the remaining funds in 2024.

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

CALAVERAS COUNCIL OF GOVERNMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE H – OTHER STATE GRANTS (Continued)

equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions.

As of June 30, 2023, LCTOP funds, investments earnings (loss) and funds expended were verified in the course of the audit as follows:

Balance at July 1, 2022	\$ 252,273
Investment income	3,631
Expenditures incurred:	
Fares	(57,807)
Electric vehicle	<u>(73,820)</u>
Unexpended proceeds at June 30, 2023	<u>\$ 124,277</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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CALAVERAS COUNCIL OF GOVERNMENTS

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

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
State and local subvention and planning grants	\$ 470,313	\$ 470,313	\$ 414,088	\$ (56,225)
Local Transportation Fund allocation	364,405	364,405	64,405	(300,000)
Regional Surface Transportation Program allocation	424,706	424,706	141,131	(283,575)
Calaveras Transit Agency administration reimbursement	60,000	60,000	55,333	(4,667)
Use of money and property	-	-	20,633	20,633
Other revenue	-	-	913	913
TOTAL REVENUES	1,319,424	1,319,424	696,503	(622,921)
EXPENDITURES				
Current:				
Services and supplies:				
Professional services, including County and City contracts	740,247	740,247	524,422	215,825
Salaries and benefits	452,340	452,340	322,033	130,307
Rents and leases	30,980	29,730	4,075	25,655
Office expense	24,383	23,483	16,062	7,421
Insurance	20,975	20,975	20,971	4
Training and travel	8,500	8,500	716	7,784
Other expenses	41,032	41,149	14,432	26,717
Debt service - lease:				
Principal	-	-	23,156	(23,156)
Interest	-	-	1,971	(1,971)
TOTAL EXPENDITURES	1,318,457	1,316,424	927,838	388,586
NET CHANGE IN FUND BALANCE	967	3,000	(231,335)	(234,335)
Fund balance, beginning of year	1,058,960	1,058,960	1,058,960	-
FUND BALANCE, END OF YEAR	\$ 1,059,927	\$ 1,061,960	\$ 827,625	\$ (234,335)

Note to Required Supplementary Information: The Council's annual budgeted revenues include budgeted fund balance and unclaimed grant carryover amounts from the prior year rather than revenues on the accrual basis as follows:

	Budgeted Amounts		Actual Amounts	Add; Budget Carryover	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original (Budgetary Basis)	Final (Budgetary Basis)				
Intergovernmental revenues:						
State and local subvention and planning grants	\$ 470,313	\$ 470,313	\$ 414,088	\$ 63,492	\$ 477,580	\$ 7,267
Local Transportation Fund allocation	364,405	364,405	64,405	300,000	364,405	-
Regional Surface Transportation Program allocation	424,706	424,706	141,131	234,026	375,157	(49,549)
Calaveras Transit Agency administration reimbursement	60,000	60,000	55,333	-	55,333	(4,667)
Use of money and property	-	-	20,633	-	20,633	20,633
Other revenue	-	-	913	-	913	913
TOTAL	\$ 1,319,424	\$ 1,319,424	\$ 696,503	\$ 597,518	\$ 1,294,021	\$ (25,403)

CALAVERAS COUNCIL OF GOVERNMENTS

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2023

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.00313%	0.00255%	0.00311%	0.00279%	0.00254%	0.00240%	0.00208%	0.00258%	0.00203%
Proportionate share of the net pension liability	\$ 146,331	\$ 48,392	\$ 131,255	\$ 111,251	\$ 95,653	\$ 94,479	\$ 72,388	\$ 70,864	\$ 50,106
Covered - employee payroll - plan measurement period	\$ 257,271	\$ 275,360	\$ 259,988	\$ 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	56.88%	17.57%	50.49%	45.50%	41.44%	32.17%	23.34%	24.10%	23.84%
Plan fiduciary net position as a percentage of the total pension liability	84.17%	93.07%	89.35%	84.53%	81.91%	83.29%	83.73%	78.40%	83.03%

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms.

Changes in assumptions:

Change in discount rate	6.90%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.65%	7.50%
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**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 32,626	\$ 47,053	\$ 36,325	\$ 35,575	\$ 27,885	\$ 23,704	\$ 28,325	\$ 28,353	\$ 25,608
Contributions in relation to the actuarially determined contributions	(32,626)	(47,053)	(36,325)	(35,575)	(27,885)	(23,704)	(28,325)	(28,353)	(25,608)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll - Council's fiscal year	\$ 226,409	\$ 257,271	\$ 275,360	\$ 259,988	\$ 244,530	\$ 230,826	\$ 293,677	\$ 310,105	\$ 294,074
Contributions as a percentage of covered - employee payroll	14.41%	18.29%	13.19%	13.68%	11.40%	10.27%	9.64%	9.14%	8.71%

Notes to Schedules:

Valuation date for contributions - June 30	2020	2019	2018	2017	2016	2015	2014	2013	2012
Valuation date - June 30	2021	2020	2019	2018	2017	2016	2015	2014	2013
Measurement date - June 30	2022	2021	2020	2019	2018	2017	2016	2015	2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method								
Amortization method	Level percentage of payroll, closed								
Remaining amortization period	Varies by rate plan, but not more than 30 years								
Asset valuation method	Market value								
Inflation	2.500%	2.500%	2.500%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	Varies based on entry age and service								
Investment rate of return and discount rate used to determine contribution rates	7.00%	7.00%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age	50-67 years. Probabilities of retirement are based on most recent CalPERS Experience Study.								
Mortality	Most recent CalPERS Experience Study								

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 reported in both tables above prospectively as it becomes available.

SUPPLEMENTARY INFORMATION

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CALAVERAS COUNCIL OF GOVERNMENTS

COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2023

	<u>Special Revenue</u>			<u>Total</u>
	<u>State of Good Repair Fund</u>	<u>Low Carbon Transit Operations Program Fund</u>	<u>Pedestrian Bicycle Fund</u>	
ASSETS				
Cash and investments	\$ 135,760	\$ 124,277	\$ 139,642	\$ 399,679
Due from other agencies	<u>12,001</u>	<u>-</u>	<u>-</u>	<u>12,001</u>
TOTAL ASSETS	<u>\$ 147,761</u>	<u>\$ 124,277</u>	<u>\$ 139,642</u>	<u>\$ 411,680</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	<u>\$ 12,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,001</u>
FUND BALANCES				
Restricted for program requirements	<u>135,760</u>	<u>124,277</u>	<u>139,642</u>	<u>399,679</u>
TOTAL FUND BALANCES	<u>135,760</u>	<u>124,277</u>	<u>139,642</u>	<u>399,679</u>
TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 147,761</u>	<u>\$ 124,277</u>	<u>\$ 139,642</u>	<u>\$ 411,680</u>

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

CALAVERAS COUNCIL OF GOVERNMENTS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2023

	Special Revenue			Total
	State of Good Repair Fund	Low Carbon Transit Operations Program Fund	Pedestrian Bicycle Fund	
REVENUES				
Intergovernmental revenues:				
State and local subvention and planning grants	\$ 58,174	\$ -	\$ -	\$ 58,174
Local Transportation Fund	-	-	19,395	19,395
Investment income and other revenue	232	3,631	1,261	5,124
TOTAL REVENUES	<u>58,406</u>	<u>3,631</u>	<u>20,656</u>	<u>82,693</u>
EXPENDITURES				
Allocations to claimants:				
Calaveras Transit Agency	-	131,627	-	131,627
TOTAL EXPENDITURES	<u>-</u>	<u>131,627</u>	<u>-</u>	<u>131,627</u>
NET CHANGE IN FUND BALANCES	58,406	(127,996)	20,656	(48,934)
Fund balances, beginning of year	<u>77,354</u>	<u>252,273</u>	<u>118,986</u>	<u>448,613</u>
FUND BALANCES, END OF YEAR	<u>\$ 135,760</u>	<u>\$ 124,277</u>	<u>\$ 139,642</u>	<u>\$ 399,679</u>

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

CALAVERAS COUNCIL OF GOVERNMENTS

SCHEDULE OF ALLOCATIONS AND EXPENDITURES -
LOCAL TRANSPORTATION FUND

For the Year Ended June 30, 2023

	Public Utilities Code Section				Total
	99233.1	99234	99260(a)	99400(a)	
ALLOCATIONS					
Calaveras Council of Governments	\$ 64,405	\$ 19,395	\$ -	\$ -	\$ 83,800
Calaveras Transit Agency	-	-	409,183	-	409,183
Calaveras County - streets	-	-	-	-	-
City of Angels	-	-	-	27,881	27,881
Calaveras County - administration	1,035	-	-	-	1,035
TOTAL ALLOCATIONS	\$ 65,440	\$ 19,395	\$ 409,183	\$ 27,881	\$ 521,899
EXPENDITURES					
Calaveras Council of Governments	\$ 64,405	\$ 19,395	\$ -	\$ -	\$ 83,800
Calaveras Transit Agency	-	-	409,183	-	409,183
Calaveras County - streets	-	-	-	-	-
City of Angels	-	-	-	27,881	27,881
Calaveras County - administration	1,035	-	-	-	1,035
TOTAL EXPENDITURES	65,440	19,395	409,183	27,881	521,899
(OVER) UNDER EXPENDED ALLOCATIONS	\$ -	\$ -	\$ -	\$ -	\$ -

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

For the Year Ended June 30, 2023

	Public Utilities Code Section <u>6731(a)</u>
ALLOCATIONS	
Calaveras Transit Agency	<u>\$ 557,811</u>
TOTAL ALLOCATIONS	<u><u>\$ 557,811</u></u>
EXPENDITURES	
Calaveras Transit Agency	<u>\$ 557,811</u>
TOTAL EXPENDITURES	<u><u>557,811</u></u>
(OVER) UNDER EXPENDED ALLOCATIONS	<u><u>\$ -</u></u>

COMPLIANCE REPORT

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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, 2023, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated January 18, 2024.

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 H 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

January 18, 2024

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