



900 H Street, Suite D
Modesto, CA 95354

NOTE: DIFFERENT LOCATION

**CONSOLIDATED PLANNING
COMMITTEE**

**Stanislaus Economic and Workforce Alliance
Conference Room
1020 10th Street, Suite 102
Modesto, CA**

September 23, 2008 • 10:00 A.M.

**TECHNICAL ADVISORY
COMMITTEE**

**Ceres City Hall – Council Chambers
2210 Magnolia Street
Ceres, CA**

September 25, 2008 • 2:00 P.M.

California Brown Act Requires:

This Agenda shall be made available upon request in alternative formats to persons with a disability, as required by the Americans With Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (California Government Code § 54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact Sabrina Pinheiro, at (209) 525-4600, during regular business hours, at least twenty-four hours prior to the time of the meeting.

Notice Regarding Non-English Speakers:

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the StanCOG Policy Board shall be in English and anyone wishing to address the Board is advised to have an interpreter or give StanCOG a 48 hour notice so that StanCOG can provide an interpreter from any language not English into the English language.

PUBLIC PARTICIPATION

Matters not on the posted agenda may be addressed by the general public at the beginning of the regular agenda and any off-agenda matters before the Committee for consideration. However, California law prohibits taking action on any matter which is not on the posted agenda unless it is determined to be an emergency by the Committee. Any member of the public wishing to address the Committee will be limited to five minutes or the discretion of the Chair.

Questions: Contact Sabrina Pinheiro at (209) 525-4600.

AGENDA

1. PUBLIC PARTICIPATION

These matters may be presented only by interested persons in the audience. Discussion is limited to five minutes, or at the discretion of the Chair.

2. CONSENT CALENDAR

- A. Acceptance of StanCOG’s Independent Auditor’s Reports for Fiscal Years Ending June 30, 2006 and June 30, 2007

MOTION

3. PRESENTATIONS

- A. Rideshare Program Annual Update – Commute Connection

4. PUBLIC HEARINGS
(NONE)

5. ORAL REPORT ITEMS

- | | |
|--|---------------|
| A. Non-Motorized Transportation Master Plan | MOTION |
| B. Bicycle Pedestrian Advisory Committee (BPAC) | MOTION |
| C. Recommendation to Adopt Amendment #1 to the 2009 Interim Federal Transportation Improvement Program (Type IV Formal Amendment) | MOTION |

6. INFORMATION ITEMS

The following items are for information only.

- A. Stanislaus Blueprint Planning Process Update**

7. STANISLAUS COUNCIL OF GOVERNMENTS ADVISORY COMMITTEES

- A. Policy Board Minutes, Special Meeting (6.30.08)**
B. Policy Board Minutes (7.09.08)

8. CALTRANS REPORT

9. EXECUTIVE DIRECTOR'S REPORT

10. ITEMS FROM THE FLOOR

Topics may be presented, but no action may be taken except to place an item on a future agenda

ADJOURNMENT


Next regular meeting scheduled for:

Consolidated Planning Committee
October 28, 2008 • 10:00 AM
10th Street Place, 1010 Tenth Street
Room 2005
Modesto, CA

Technical Advisory Committee
October 30, 2008 • 2:00 PM
Ceres City Hall
Council Chambers
2210 Magnolia Street
Ceres, CA

Consent Items

TO: Consolidated Planning Committee Staff Report
Technical Advisory Committee **Motion**

FROM: Vincent Canales, Finance Director 

DATE: September 17, 2008

RE: StanCOG's Independent Auditor's Report –Fiscal Years Ending June 30, 2006
and June 30, 2007

Recommendation

By Motion:

Recommend that the Policy Board accept and file StanCOG's Independent Audit Reports for the fiscal years ending June 30, 2006 and June 30, 2007.

Background

In May of 2007, the CPA firm of Pressley & Associates, completed their independent auditor's reports on StanCOG's Financial Statements and Single Audit, required of federal grants, for the fiscal year ended June 30, 2006. Copies of the Audit Report and the Single Audit Report are enclosed for your review.

In May of 2008, the CPA firm of Dedekian, George, Small & Markarian completed their independent auditor's report on StanCOG's Financial Statements and Single Audit, required of federal grants, for the fiscal year ended June 30, 2007. Copies of the Audit Report and the Single Audit Report are enclosed for your review.

Discussion

For both fiscal years 2005-06 and 2006-07, StanCOG received an unqualified or "clean", opinion on the financial statements.

Fiscal Year 2005-06 Discussion

The Single Audit noted one reportable condition considered a material weakness concerning management of Transportation Development Act (TDA) funds. The Single Audit Report, page 8, Section B, states as follows:

Section B. Findings – Financial Statements Audit:

REPORTABLE CONDITION CONSIDERED A MATERIAL WEAKNESS

05-01. Transportation Development Act

Condition – Supplemental apportionment of State of California TDA funds have not been allocated and paid to the appropriate recipients based on Public Utility Code 99233.11.

Criteria – Internal controls should be in place that provide reasonable assurance that apportionments approved by the Board are carried out.

Effect – Because of the failure to require approval of timely transfers from the proper level of management, employees may disregard the intentions of the Board.

Recommendation – A reporting procedure should be required so that the employee's report to the Board required special revenue transfers.

Fiscal Year 2005-06 Corrective Action

Internal Controls were put in place to address this finding. Because this same finding occurred in the fiscal year 2003-04 audit, on the June 8, 2005 consent calendar, the Policy Board adopted a policy requiring

...that staff present to the Policy Board an action item to apportion supplemental Local Transportation Funds within three months of the supplemental funds being made available to StanCOG. A delay to such an apportionment would require Policy Board approval in order to ensure that the Policy Board is informed of the availability of supplemental Local Transportation Funds.

As a matter of public record, on the Policy Board meeting of September 13, 2006, staff requested that the Policy Board, by resolution, approve the fiscal year 2005-06 supplemental apportionment in the amount of \$1,458,391. With adoption of resolution number 06-04, the Policy Board concurred with staff's recommendations and apportioned the fiscal year 2005-06 supplemental Local Transportation Funds in accordance with the transit costs sharing procedures.

With regard to disbursements, the Jurisdictions, not StanCOG, have more direct control over the timing of their Supplemental payments for Street and Roads. If for example, the Jurisdiction does not submit a valid claim for their apportionment, StanCOG's cannot release the Local Transportation Funds held on the Jurisdiction's behalf.

In addition to the reportable condition, Pressley & Associates prepared a management letter addressed to the Executive Director concerning matters of "lesser significance." Staff has attached this letter, dated February 8, 2007, to this staff report.

Fiscal Year 2006-07 Discussion

For fiscal year 2006-07, no reportable conditions, material weaknesses, or management letter comments were reported by the Independent Auditor.

Attachments

vcanales@stancog.org

STANISLAUS COUNCIL OF GOVERNMENTS

AUDIT REPORT

JUNE 30, 2006

STANISLAUS COUNCIL OF GOVERNMENTS

June 30, 2006

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Stanislaus Council of Governments
Modesto, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Stanislaus Council of Governments (Council), Modesto, California, as of and for the year ended June 30, 2006, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council, management. 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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 Council, as of June 30, 2006, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2007, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information, as listed in the accompanying table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Pressley & Associates, Inc.

Accountancy Corporation
February 8, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

Stanislaus Council of Governments' (StanCOG's) management discussion and analysis is designed to: (a) assist the reader in focusing on **significant** financial issues, (b) provide an **overview** of the Agency's financial position, and (c) identify changes in the Agency's financial position. We encourage readers to consider the information here in conjunction with the Agency's financial statements that begin on page 9 of the report.

Financial Highlights

StanCOG's assets exceeded its liabilities by \$675,216 (net assets) for the fiscal year ended June 30, 2006. In the prior year, assets exceeded liabilities by \$971,099. This represents a decrease of \$295,883 in net assets from the prior year. StanCOG is reporting **unrestricted** net assets of a negative (\$322,535), which is a decrease of (\$960,954) from the prior year.

This is due, primarily, to the recognition and the reporting of the debt incurred to finance the preliminary engineering and design of the State Route 132 East Infill Project. The debt was not properly disclosed in previous financial statements. StanCOG did incur this debt to finance the first phase of this project. However, this debt will not be repaid from net assets. StanCOG has an AB 3090 agreement with Caltrans to receive \$1,415,000 to repay the debt with State Transportation Improvement Program (STIP) dollars. An offsetting receivable for the \$1,415,000 is **not** reported in the financial statements. In the opinion of our auditors, the existence of the AB 3090 agreement, by itself, does not meet the legal and accounting criteria required to record the accounts receivable.

Analysis of Significant Financial Changes

The following analysis highlights only major contributing factors that caused significant financial changes in balances from the previous year.

Statement of Net Assets

<u>Account</u>	<u>FY 05-06</u>	<u>FY 04-05</u>	<u>Increase (Decrease)</u>	<u>Notes</u>
Cash and cash equivalents	6,315,146	2,155,372	4,159,774	1
Sales tax receivable	1,662,141	1,383,605	278,536	2
Interest receivable	26,502	8,928	17,574	
Prepaid expenses	0	5,302	(5,302)	
Due from other governments	623,130	363,434	259,696	3
Capital assets	<u>0</u>	<u>2,716</u>	<u>(2,716)</u>	
Total Assets	<u>\$8,626,919</u>	<u>\$3,919,357</u>	<u>\$4,707,562</u>	
Accounts Payable	444,618	119,381	325,237	4
Wages and benefits payable	44,513	19,008	25,505	
Compensated absences	57,760	52,373	5,387	
Unearned revenue	175,898	0	175,898	5
Due to other governments	6,093,975	2,757,496	3,336,479	6
Notes payable	<u>1,134,939</u>	<u>0</u>	<u>1,134,939</u>	7
Total liabilities	<u>\$7,951,703</u>	<u>\$2,948,258</u>	<u>\$5,003,445</u>	

Invested in capital net of debt	0	2,716	(2,716)	
Restricted	997,751	329,964	667,787	8
Unrestricted	<u>(322,535)</u>	<u>638,419</u>	<u>(960,954)</u>	9
Total net assets	<u>\$675,216</u>	<u>\$971,099</u>	<u>\$(295,883)</u>	

Note 1 Cash and Cash Equivalents – Increase \$4,159,774

99% of this increase, or \$4,151,464, is attributable to three major factors: amounts held by StanCOG, but payable to the jurisdictions, increased by \$3,336,479 (See note 6); net assets increased by \$489,748 as a result of current year operations; accounts payable increased by \$325,237 over the previous year (See note 4).

Note 2 Sales Tax Receivable - Increase of \$278,536

99%, of this increase, or \$277,796, is comprised of two components: State Transit Assistance Funds (STA), and Local Transportation Funds (LTF), which were due to the Agency, but were not received until after the fiscal year. Below is a detail of the amounts due to StanCOG by fiscal year

Description	FY 05-06	FY 04-05	Increase (Decrease)
4 th Quarter STA	\$361,641	\$211,545	\$150,096
June LTF	\$1,300,500	\$1,172,800	\$127,700
Totals	\$1,662,141	\$1,384,345	\$277,796

Note 3 Due From Other Governments – Increase of \$259,696

In comparing the 3rd and 4th quarter claims submitted for reimbursement for fiscal year 2004-05, to 2005-06, the claims increased significantly in 2005-06. StanCOG receives much of its staff funding through various grants. For most of fiscal year 2004-05, StanCOG was at low staffing levels. In September of 2004, the Executive Director and the Deputy Director left the Agency. A replacement for the Executive Director was not obtained until October of 2005. Therefore, the invoicing for staffing reimbursement was lower in fiscal year 2004-05. In addition, two new grants were added in fiscal year 2005-06. The Blue Print Grant and the Model Integration Grant were added.

Note 4 Accounts Payable – Increase \$325,237

At June 30, 2006, StanCOG owed more money to vendors versus the same period last year. 99%, or \$320,602 is due to the following vendors and activities: Environmental Science Associates, \$127,444, for the work on the financial plan; Smith Watts & Company, \$85,277, for work on the financial plan; Dowling and Associates, \$30,391, for work on the model integration grant, Nolte and Associates, \$11,599, for