

August 15, 2023

Board of Directors
East-West Gateway Council of Governments
One South Memorial Drive, Suite 1600
St. Louis, MO 63102

We have audited the financial statements of East-West Gateway Council of Governments (the Council), as of and for the year ended December 31, 2022, and have issued our report thereon dated August 15, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 15, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of East-West Gateway Council of Governments solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

- Management override of controls - due to the ability of management to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. *(Required to be identified as a significant risk in all audits by AU-C 240.29)*
- Improper revenue recognition as it relates to improper timing of recognizing revenue in the financial statements.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by East-West Gateway Council of Governments is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, the Council changed its method of accounting for leases by adopting Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are the collectability of receivables. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the financial statements taken as a whole.

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

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. We did not identify any uncorrected misstatements as a result of our audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We did not identify any corrected misstatements as a result of our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Council's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated August 15, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Council, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Council's auditors.

This report is intended solely for the information and use of the Board of Directors and management of East-West Gateway Council of Governments and the Council's funding agencies is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Keiter, Eck & Braeckel LLP



EAST-WEST GATEWAY
Council of Governments

Creating Solutions Across Jurisdictional Boundaries

Chair

Mark A. Kern
Chairman, St. Clair County Board

Vice Chair

Tishaura Jones
Mayor
City of St. Louis

2nd Vice Chair

Tim Brinker
Presiding Commissioner
Franklin County

Executive Committee

Steve Ehlmann
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County Executive, Jefferson County

Dennis M. Knobloch
County Board Chairman
Monroe County

Dr. Sam Page
County Executive, St. Louis County

Kurt Prenzler
Chairman
Madison County Board

Members

Darlene Bell
President
Municipal League of Metro St. Louis

Honorable Rita Heard Days
Councilwoman, 1st Council District
St. Louis County

Mike Elam
Councilman, District 3
St. Charles County

Megan Green
President, Board of Aldermen
City of St. Louis

Mark Kupsky
President, Southwestern Illinois
Council of Mayors

Roy Mosley
St. Clair County

Charles Powell III
Mayor, City of East St. Louis

David Schwind
Madison County

Herbert Simmons
President, Southwestern Illinois
Metropolitan & Regional
Planning Commission

Seth Speiser
Vice President, Southwestern Illinois
Council of Mayors

Donald R. Summers, Jr.
St. Louis County

Regional Citizens

Barbara Geisman
C. William Grogan
John A. Laker
Ron Williams

Non-voting Members

Holly Bieneman
Illinois Department of Transportation

Vacant
Illinois Department of Commerce
and Economic Opportunity

Patrick McKenna
Missouri Department of Transportation

Taulby Roach
Bi-State Development

Aaron Willard
Missouri Office of Administration

Executive Director

James M. Wild

August 15, 2023

Kerber, Eck & Braeckel LLP
One South Memorial Drive, Suite 900
St. Louis, MO 63102

This representation letter is provided in connection with your audit of the financial statements of the business-type activities of East-West Gateway Council of Governments (the "Council"), as of December 31, 2022, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Council in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP). This representation letter is also provided in connection with the audit of the schedules of indirect costs and fringe benefits of the Council, as of December 31, 2022, and the related notes to the schedules, for the purpose of expressing an opinion as to whether the schedules are presented fairly in all material respects, in accordance with accounting practices prescribed by the Uniform Guidance.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, 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.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of August 15, 2023.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 15, 2023, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP and for the preparation and fair presentation of the schedules of indirect costs and fringe benefits in accordance with the Uniform Guidance.

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- We acknowledge our responsibility 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- We are not aware of any pending or threatened litigation, claims or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (FASB Accounting Standards Codification (ASC) 450, *Contingencies*), and we have not consulted a lawyer concerning litigation, claims, or assessments.

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- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of revenues, expenses and changes in net position have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.

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- Capital assets are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With respect to the assistance in preparing the Data Collection Form, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, including monitoring ongoing activities.
- Provisions for uncollectible receivables have been properly identified and recorded.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit;
 - Unrestricted access to persons within the Council from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.

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- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
- We have no knowledge of any or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
- We have disclosed to you the identity of all the Council's related parties and the nature of all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The Council has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the Council of is contingently liable.

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- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- The Council has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

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Supplementary Information in Relation to the Financial Statements as a Whole

With respect to the supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
- We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditors' report thereon.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditors' report thereon.

Required Supplementary Information

With respect to the management's discussion and analysis accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the managements discussion and analysis in accordance with U.S. GAAP.

August 15, 2023

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- We believe the management's discussion and analysis, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the management's discussion and analysis, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

SEFA

With respect to federal award programs:

- We are responsible for understanding and complying with and have complied with the requirements of Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (the Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards, and we acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of the Uniform Guidance and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditors' report thereon.
- We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and included in the SEFA made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

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- We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- We have received no requests from a federal agency to audit one or more specific programs as a major program.
- We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal awards.
- We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.

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- We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.
- Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance.
- We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
- No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), subsequent to the date as of which compliance was audited.
- Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

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- The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- We have monitored subrecipients to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
- We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients' auditors' reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements and have ensured that subrecipients have taken the appropriate and timely corrective action on findings.
- We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- We have charged costs to federal awards in accordance with applicable cost principles.
- We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

DocuSigned by:

James M. Wild

A7FAE3A596CB4BB...

James M. Wild, Executive Director

08/15/2023 | 9:39 AM CDT

Date

DocuSigned by:

Stacia Alvarez

EB44AC8660F54E4...

Stacia Alvarez, Director of Administration

08/15/2023 | 8:31 AM CDT

Date

***EAST-WEST GATEWAY
COUNCIL OF GOVERNMENTS***

***FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
AND SUPPLEMENTARY INFORMATION***

DECEMBER 31, 2022

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Independent Auditors' Report

Board of Directors
East-West Gateway Council of Governments

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of East-West Gateway Council of Governments, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of East-West Gateway Council of Governments as of December 31, 2022, and the respective changes in financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of East-West Gateway Council of Governments 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 opinion.

Change in Accounting Principle

As described in Note 1 to the financial statements, East-West Gateway Council of Governments adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

East-West Gateway Council of Governments' 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 East-West Gateway Council of Governments' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of East-West Gateway Council of Governments' 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 East-West Gateway Council of Governments' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise East-West Gateway Council of Governments' basic financial statements. The accompanying schedule of revenues and expenses by program and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedule of revenues and expenses by program and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of revenues and expenses by program and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2023 on our consideration of East-West Gateway Council of Governments' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of East-West Gateway Council of Governments' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering East West Gateway Council of Governments' internal control over financial reporting and compliance.

Kemper, Eck & Braeckel LLP

St. Louis, Missouri

August 15, 2023

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

Introduction

This section of the East-West Gateway Council of Governments' annual financial report offers a narrative overview and analysis of the financial activities during the year ended December 31, 2022. It should be read in conjunction with the accompanying financial statements in order to obtain a thorough understanding of East-West Gateway's financial condition. This management's discussion and analysis (MD&A) along with the financial statement presentations combine to form an integrated set of basic financial statements.

East-West Gateway Council of Governments Overview

East-West Gateway Council of Governments (the "Council") was incorporated in 1965 to provide a forum for cooperative problem solving and the coordinated development of regional policy. The Council's service area covers a bi-state geographic region of approximately 4,500 square miles that includes the city of St. Louis; Franklin, Jefferson, St. Charles, and St. Louis counties in Missouri; and Madison, Monroe, and St. Clair counties in Illinois.

The Council is governed by a 29 member Board of Directors that includes 24 voting members comprised of 18 locally elected officials and 6 citizen representatives and 5 non-voting members representing our states. With input from federal, state, and local governments, the Council provides the community with a regional perspective.

The Council's services are funded by a variety of sources including contributions by member governments, formula and discretionary grants from the federal government, states of Missouri and Illinois, and contributions for specific programs from private foundations and civic organizations.

Overview of the Financial Statements

The Council adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments (Statement 34), as of January 1, 2004. Statement 34 established standards for external financial reporting for all state and local governmental entities. Additionally, during the year ended December 31, 2022, the District implemented the provisions of GASB Statement No. 87, *Leases*, as required. Given the nature of the GASB 87 changes which are significant to comparability in the Statement of Net Position but not in the Statement of Revenues, Expenses, and Changes in Net Position, only 2021 balances in the Statement of Net Position have been restated in this MDA.

Required Financial Statements

The financial statements report information of the Council and its component activities using accounting methods similar to those used by private sector companies and offer short and long-term financial information about the 2022 activities. The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating.

The current year revenue and expenses are accounted for in the statement of revenues, expenses, and change in net position using the accrual basis of accounting. All of the Council's operations and programs are included here.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

Management's Discussion and Analysis (Continued)

The final required financial statement is the statement of cash flows. This statement reports cash receipts, cash disbursements, and net changes in cash resulting from operating, investing, capital and related financing activities, and noncapital financing activities and indicates the source of the cash, how the cash was used, and the net change in the cash balance during the reporting period.

In addition, the notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes are followed by supplementary information that further explains and supports the information in the financial statements.

Financial Highlights

The assets of the Council exceeded its liabilities at the close of 2022 and 2021 by \$4,480,070 and \$4,188,135, respectively. Of this amount \$2,821,063 for 2022 and \$2,295,686 for 2021 represents unrestricted net position, which may be used to meet ongoing obligations to grantor agencies and creditors.

The total net position increased in 2022 by \$291,935 which represents an increase of 6.52% in 2022.

SCHEDULE OF NET POSITION FOR 2022 COMPARED TO 2021 (Dollars in thousands)

| | 2022 | 2021 * | Increase (Decrease) | Change |
|------------------------------|-----------------|-----------------|------------------------|--------------|
| Current assets | \$ 5,816 | \$ 5,350 | \$ 466 | 8.7% |
| Capital assets - net | 1,659 | 1,892 | (233) | -12.3% |
| Total assets | <u>\$ 7,475</u> | <u>\$ 7,242</u> | <u>\$ 233</u> | <u>3.2%</u> |
| Total current liabilities | \$ 1,552 | \$ 1,321 | \$ 231 | 17.5% |
| Total noncurrent liabilities | 1,443 | 1,733 | (290) | -16.7% |
| Total liabilities | <u>\$ 2,995</u> | <u>\$ 3,054</u> | <u>\$ (59)</u> | <u>-1.8%</u> |
| Invested in capital assets | \$ 1,659 | \$ 1,892 | \$ (233) | -12.3% |
| Unrestricted | 2,821 | 2,296 | 525 | 22.9% |
| Total net position | <u>\$ 4,480</u> | <u>\$ 4,188</u> | <u>\$ 292</u> | <u>7.0%</u> |

* Restated to reflect the implementation of GASB 87

As noted earlier, net position may serve over time as a useful indicator of financial position. The Council's assets at December 31, 2022 and 2021, exceeded liabilities by \$4,480,070 and \$4,188,135, respectively. The Council's 2022 unrestricted net position represented 63.0% of the total net position while investments in capital assets (e.g., equipment) made up 37.0%. The 8.7% increase in current assets during 2022 is primarily the result of a reduction in receivables and an increase in cash payments received. The 17.5% increase in current liabilities is mainly attributable to increase in unearned revenue for 2022 compared to 2021.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS*Management's Discussion and Analysis (Continued)***Schedule of Revenues, Expenses, and Changes in Net Position for 2022 Compared to 2021****CONDENSED SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
(Dollars in thousands)**

| | 2022 | 2021 | Increase (Decrease) |
|---|-----------------|-----------------|------------------------|
| Operating revenues: | | | |
| Federal and state funding | \$ 7,058 | \$ 6,852 | \$ 206 |
| Local fees | 1,287 | 1,266 | 21 |
| Miscellaneous revenues | 17 | 1 | 16 |
| Total operating revenues | <u>8,362</u> | <u>8,119</u> | <u>243</u> |
| Operating expenses: | | | |
| Property and facilities | 434 | 460 | (26) |
| Salaries, wages, and employee benefits | 4,213 | 4,552 | (339) |
| Consultants/contractual services | 1,214 | 406 | 808 |
| Subrecipient expenses | 1,881 | 2,395 | (514) |
| In-kind services | 202 | 198 | 4 |
| Other expenses | 269 | 124 | 145 |
| Total operating expenses | <u>8,213</u> | <u>8,135</u> | <u>78</u> |
| Operating income (loss) before nonoperating revenues | 149 | (16) | 165 |
| Nonoperating revenues | <u>143</u> | <u>-</u> | <u>143</u> |
| Change in net position | 292 | (16) | 308 |
| Net position at beginning of year | <u>4,188</u> | <u>4,204</u> | <u>(16)</u> |
| Net position at end of year | <u>\$ 4,480</u> | <u>\$ 4,188</u> | <u>\$ 292</u> |

A comparison of 2022 to 2021 activity is shown in the condensed schedule of revenue, expenses, and changes in net position. Operating revenues increased by 3.0% between 2021 and 2022 primarily due to the increased revenue from federal grants, state grants, and local contributions. In 2022, the Council's project activities began to return to pre-COVID levels. During 2022 the Council continued its work on two significant projects – the Twin Cities Great Streets project and the update of its Long-Range Transportation Plan. The Council continued its support of the Saint Louis Fusion Center's operations under the Urban Area Security Initiative (UASI) grant program, which included the addition of two new positions during the year. The Council also held its first in-person Annual Meeting & Luncheon since 2019. The Council's staff were able to attend meetings, conferences, and training events during the year. The increased activities and expenses in 2022 resulted in additional revenue across all sources of operating revenue.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

Management's Discussion and Analysis (Continued)

The Council's total operating expenses increased approximately 1.0%, in 2022 compared to 2021. The increase in expenses is primarily due to the resumption of some pre-COVID-19 activities noted above which resulted in additional consultant and contractual and other project related expenses and an increase in staff meeting and travel expenses.

Economic Conditions

The Council relies on federal and state grants for the majority of its revenue. Our expenditures vary from year to year depending on the number and size of projects that are undertaken by the agency. The fundamental transportation planning funding continues to remain relatively stable and funding is expected to increase due to new federal initiatives implemented through the Bipartisan Infrastructure Law (BIL). These stable transportation-funded activities are supplemented with competitively awarded transportation projects and significant activities in other areas such as safety and security, environmental, and economic development. In addition, locally funded studies are undertaken for the advancement of the St. Louis metropolitan area.

Since 2013, the Council has received annual UASI funding that, in recent years, has increased to approximately \$3,300,000 per year on average. The existing UASI funding will continue into 2025. The level of funding for this program in the federal fiscal year 2023 is expected to remain at the current level.

The cash match generated from the member counties and municipalities in the form of fees provides some of the necessary match required to access much of our federal planning funds. The Council's match is a combination of per capita contributions, state appropriated funds, transportation project administrative fees, local government commitments, and contributed services. These sources will continue to provide adequate non-federal match for many of the federal planning assistance programs that are available to us in 2023.

Due to the COVID-19 pandemic, the Council's office closed on March 23, 2020 and re-opened on April 1, 2022. As noted above, in 2022, the Council was able to resume some pre-pandemic activities such as in-person meetings, travel, and consultant projects. In 2022, the Council's COVID-related expenditures continued to decrease and were minimal. In 2022 these expenditures were approximately \$2,700 compared to \$18,000 in 2021.

We expect that the pandemic will have minimal impact on the 2023 financial results as the Council continues to return activities to pre-pandemic levels; though the type and degree of the impact are unknown at this time. The implications beyond 2023 are similarly unclear at this time; however, there could be financial impacts in future periods.

Given the minimal impact the pandemic has had on our operations thus far, we feel that the Council is well-positioned to continue to provide planning services to the St. Louis metropolitan area.

Contacting the Council

This financial report is designed to provide a general overview of the East-West Gateway Council of Government's finances for all those with an interest in the Council. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administration, East-West Gateway Council of Governments, One Memorial Drive, St. Louis, MO 63102.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**STATEMENT OF NET POSITION
DECEMBER 31, 2022**

--ASSETS--

CURRENT ASSETS:

| | |
|---|--------------|
| Cash | \$ 3,903,858 |
| Receivables: | |
| Grants | 609,100 |
| Project costs in process | 1,151,858 |
| Prepaid expenses and other current assets | 151,056 |

| | |
|-----------------------------|------------------|
| Total current assets | 5,815,872 |
|-----------------------------|------------------|

CAPITAL ASSETS - at cost:

| | |
|--|------------------|
| Equipment | 181,132 |
| Building and improvements | 1,702,742 |
| Software | 260,368 |
| | <u>2,144,242</u> |
| Less accumulated depreciation and amortization | (566,405) |
| Construction in progress | 81,170 |
| | <u>1,659,007</u> |

| | |
|---------------------|---------------------|
| TOTAL ASSETS | \$ 7,474,879 |
|---------------------|---------------------|

--LIABILITIES AND NET POSITION--

CURRENT LIABILITIES:

| | |
|--|-----------|
| Payroll withholdings | \$ 39,719 |
| Accrued salaries payable | 86,451 |
| Accounts payable and other accrued expenses | 707,633 |
| Unearned revenue | 233,163 |
| Accrued vacation payable | 194,439 |
| Current portion of software licensing agreements | 51,260 |
| Current portion of leases payable | 239,786 |

| | |
|----------------------------------|------------------|
| Total current liabilities | 1,552,451 |
|----------------------------------|------------------|

NONCURRENT LIABILITIES:

| | |
|---|-----------|
| Noncurrent portion of software licensing agreements | 10,611 |
| Noncurrent portion of leases payable | 1,431,747 |

| | |
|-------------------------------------|------------------|
| Total noncurrent liabilities | 1,442,358 |
|-------------------------------------|------------------|

| | |
|--------------------------|------------------|
| Total liabilities | 2,994,809 |
|--------------------------|------------------|

NET POSITION:

| | |
|----------------------------|-----------|
| Invested in capital assets | 1,659,007 |
| Unrestricted | 2,821,063 |

| | |
|---------------------------|------------------|
| Total net position | 4,480,070 |
|---------------------------|------------------|

| | |
|---|---------------------|
| TOTAL LIABILITIES AND NET POSITION | \$ 7,474,879 |
|---|---------------------|

See notes to financial statements.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2022**

OPERATING REVENUES:

| | |
|----------------|--------------|
| Federal grants | \$ 6,794,889 |
| State grants | 263,866 |
| Local fees | 1,286,642 |
| Miscellaneous | 16,745 |

| | |
|---------------------------------|------------------|
| Total operating revenues | 8,362,142 |
|---------------------------------|------------------|

OPERATING EXPENSES:

| | |
|--------------------------|-----------|
| Salaries and wages | 2,791,495 |
| Employee benefits | 1,421,248 |
| Services | 1,214,193 |
| Property | 377,649 |
| Facilities | 56,415 |
| Publications | 13,231 |
| Meetings and conferences | 44,420 |
| Travel and parking | 28,564 |
| Supplies | 36,866 |
| Professional development | 28,381 |
| Non-program | 70,762 |
| In-kind match | 202,292 |
| Training and exercises | 46,395 |
| Subrecipient expenses | 1,881,397 |

| | |
|---------------------------------|------------------|
| Total operating expenses | 8,213,308 |
|---------------------------------|------------------|

| | |
|--|----------------|
| Operating income before nonoperating revenues | 148,834 |
|--|----------------|

NONOPERATING REVENUES:

| | |
|----------------------|--------|
| Interest income | 50,004 |
| State appropriations | 59,752 |
| Miscellaneous | 33,345 |

| | |
|------------------------------------|----------------|
| Total nonoperating revenues | 143,101 |
|------------------------------------|----------------|

| | |
|-------------------------------|----------------|
| CHANGE IN NET POSITION | 291,935 |
|-------------------------------|----------------|

| | |
|--|------------------|
| NET POSITION AT BEGINNING OF YEAR | 4,188,135 |
|--|------------------|

| | |
|------------------------------------|---------------------|
| NET POSITION AT END OF YEAR | \$ 4,480,070 |
|------------------------------------|---------------------|

See notes to financial statements.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|---|----------------|
| Cash received from federal grants | \$ 6,730,365 |
| Cash received from state grants | 246,769 |
| Cash received from local fees | 1,385,993 |
| Payments to employees | (3,389,926) |
| Payments to vendors | (4,479,486) |
| Other miscellaneous - nongrants | 43,681 |
| Net cash provided by operating activities | <u>537,396</u> |

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

| | |
|----------------------|---------------|
| State appropriations | <u>59,752</u> |
|----------------------|---------------|

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

| | |
|---|------------------|
| Purchases of capital assets | (93,917) |
| Payments on leases | (282,553) |
| Net cash used in capital and financing activities | <u>(376,470)</u> |

CASH FLOWS FROM INVESTING ACTIVITIES:

| | |
|---|---------------|
| Interest on cash | 50,004 |
| Cash received from nonoperating miscellaneous revenue | 33,345 |
| Payments on software licensing agreements | (49,983) |
| Net cash provided by investing activities | <u>33,366</u> |

| | |
|----------------------|---------|
| Net increase in cash | 254,044 |
|----------------------|---------|

| | |
|----------------------------------|------------------|
| CASH AT BEGINNING OF YEAR | <u>3,649,814</u> |
|----------------------------------|------------------|

| | |
|----------------------------|----------------------------|
| CASH AT END OF YEAR | <u><u>\$ 3,903,858</u></u> |
|----------------------------|----------------------------|

RECONCILIATION OF OPERATING INCOME TO NET CASH

FLOW PROVIDED BY OPERATING ACTIVITIES:

| | |
|---|--------------------------|
| Operating income before nonoperating revenues | \$ 148,834 |
| Adjustments to reconcile operating income to net cash flows provided by operating activities: | |
| Depreciation and amortization | 327,359 |
| Interest on capital leases | 53,200 |
| Net changes in other assets and liabilities: | |
| Grant and other receivables | 385,148 |
| Project costs in process | (536,969) |
| Prepaid expenses and other current assets | (60,313) |
| Accounts payable, accrued, and other liabilities | 220,137 |
| Net cash flows provided by operating activities | <u><u>\$ 537,396</u></u> |

NONCASH TRANSACTION:

| | |
|---|----------------------------|
| Increase in capital assets due to increase in liabilities | <u><u>\$ 1,701,414</u></u> |
|---|----------------------------|

See notes to financial statements.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

East-West Gateway Council of Governments (the "Council"), a wholly owned instrumentality of the political subdivisions of the States of Missouri and Illinois, was established in 1965 as a result of the 1962 Highway Act, which required metropolitan areas to plan highway improvements and construction on an area-wide basis. The Council is a voluntary association of local governments, which includes the city of St. Louis and the Missouri counties of Franklin, Jefferson, St. Charles, and St. Louis, plus the Illinois counties of Madison, Monroe, and St. Clair. Its purpose is to provide a means for planning St. Louis Metropolitan area projects through local government coordination.

The major area of emphasis is transportation; however, regional security, economic development, natural resources, environmental studies, community facilities, and the general improvement of living conditions also come within the scope of the Council's activities.

Basis of Presentation and Accounting

The financial statements of the Council are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

In accordance with GASB Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments: Omnibus, U.S. Amended*, the Council's financial statements have been prepared on the basis of the governmental enterprise fund concept, which pertains to financial activities that operate similarly to a private business enterprise. The Council accounts for resources received and expenses incurred on a source, grant, and "work element" basis as required by the Missouri Department of Transportation. For financial statement presentation, such resources and related expenses are reported by major granting agency. Financial records and statements are maintained on the accrual basis.

Use of Management Estimates

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

Project Costs in Process

The Council reports current project costs in process as an asset as prescribed by the Federal Transit Administration. Project costs in process represent expenditures incurred that are not currently billable to the granting agency. At December 31, 2022, project costs in process included open projects totaling \$1,151,858.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

Notes to Financial Statements (Continued)

Capital Assets, Depreciation, and Amortization

Capital assets are recorded at cost, except for those purchases under federal and nonfederal grants where the title of the capital asset has transferred to the subrecipient organization under the terms of the grant. The Council's policy is to capitalize all expenditures in excess of \$1,000. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets (3 years for computers and 5 to 20 years for all other property).

Net Position

The net position of the Council is classified into two categories: unrestricted and invested in capital assets. Invested in capital assets consists of capital assets such as office equipment, building improvements, and software, including leased assets. Unrestricted net assets include net assets available for the operation of the Council.

Operating Revenues and Expenses

Operating revenues generally result from providing services and include all transactions and other events that are not defined as capital and related financing, noncapital financing, or investing activities. Grant revenue is received for specific grant expenditures. The grants are contracts for services and therefore the grant revenue and related expenses are classified as operating revenues in the statement of revenues, expenses, and changes in net position. This grant revenue is the principal source of funds necessary to carry out the purpose of the Council's activities as described above.

Grant Revenue

Federal and nonfederal grant resources are recognized as revenue when project costs are expended and all eligibility requirements are met. Reimbursement requests to granting agencies are made primarily on a monthly basis.

Indirect Cost and Employee Benefit Allocations

The indirect cost and employee benefit pools are composed of expenses that benefit more than one grant. Indirect costs and employee benefit pools are allocated based on the rates established in the Council's Indirect Cost Allocation Plan. Allocation rates are based on a fixed rate with carry-forward.

Tax Status

The Council is exempt from federal and state income taxes.

Risk Management

The Council is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries. Coverage for these various risks of loss is obtained through commercial insurance. There has been no significant reduction in insurance coverage from the prior year for all categories of risk. Commercial insurance is purchased in an amount that is sufficient to cover the Council's risk of loss. The Council will record an estimated loss from a claim as an expense and a liability if it meets the following requirements: (1) information available before the financial statements are issued indicates that it is probable that an asset has been impaired or a liability has

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

Notes to Financial Statements (Continued)

been incurred at the date of the financial statements and (2) the amount of the loss can be reasonably estimated.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Council expects such amounts, if any, to be immaterial.

Implementation of GASB Statement No. 87, Leases

During the year ended December 31, 2022, the Council implemented the provisions of GASB Statement No. 87, *Leases*. As a result of the implementation, there was no impact on beginning net position. In accordance with GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. Beginning capital asset and lease payable balances have been restated as necessary to reflect implementation.

2. CASH AND CASH EQUIVALENTS

As of December 31, 2022, the Council had bank deposits of \$3,903,758 and cash on hand of \$100.

Credit Risk

It is the Council's investment policy to only invest in time deposits, money market funds, U.S. Treasury and federal agency securities, and repurchase agreements. As of December 31, 2022, the Council was in compliance with this policy.

Interest Rate Risk

Under the Council's established investment policy, the maximum allowed maturity for time deposits is five years. U.S. Treasury and federal agency securities and repurchase agreements have an allowed maximum maturity of 90 days or less. The Council had no investments during 2022.

Custodial Credit Risk

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the Council's deposit may not be returned to it. The Council does not have a deposit policy for custodial credit risk. State law requires depository financial institutions to pledge governmental unit securities as collateral for public funds on deposit, which, when combined with Federal Deposit Insurance Corporation (FDIC) insurance, are at least equal to the amount on deposit at all times. At December 31, 2022, the Council's carrying amount of deposits was \$3,903,758 and the bank balance was \$3,955,206. At December 31, 2022, none of the Council's bank balances were exposed to custodial credit risk.

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Council will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Council has an informal policy to reduce custodial credit risk where securities pledged are held by the pledging financial institution's safekeeping department in the Council's name. U.S. agency securities are held in the Council's name at the Bank of New York under a custodial relationship with the Bank of America. The Council does not have a concentration of credit risks policy.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

Notes to Financial Statements (Continued)

3. CAPITAL ASSETS

For the year ended December 31, 2022, capital asset activity is as follows:

| | 2022 | | | |
|---|------------------------------|------------------|-------------------------------|---------------------------|
| | Beginning balance | Additions | Retirements/ Other | Ending balance |
| Equipment | \$ 148,951 | \$ 10,247 | \$ - | \$ 159,198 |
| Leasehold improvements | 23,262 | - | - | 23,262 |
| Software | 257,868 | 2,500 | - | 260,368 |
| Construction in progress | - | 81,170 | - | 81,170 |
| Right-to-use leased building | 1,679,480 | - | - | 1,679,480 |
| Right-to-use leased equipment | 21,934 | - | - | 21,934 |
| Total capital assets | 2,131,495 | 93,917 | - | 2,225,412 |
| Less accumulated depreciation and amortization | (239,046) | (327,359) | - | (566,405) |
| Net | \$ 1,892,449 | \$ (233,442) | \$ - | \$ 1,659,007 |

Depreciation and amortization expense allocated to the grant funds as part of indirect costs was \$322,277 in 2022.

4. SOFTWARE LICENSING AGREEMENTS

During a prior year, the Council entered into various software licensing agreements which are recorded at the present value of the future payments. Payments are made quarterly or annually depending on the agreement with the final payment due in January 2024. At December 31, 2022, \$51,260 is recorded as current and \$10,611 as long term.

The related software is included in capital assets, net of accumulated amortization. At December 31, 2022, the total cost is \$199,577 and the total accumulated amortization is \$58,041.

Future minimum payments under the agreements described above are as follows:

| December 31, | Principal | Interest | Total |
|---------------------|------------------|-----------------|------------------|
| 2023 | \$ 51,260 | \$ 1,240 | \$ 52,500 |
| 2024 | 10,611 | 86 | 10,697 |
| Total | \$ 61,871 | \$ 1,326 | \$ 63,197 |

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

Notes to Financial Statements (Continued)

5. LEASES

As of December 31, the Council had the following lease obligations outstanding:

- a) facilities lease for office space and related parking facilities with a remaining balance of \$1,654,982. This lease calls for monthly payments of principal and interest of \$22,810 through December 1, 2028.
- b) A copier lease with a remaining balance of \$16,551. This lease calls for monthly payments of principal and interest of \$496 through November 1, 2025.

The remaining cost of the lease assets as of December 31, 2022 is \$1,454,177 which is included in capital assets and net of accumulated amortization of \$247,237.

The annual requirements to retire the lease obligations outstanding at December 31, 2022 are as follows:

| Year Ending December 31, | Principal | Interest | Total |
|---------------------------------|---------------------|-------------------|---------------------|
| 2023 | \$ 239,786 | \$ 50,817 | \$ 290,603 |
| 2024 | 255,868 | 42,785 | 298,653 |
| 2025 | 271,984 | 34,224 | 306,208 |
| 2026 | 283,579 | 25,220 | 308,799 |
| 2027 | 301,106 | 15,744 | 316,850 |
| 2028 | 319,210 | 5,690 | 324,900 |
| Total | \$ 1,671,533 | \$ 174,480 | \$ 1,846,013 |

6. COMMITMENTS

Sub-Awards and Contracts

The Council has entered into sub-award agreements and contracts with various governmental agencies and consulting firms for projects and studies in connection with the grants administered by the Council. At December 31, 2022, the aggregate amount of outstanding contractual commitments for which services are to be performed in future periods is \$457,929.

7. RETIREMENT SAVINGS PLAN

The Council adopted the East-West Gateway Council of Governments Retirement Savings Plan and Trust (the "Plan"), a defined contribution plan, which allows voluntary tax-deferred contributions pursuant to the provisions of Section 401(k) of the Internal Revenue Code. The investment management and recordkeeping services for the Plan are performed by Principal Financial Group. The Council is required to make matching contributions to the Plan. The Council contributes a maximum of 6.0% of gross employee salary. The Plan is available to all employees over the age of 21 regardless of their time of service. During 2022, the Council contributed \$184,601 and employees contributed \$291,911 to the Plan.

SUPPLEMENTARY INFORMATION

This section of the Council's annual financial report presents detailed information about the Council's revenues and expenses by program for the year ended December 31, 2022. For federally funded programs, this section provides information about the federal participation and share of expenses for each grant.

This section is organized alphabetically by the federal funding agency followed by the pass-through entity with an overall summary at the beginning. Locally funded projects are presented last.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2022**

| SUMMARY BY FUNDER | | | | | | | | |
|-------------------------------|------------------------|-----------------------|-----------------------|----------------------|-------------------|---------------------------------|-----------------------|---------------------|
| | U.S. DHHS, ASPR | U.S. DHS, FEMA | U.S. DOT, FHWA | U.S. DOT, FTA | U.S. EPA | Local & State Grants | Local Projects | Total |
| REVENUES | | | | | | | | |
| Federal grants | \$ 159,709 | \$ 2,278,431 | \$ 4,202,092 | \$ 12,515 | \$ 142,142 | \$ - | \$ - | 6,794,889 |
| State grants & appropriations | - | - | 236,245 | - | 19,277 | 8,344 | - | 263,866 |
| Local contributions | - | - | 89,305 | - | - | - | - | 89,305 |
| Other grants | - | - | - | - | - | - | 216,580 | 216,580 |
| In-Kind match | - | - | 234,228 | - | - | - | - | 234,228 |
| EWG Contributions | - | - | 485,281 | - | 1,327 | 2,630 | - | 489,238 |
| Total revenues | 159,709 | 2,278,431 | 5,247,152 | 12,515 | 162,746 | 10,974 | 216,580 | 8,088,107 |
| EXPENSES | | | | | | | | |
| Salaries & Wages | 73,337 | 282,145 | 1,745,299 | 5,876 | 67,956 | 5,175 | 140,671 | 2,320,459 |
| Services | - | - | 1,012,377 | - | 13,075 | - | 90 | 1,025,542 |
| Property | - | - | 40,721 | - | - | - | 3,702 | 44,423 |
| Facilities | - | 86 | 3,399 | 61 | 185 | 5 | 3,526 | 7,262 |
| Publications | - | 2,606 | 9,400 | - | - | - | - | 12,006 |
| Meeting & Conferences | 1,080 | 1,350 | 3,678 | - | 2,139 | - | 675 | 8,922 |
| Travel & Parking | 3,199 | 3,319 | 7,562 | - | 3,313 | - | 1,694 | 19,087 |
| Supplies | - | - | 3,068 | - | 8 | - | 2,081 | 5,157 |
| Professional Development | - | - | 10,979 | - | - | - | - | 10,979 |
| Non-Program Expenses | - | - | - | - | - | - | 30 | 30 |
| In-Kind Match | - | - | 202,293 | - | - | - | - | 202,293 |
| Training & Exercises | - | 46,395 | - | - | - | - | - | 46,395 |
| Sub-Recipient Expenses | - | 1,626,698 | 254,701 | - | - | - | - | 1,881,399 |
| Allocations | | | | | | | | |
| Fringe benefits | 32,671 | 125,696 | 777,531 | 2,618 | 30,274 | 2,306 | 62,669 | 1,033,765 |
| Indirect costs | 49,422 | 190,136 | 1,176,144 | 3,960 | 45,796 | 3,488 | 1,442 | 1,470,388 |
| Total expenses | \$ 159,709 | \$ 2,278,431 | \$ 5,247,152 | \$ 12,515 | \$ 162,746 | \$ 10,974 | \$ 216,580 | \$ 8,088,107 |

See Independent Auditors' Report

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

**U.S. Department of Health and Human Services
Assistant Secretary for Preparedness and Response (ASPR)**

| PASSED THROUGH, MISSOURI DEPARTMENT OF HEALTH AND SENIOR SERVICES | | | | |
|--|------------------------|------------------------|-----------|----------------|
| | 5U3REP190554-03 | 5U3REP190554-04 | | |
| FAIN | 6U3REP190554-03 | 6U3REP190554-04 | | |
| FALN | 93.889 | 93.889 | | |
| Grant | FY 2021 HPP | FY 2023 HPP | | Total |
| Pass-Through ID # | CS200690001-03 | CS200690001-04 | | |
| REVENUES | | | | |
| Federal grants | \$ 97,841 | \$ 61,868 | \$ | 159,709 |
| State grants & appropriations | - | - | | - |
| Local contributions | - | - | | - |
| Other grants | - | - | | - |
| In-Kind match | - | - | | - |
| EWG contributions | - | - | | - |
| Total revenues | 97,841 | 61,868 | | 159,709 |
| EXPENSES | | | | |
| Salaries & Wages | 45,178 | 28,159 | | 73,337 |
| Employee Benefits | - | - | | - |
| Services | - | - | | - |
| Property | - | - | | - |
| Facilities | - | - | | - |
| Publications | - | - | | - |
| Meeting & Conferences | 585 | 495 | | 1,080 |
| Travel & Parking | 1,505 | 1,694 | | 3,199 |
| Supplies | - | - | | - |
| Professional Development | - | - | | - |
| Non-Program Expenses | - | - | | - |
| In-Kind Match | - | - | | - |
| Training & Exercises | - | - | | - |
| Sub-Recipient Expenses | - | - | | - |
| Allocations | | | | |
| Fringe benefits | 20,127 | 12,544 | | 32,671 |
| Indirect costs | 30,446 | 18,976 | | 49,422 |
| Total expenses | \$ 97,841 | \$ 61,868 | \$ | 159,709 |
| Revenues over expenses | - | - | | - |
| Federal Award Information | | | | |
| Total grant award amount | \$ 249,014 | \$ 249,835 | \$ | 498,849 |
| Federal participation percentage | 100% | 100% | | |
| Maximum federal grant allowable | \$ 249,014 | \$ 249,835 | \$ | 498,849 |
| Federal share of expenses | \$ 97,841 | \$ 61,868 | \$ | 159,709 |

See Independent Auditors' Report

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

**U.S. Department of Homeland Security
Federal Emergency Management Agency**

| DIRECT, FEDERAL EMERGENCY MANAGEMENT AGENCY | | | |
|---|-----------------------|----------------|-------------------|
| FAIN | EMK-2020-CA-00014-S01 | | |
| FALN | 97.111 | | |
| Grant | FY 2020 RCPG | | Total |
| Pass-Through ID # | n/a | | |
| REVENUES | | | |
| Federal grants | \$ | 109,481 | \$ 109,481 |
| State grants & appropriations | | - | - |
| Local contributions | | - | - |
| Other grants | | - | - |
| In-Kind match | | - | - |
| EWG contributions | | - | - |
| Total revenues | | 109,481 | 109,481 |
| EXPENSES | | | |
| Salaries & Wages | | 51,328 | 51,328 |
| Employee Benefits | | - | - |
| Services | | - | - |
| Property | | - | - |
| Facilities | | - | - |
| Publications | | 650 | 650 |
| Meeting & Conferences | | - | - |
| Travel & Parking | | 46 | 46 |
| Supplies | | - | - |
| Professional Development | | - | - |
| Non-Program Expenses | | - | - |
| In-Kind Match | | - | - |
| Training & Exercises | | - | - |
| Sub-Recipient Expenses | | - | - |
| Allocations | | | |
| Fringe benefits | | 22,867 | 22,867 |
| Indirect costs | | 34,590 | 34,590 |
| Total expenses | \$ | 109,481 | \$ 109,481 |
| Revenues over expenses | | - | - |
| Federal Award Information | | | |
| Total grant award amount | \$ | 929,414 | \$ 929,414 |
| Federal participation percentage | | 100% | |
| Maximum federal grant allowable | \$ | 929,414 | \$ 929,414 |
| Federal share of expenses | \$ | 109,481 | \$ 109,481 |

See Independent Auditors' Report

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

**U.S. Department of Homeland Security
Federal Emergency Management Agency**

| PASSED THROUGH, MISSOURI OFFICE OF HOMELAND SECURITY | | | | | | |
|--|--|--|--|--|-------|------------|
| FAIN FALN Grant Pass-Through ID # | EMW-2018-SS-00044 97.067 FY 2018 UASI n/a | EMW-2019-SS-00039 97.067 FY 2019 UASI n/a | EMW-2020-SS-00051 97.067 FY 2020 UASI n/a | EMW-2021-SS-00038 97.067 FY 2021 UASI n/a | Total | |
| REVENUES | | | | | | |
| Federal grants | \$ 283,848 | \$ 1,250,185 | \$ 423,294 | \$ 211,623 | \$ | 2,168,950 |
| State grants & appropriations | - | - | - | - | | - |
| Local contributions | - | - | - | - | | - |
| Other grants | - | - | - | - | | - |
| In-Kind match | - | - | - | - | | - |
| EWG contributions | - | - | - | - | | - |
| Total revenues | 283,848 | 1,250,185 | 423,294 | 211,623 | | 2,168,950 |
| EXPENSES | | | | | | |
| Salaries & Wages | 25,685 | 198,551 | 5,972 | 609 | | 230,817 |
| Employee Benefits | - | - | - | - | | - |
| Services | - | - | - | - | | - |
| Property | - | - | - | - | | - |
| Facilities | 14 | 72 | - | - | | 86 |
| Publications | - | 1,956 | - | - | | 1,956 |
| Meeting & Conferences | - | 1,350 | - | - | | 1,350 |
| Travel & Parking | - | 3,272 | 1 | - | | 3,273 |
| Supplies | - | - | - | - | | - |
| Professional Development | - | - | - | - | | - |
| Non-Program Expenses | - | - | - | - | | - |
| In-Kind Match | - | - | - | - | | - |
| Training & Exercises | - | 45,646 | 749 | - | | 46,395 |
| Sub-Recipient Expenses | 229,397 | 777,081 | 409,888 | 210,332 | | 1,626,698 |
| Allocations | | | | | | |
| Fringe benefits | 11,443 | 88,455 | 2,660 | 271 | | 102,829 |
| Indirect costs | 17,309 | 133,802 | 4,024 | 411 | | 155,546 |
| Total expenses | \$ 283,848 | \$ 1,250,185 | \$ 423,294 | \$ 211,623 | \$ | 2,168,950 |
| Revenues over expenses | - | - | - | - | | - |
| Federal Award Information | | | | | | |
| Total grant award amount | \$ 2,691,400 | \$ 2,835,000 | \$ 3,082,570 | \$ 3,309,319 | \$ | 11,918,289 |
| Federal participation percentage | 100% | 100% | 100% | 100% | | |
| Maximum federal grant allowable | \$ 2,691,400 | \$ 2,835,000 | \$ 3,082,570 | \$ 3,309,319 | \$ | 11,918,289 |
| Federal share of expenses | \$ 283,848 | \$ 1,250,185 | \$ 423,294 | \$ 211,623 | \$ | 2,168,950 |

See Independent Auditors' Report

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

**U.S. Department of Transportation
Federal Highway Administration**

PASSED THROUGH, ILLINOIS DEPARTMENT OF TRANSPORTATION

| | Total | | | |
|----------------------------------|-------------------------|-------------------------|-------------------------|---------------------|
| FAIN | PFFU(066) | KCIX(228) | RQM3519 | |
| FALN | 20.205 | 20.205 | 20.205 | |
| Grant | FY 2022 MTP - IL | FY 2023 MTP - IL | FY 2022 SPR - IL | |
| Pass-Through ID # | 22-1009-25234 | 23-1009-33514 | 21-1439-24818 | |
| REVENUES | | | | |
| Federal grants | \$ 473,430 | \$ 471,522 | \$ 33,573 | \$ 978,525 |
| State grants & appropriations | 118,358 | 117,887 | - | 236,245 |
| Local contributions | - | - | - | - |
| Other grants | - | - | - | - |
| In-Kind match | - | - | - | - |
| EWG contributions | - | - | 8,393 | 8,393 |
| Total revenues | 591,788 | 589,409 | 41,967 | 1,223,164 |
| EXPENSES | | | | |
| Salaries & Wages | 232,496 | 212,040 | 19,577 | 464,113 |
| Employee Benefits | - | - | - | - |
| Services | 55,602 | 98,318 | - | 153,920 |
| Property | 7,303 | 3,779 | - | 11,082 |
| Facilities | 369 | 414 | 64 | 847 |
| Publications | 1,261 | 1,027 | 378 | 2,666 |
| Meeting & Conferences | 96 | 736 | - | 832 |
| Travel & Parking | 413 | 1,275 | 33 | 1,721 |
| Supplies | 709 | 128 | - | 837 |
| Professional Development | 880 | 2,111 | - | 2,991 |
| Non-Program Expenses | - | - | - | - |
| In-Kind Match | - | - | - | - |
| Training & Exercises | - | - | - | - |
| Sub-Recipient Expenses | 32,406 | 32,223 | - | 64,629 |
| Allocations | | | | |
| Fringe benefits | 103,576 | 94,465 | 8,722 | 206,763 |
| Indirect costs | 156,677 | 142,893 | 13,193 | 312,763 |
| Total expenses | \$ 591,788 | \$ 589,409 | \$ 41,967 | \$ 1,223,164 |
| Revenues over expenses | - | - | - | - |
| Federal Award Information | | | | |
| Total grant award amount | \$ 1,272,237 | \$ 1,422,238 | \$ 498,394 | \$ 3,192,869 |
| Federal participation percentage | 80% | 80% | 100% | |
| Maximum federal grant allowable | \$ 1,017,790 | \$ 1,137,790 | \$ 498,394 | \$ 2,653,974 |
| Federal share of expenses | \$ 473,430 | \$ 471,522 | \$ 33,573 | \$ 978,525 |

See Independent Auditors' Report

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

**U.S. Department of Transportation
Federal Highway Administration**

PASSED THROUGH, MISSOURI DEPARTMENT OF TRANSPORTATION

| FAIN FALN Grant Pass-Through ID # | 693JJ2213000018MPMO00FY522; ""19MPMO00FY522; ""Z450MO00FY522 20.205 FY 2022 MTP - MO MP52201C | | 693JJ2223000019MPMO00FY523; ""20MPMO00FY523; ""21MPMO00FY523; ""M45EMO00FY523; ""Y410MO00FY523; ""Z450MO00FY523; ""Z45EMO00FY523; 20.205 FY 2023 MTP - MO MP52301C / MP52302C | | Total |
|--|--|-----------|--|-----------|---------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| REVENUES | | | | | |
| Federal grants | \$ | 1,809,015 | \$ | 1,414,552 | \$ 3,223,567 |
| State grants & appropriations | | - | | - | - |
| Local contributions | | 85,033 | | 4,272 | 89,305 |
| Other grants | | - | | - | - |
| In-Kind match | | 134,518 | | 99,710 | 234,228 |
| EWG contributions | | 233,412 | | 243,476 | 476,888 |
| Total revenues | | 2,261,978 | | 1,762,010 | 4,023,988 |
| EXPENSES | | | | | |
| Salaries & Wages | | 670,310 | | 610,876 | 1,281,186 |
| Employee Benefits | | - | | - | - |
| Services | | 595,710 | | 262,747 | 858,457 |
| Property | | 19,497 | | 10,142 | 29,639 |
| Facilities | | 1,423 | | 1,129 | 2,552 |
| Publications | | 3,633 | | 3,101 | 6,734 |
| Meeting & Conferences | | 254 | | 2,592 | 2,846 |
| Travel & Parking | | 1,266 | | 4,575 | 5,841 |
| Supplies | | 1,888 | | 343 | 2,231 |
| Professional Development | | 2,346 | | 5,642 | 7,988 |
| Non-Program Expenses | | - | | - | - |
| In-Kind Match | | 121,916 | | 80,377 | 202,293 |
| Training & Exercises | | - | | - | - |
| Sub-Recipient Expenses | | 93,396 | | 96,676 | 190,072 |
| Allocations | | | | | |
| Fringe benefits | | 298,623 | | 272,145 | 570,768 |
| Indirect costs | | 451,716 | | 411,665 | 863,381 |
| Total expenses | \$ | 2,261,978 | \$ | 1,762,010 | \$ 4,023,988 |
| Revenues over expenses | | - | | - | - |
| Federal Award Information | | | | | |
| Total grant award amount | \$ | 5,616,698 | \$ | 4,862,719 | \$ 10,479,417 |
| Federal participation percentage | | 80% | | 80% | |
| Maximum federal grant allowable | \$ | 4,493,413 | \$ | 3,890,381 | \$ 8,383,794 |
| Federal share of expenses | \$ | 1,809,015 | \$ | 1,414,552 | \$ 3,223,567 |

See Independent Auditors' Report

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

**U.S. Department of Transportation
Federal Transit Administration**

| PASSED THROUGH, BI-STATE DEVELOPMENT AGENCY | | | |
|---|-------------------------|--------|-----------|
| FAIN | MO-2020-033 | | |
| FALN | 20.513 | | |
| Grant | FY 19 & 20 Section 5310 | | Total |
| Pass-Through ID # | n/a | | |
| | | | |
| REVENUES | | | |
| Federal grants | \$ | 12,515 | \$ 12,515 |
| State grants & appropriations | | - | - |
| Local contributions | | - | - |
| Other grants | | - | - |
| In-Kind match | | - | - |
| EWG contributions | | - | - |
| | | | |
| Total revenues | | 12,515 | 12,515 |
| | | | |
| EXPENSES | | | |
| Salaries & Wages | | 5,876 | 5,876 |
| Employee Benefits | | - | - |
| Services | | - | - |
| Property | | - | - |
| Facilities | | 61 | 61 |
| Publications | | - | - |
| Meeting & Conferences | | - | - |
| Travel & Parking | | - | - |
| Supplies | | - | - |
| Professional Development | | - | - |
| Non-Program Expenses | | - | - |
| In-Kind Match | | - | - |
| Training & Exercises | | - | - |
| Sub-Recipient Expenses | | - | - |
| Allocations | | | |
| Fringe benefits | | 2,618 | 2,618 |
| Indirect costs | | 3,960 | 3,960 |
| | | | |
| Total expenses | \$ | 12,515 | \$ 12,515 |
| | | | |
| Revenues over expenses | | - | - |
| | | | |
| Federal Award Information | | | |
| Total grant award amount | \$ | 47,218 | \$ 47,218 |
| Federal participation percentage | | 100% | |
| Maximum federal grant allowable | \$ | 47,218 | \$ 47,218 |
| Federal share of expenses | \$ | 12,515 | \$ 12,515 |

See Independent Auditors' Report

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

U.S. Environmental Protection Agency

PASSED THROUGH, ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

| FAIN FALN Grant Pass-Through ID # | 98542816 66.605 FY20-22 PPG - IL FA-20001 | 98542817 66.605 FY23-25 PPG - IL FA-20001 | Total |
|--|--|--|------------------|
| REVENUES | | | |
| Federal grants | \$ 23,412 | \$ 14,968 | \$ 38,380 |
| State grants & appropriations | - | - | - |
| Local contributions | - | - | - |
| Other grants | - | - | - |
| In-Kind match | - | - | - |
| EWG contributions | - | - | - |
| Total revenues | 23,412 | 14,968 | 38,380 |
| EXPENSES | | | |
| Salaries & Wages | 11,045 | 7,058 | 18,103 |
| Employee Benefits | - | - | - |
| Services | - | - | - |
| Property | - | - | - |
| Facilities | - | - | - |
| Publications | - | - | - |
| Meeting & Conferences | - | - | - |
| Travel & Parking | 4 | 9 | 13 |
| Supplies | - | - | - |
| Professional Development | - | - | - |
| Non-Program Expenses | - | - | - |
| In-Kind Match | - | - | - |
| Training & Exercises | - | - | - |
| Sub-Recipient Expenses | - | - | - |
| Allocations | | | |
| Fringe benefits | 4,920 | 3,144 | 8,064 |
| Indirect costs | 7,443 | 4,757 | 12,200 |
| Total expenses | \$ 23,412 | \$ 14,968 | \$ 38,380 |
| Revenues over expenses | - | - | - |
| Federal Award Information | | | |
| Total grant award amount | \$ 105,000 | \$ 105,000 | \$ 105,000 |
| Federal participation percentage | 100% | 100% | 100% |
| Maximum federal grant allowable | \$ 105,000 | \$ 105,000 | \$ 105,000 |
| Federal share of expenses | \$ 23,412 | \$ 14,968 | \$ 38,380 |

See Independent Auditors' Report

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

U.S. Environmental Protection Agency

| PASSED THROUGH, MISSOURI DEPARTMENT OF NATURAL RESOURCES | | | | | | | |
|--|----------------|--------|------------------|--------|------------------|--------|------------|
| FAIN | C6007476-16 | | BG99731320 | | BG99731320 | | Total |
| FALN | 66.454 | | 66.605 | | 66.605 | | |
| Grant | FY 2019 604(b) | | FY 2022 PPG - MO | | FY 2023 PPG - MO | | |
| Pass-Through ID # | n/a | | A-3001-22 | | A-3001-23 | | |
| REVENUES | | | | | | | |
| Federal grants | \$ | 13,423 | \$ | 13,065 | \$ | 3,710 | \$ 30,198 |
| State grants & appropriations | | - | | 15,014 | | 4,263 | 19,277 |
| Local contributions | | - | | - | | - | - |
| Other grants | | - | | - | | - | - |
| In-Kind match | | - | | - | | - | - |
| EWG contributions | | 1,327 | | - | | - | 1,327 |
| Total revenues | | 14,750 | | 28,079 | | 7,973 | 50,802 |
| EXPENSES | | | | | | | |
| Salaries & Wages | | 6,855 | | 13,246 | | 3,757 | 23,858 |
| Employee Benefits | | - | | - | | - | - |
| Services | | 39 | | - | | - | 39 |
| Property | | - | | - | | - | - |
| Facilities | | 182 | | 1 | | 1 | 184 |
| Publications | | - | | - | | - | - |
| Meeting & Conferences | | - | | - | | - | - |
| Travel & Parking | | - | | 4 | | 9 | 13 |
| Supplies | | - | | - | | - | - |
| Professional Development | | - | | - | | - | - |
| Non-Program Expenses | | - | | - | | - | - |
| In-Kind Match | | - | | - | | - | - |
| Training & Exercises | | - | | - | | - | - |
| Sub-Recipient Expenses | | - | | - | | - | - |
| Allocations | | | | | | | |
| Fringe benefits | | 3,054 | | 5,901 | | 1,674 | 10,629 |
| Indirect costs | | 4,620 | | 8,927 | | 2,532 | 16,079 |
| Total expenses | \$ | 14,750 | \$ | 28,079 | \$ | 7,973 | \$ 50,802 |
| Revenues over expenses | | - | | - | | - | - |
| Federal Award Information | | | | | | | |
| Total grant award amount | \$ | 55,000 | \$ | 35,595 | \$ | 35,595 | \$ 126,190 |
| Federal participation percentage | | 90.9% | | 47% | | 47% | |
| Maximum federal grant allowable | \$ | 50,000 | \$ | 16,562 | \$ | 16,562 | \$ 83,125 |
| Federal share of expenses | \$ | 13,423 | \$ | 13,065 | \$ | 3,710 | \$ 30,198 |

See Independent Auditors' Report

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

U.S. Environmental Protection Agency

PASSED THROUGH, WICHITA STATE UNIVERSITY

| | | |
|----------------------------------|--|---------------|
| FAIN | 97756601 | |
| FALN | 66.203 | |
| Grant | Urban Waters Ambassador Program | |
| Pass-Through ID # | 20-00171 | |
| <hr/> | | |
| REVENUES | | |
| Federal grants | \$ | 73,564 |
| State grants & appropriations | | - |
| Local contributions | | - |
| Other grants | | - |
| In-Kind match | | - |
| EWG contributions | | - |
| <hr/> | | |
| Total revenues | | 73,564 |
| <hr/> | | |
| EXPENSES | | |
| Salaries & Wages | | 25,995 |
| Employee Benefits | | - |
| Services | | 13,036 |
| Property | | - |
| Facilities | | 1 |
| Publications | | - |
| Meeting & Conferences | | 2,139 |
| Travel & Parking | | 3,287 |
| Supplies | | 8 |
| Professional Development | | - |
| Non-Program Expenses | | - |
| In-Kind Match | | - |
| Training & Exercises | | - |
| Sub-Recipient Expenses | | - |
| Allocations | | |
| Fringe benefits | | 11,581 |
| Indirect costs | | 17,517 |
| <hr/> | | |
| Total expenses | \$ | 73,564 |
| <hr/> | | |
| Revenues over expenses | | - |
| <hr/> | | |
| Federal Award Information | | |
| Total grant award amount | \$ | 165,924 |
| Federal participation percentage | | 100% |
| Maximum federal grant allowable | \$ | 165,924 |
| Federal share of expenses | \$ | 73,564 |

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Local & State Grants

| DIRECT, ST. LOUIS-JEFFERSON SOLID WASTE MANAGEMENT DISTRICT | | | |
|--|--|-----------|---------------|
| FAIN FALN Grant Local Identification # | n/a n/a FY 2021 Waste Reduction 2019024 | | Total |
| REVENUES | | | |
| Federal grants | \$ - | \$ | - |
| State grants & appropriations | 8,344 | | 8,344 |
| Local contributions | - | | - |
| Other grants | - | | - |
| In-Kind match | - | | - |
| EWG contributions | 2,630 | | 2,630 |
| Total revenues | 10,974 | | 10,974 |
| EXPENSES | | | |
| Salaries & Wages | 5,175 | | 5,175 |
| Employee Benefits | - | | - |
| Services | - | | - |
| Property | - | | - |
| Facilities | 5 | | 5 |
| Publications | - | | - |
| Meeting & Conferences | - | | - |
| Travel & Parking | - | | - |
| Supplies | - | | - |
| Professional Development | - | | - |
| Non-Program Expenses | - | | - |
| In-Kind Match | - | | - |
| Training & Exercises | - | | - |
| Sub-Recipient Expenses | - | | - |
| Allocations | | | |
| Fringe benefits | 2,306 | | 2,306 |
| Indirect costs | 3,488 | | 3,488 |
| Total expenses | \$ 10,974 | \$ | 10,974 |
| Revenues over expenses | - | | - |

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Local Projects

| DIRECT, SW ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL | | |
|--|-----------|----------------|
| REVENUES | | |
| Federal grants | \$ | - |
| State grants & appropriations | | - |
| Local contributions | | - |
| Other grants | | 200,246 |
| In-Kind match | | - |
| EWG contributions | | - |
| Total revenues | | 200,246 |
| EXPENSES | | |
| Salaries & Wages | | 138,530 |
| Employee Benefits | | - |
| Services | | - |
| Property | | - |
| Facilities | | - |
| Publications | | - |
| Meeting & Conferences | | - |
| Travel & Parking | | - |
| Supplies | | - |
| Professional Development | | - |
| Non-Program Expenses | | - |
| In-Kind Match | | - |
| Training & Exercises | | - |
| Sub-Recipient Expenses | | - |
| Allocations | | - |
| Fringe benefits | | 61,716 |
| Indirect costs | | - |
| Total expenses | \$ | 200,246 |
| Revenues over expenses | | - |

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Local Projects

DIRECT, ST. LOUIS AREA REGIONAL RESPONSE SYSTEM

REVENUES

| | | |
|-------------------------------|----|--------|
| Federal grants | \$ | - |
| State grants & appropriations | | - |
| Local contributions | | - |
| Other grants | | 16,334 |
| In-Kind match | | - |
| EWG contributions | | - |

| | | |
|-----------------------|--|---------------|
| Total revenues | | 16,334 |
|-----------------------|--|---------------|

EXPENSES

| | |
|--------------------------|-------|
| Salaries & Wages | 2,141 |
| Employee Benefits | - |
| Services | 90 |
| Property | 3,702 |
| Facilities | 3,526 |
| Publications | - |
| Meeting & Conferences | 675 |
| Travel & Parking | 1,694 |
| Supplies | 2,081 |
| Professional Development | - |
| Non-Program Expenses | 30 |
| In-Kind Match | - |
| Training & Exercises | - |
| Sub-Recipient Expenses | - |
| Allocations | |
| Fringe benefits | 953 |
| Indirect costs | 1,442 |

| | | |
|-----------------------|-----------|---------------|
| Total expenses | \$ | 16,334 |
|-----------------------|-----------|---------------|

| | |
|-------------------------------|----------|
| Revenues over expenses | - |
|-------------------------------|----------|

Federal Compliance

**Independent Auditors' Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards***

Board of Directors
East-West Gateway Council of Governments

We have audited, 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, the financial statements of the business-type activities of East-West Gateway Council of Governments as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise East-West Gateway Council of Governments' basic financial statements, and have issued our report thereon dated August 15, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered East-West Gateway Council of Governments' internal control over financial reporting (internal control) as a basis for designing 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 East-West Gateway Council of Governments' internal control. Accordingly, we do not express an opinion on the effectiveness of East-West Gateway Council of Governments' internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Keiter, Eck & Braeckel LLP

St. Louis, Missouri
August 15, 2023

**Independent Auditors' Report on Compliance for Each Major Federal Program
and Report on Internal Control Over Compliance
In Accordance with the Uniform Guidance**

Board of Directors
East-West Gateway Council of Governments

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited East-West Gateway Council of Governments' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of East-West Gateway Council of Governments' major federal programs for the year ended December 31, 2022. East-West Gateway Council of Governments' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, East-West Gateway Council of Governments complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of East-West Gateway Council of Governments and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of East-West Gateway Council of Governments' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to East-West Gateway Council of Governments' federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on East-West Gateway Council of Governments' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about East-West Gateway Council of Governments' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 East-West Gateway Council of Governments' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of East-West Gateway Council of Governments' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of East-West Gateway Council of Governments' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Keiter, Eck & Braeckel LLP

St. Louis, Missouri
August 15, 2023

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2022

| Federal Grantor/Program Title | Federal Assistance Listing Number | Federal Award Identification Number | Pass-Through Identification Number | Expenditures | Passed Through to Subrecipients |
|--|-----------------------------------|--|------------------------------------|------------------------|---------------------------------|
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES / ASSISTANT SECRETARY FOR PREPAREDNESS AND RESPONSE: | | | | | |
| Passed Through the Missouri Department of Health and Senior Services: DHHS: National Bioterrorism Hospital Preparedness Program | 93.889 | 5U3REP190554-03 6U3REP190554-03 | CS200690001-03 | \$ 97,841 | \$ - |
| DHHS: National Bioterrorism Hospital Preparedness Program | 93.889 | 5U3REP190554-04 6U3REP190554-04 | CS200690001-04 | 61,868 | - |
| Subtotal Assistance Listing 93.889 | | | | 159,709 | - |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | 159,709 | - |
| U.S. DEPARTMENT OF HOMELAND SECURITY: | | | | | |
| Direct from Federal Emergency Management Agency: Regional Catastrophic Preparedness Grant Program | 97.111 | EMK-2020-CA-00014-S01 | N/A | 109,481 | - |
| Passed Through the Missouri Office of Homeland Security: FEMA: Homeland Security Grant Program | 97.067 | EMW-2018-SS-00044 | N/A | 283,848 | - |
| FEMA: Homeland Security Grant Program | 97.067 | EMW-2019-SS-00039 | N/A | 1,250,185 | 154,017 |
| FEMA: Homeland Security Grant Program | 97.067 | EMW-2020-SS-00051 | N/A | 423,294 | 303,669 |
| FEMA: Homeland Security Grant Program | 97.067 | EMW-2021-SS-00038 | N/A | 211,623 | 63,508 |
| Subtotal Assistance Listing 97.067 | | | | 2,168,950 | 521,194 |
| TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY | | | | 2,278,431 | 521,194 |
| U.S. DEPARTMENT OF TRANSPORTATION: | | | | | |
| Passed through the Bi-State Development Agency: FTA:Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | MO-2020-033 | N/A | 12,515 | - |
| Passed Through the Illinois Department of Transportation: FHWA: Highway Planning and Construction | 20.205 | PFFU(006) | 22-1009-25234 | 473,430 | 25,925 |
| FHWA: Highway Planning and Construction | 20.205 | KCIX (228) | 23-1009-33514 | 471,522 | 25,778 |
| FHWA: Highway Planning and Construction | 20.205 | RQM3519 | 21-1439-24818 | 33,573 | - |
| | | | | 978,525 | 51,703 |
| Passed Through the Missouri Highway and Transportation Commission: FHWA: Highway Planning and Construction | 20.205 | 693JJ221300000Z45MO00FY522; 19MPMO00FY522; Z45MO00FY522 | MP52201C | 1,809,015 | 76,509 |
| FHWA: Highway Planning and Construction | 20.205 | 693JJ2223000019MPMO00FY523; 20MPMO00FY523; 21MPMO00FY523; M45EMO00FY523; Y410MO00FY523; Z45MO00FY523; Z45EMO00FY523 | MP52301C/MP52302C | 1,414,552 3,223,567 | 77,342 153,851 |
| Subtotal Assistance Listing 20.205 | | | | 4,202,092 | 205,554 |
| Subtotal Highway Planning and Construction Cluster | | | | 4,202,092 | 205,554 |
| TOTAL U. S. DEPARTMENT OF TRANSPORTATION | | | | 4,214,607 | 205,554 |
| U.S. ENVIRONMENTAL PROTECTION AGENCY: | | | | | |
| Passed Through the Illinois Environmental Protection Agency: EPA: Performance Partnership Grants | 66.605 | 98542816 | FA-20001 | 23,412 | - |
| EPA: Performance Partnership Grants | 66.605 | 98542817 | FA-20001 | 14,968 | - |
| | | | | 38,380 | - |
| Passed Through the Missouri Department of Natural Resources: EPA: Performance Partnership Grants | 66.605 | BG99731320 | A-3001-22 | 13,065 | - |
| EPA: Performance Partnership Grants | 66.605 | BG99731320 | A-3001-23 | 3,710 | - |
| | | | | 16,775 | - |
| Subtotal Assistance Listing 66.605 | | | | 55,155 | - |
| EPA: Water Quality Mangement Grant | 66.454 | C6007476-16 | N/A | 13,423 | - |
| Passed Through Wichita State University: EPA: Enviornmental Finance Center Grants | 66.203 | 97756601 | 20-00171 | 73,564 | - |
| TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY | | | | 142,142 | - |
| TOTAL FEDERAL FINANCIAL ASSISTANCE | | | | \$ 6,794,889 | \$ 726,748 |

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Council under programs of the federal government for the year ended December 31, 2022. The Council's reporting entity is defined in Note 1 to the Council's financial statements. The information reported in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position, changes in net position or cash flows of the Council.

Note 2 - Significant Accounting Policies

The Council prepares its Schedule of Expenditures of Federal Awards on the accrual basis of accounting which is described in Note 1 to the Council's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

The Council has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - Insurance

The Council did not have any federal insurance in effect during the year ended December 31, 2022.

Note 5 – Donated Personal Protective Equipment (Unaudited)

The Council did not receive donations of personal protective equipment during the year ended December 31, 2022.

EAST-WEST GATEWAY COUNCIL OF GOVERNMENTS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

1. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? ____ Yes X No
Significant deficiency(ies) identified
not considered to be material weaknesses? ____ Yes X None reported

Noncompliance material to financial
statements noted? ____ Yes X No

Federal Awards

Internal control over major programs:
Material weakness(es) identified? ____ Yes X No
Significant deficiency(ies) identified
not considered to be material weaknesses? ____ Yes X None reported

Type of auditors' report issued on compliance
for major programs: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with
2 CFR Section 200.516(a)? ____ Yes X No

Identification of major programs:

| <u>Assistance Listing Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-------------------------------------|---|
| 20.205 | Highway Planning and Construction Cluster |

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes ____ No

2. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings.

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings and questioned costs related to federal awards.

4. FOLLOW-UP OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no prior year findings and questioned costs.