

108 S. Main Street
Alturas, CA 96101-3936
(530) 233-6410 Phone

Meets Regularly
First Tuesday of
Even Numbered Months
at 1:30 p.m.

Commissioners

John Dederick
Chairman
City Representative

Kathie Rhoads
Vice Chair
County Supervisor III

Brian Cox
Commissioner
City Mayor

Elizabeth Cavasso
Commissioner
County Supervisor IV

Cheryl Nelson
Commissioner
City Councilmember

Mark Moriarity
Commissioner
County at Large Citizen

Ned Coe
Alternate
County Supervisor I

Paul Minchella
Alternate
City Councilmember

Staff

Debbie Pedersen
Executive Director

Michelle Cox
Executive Assistant Secretary

Tristan Holt
Assistant Secretary I

Heather Allen
Assistant Secretary I

AGENDA

REGULAR MEETING

Sage Stage Conference Room

108 S. Main St. Alturas

DECEMBER 5, 2023, at 1:30 p.m.

Teleconference Number (712) 451-0647

Access Code 113785

1. Call to Order

- a. Pledge of Allegiance
- b. Introductions – guests and visitors

2. Public Forum –

Citizens may address the Commission with matters that are related directly to Commission responsibilities. If any matters call for action by the Commission, they will be placed on subsequent agendas. Because the Chairman may limit speakers to five (5) minutes each, citizens are encouraged to contact the Chairman or staff for assistance before the meeting.

3. Confirm Agenda

Action

4. Consent Agenda

Action

1. Approve the minutes from the MCTC meeting on October 3, 2023.
2. Financial transactions 09/01/23 through 10/31/23.
3. Year to Date expenditure report through 10/31/23.

5. Regular Business

1. Consider adopting Resolution 23-05 2024 Modoc Regional Transportation Improvement Program. **Action**
2. Consider adopting Resolution 23-06 Authorizing Calendar Year 2024 signatories. **Action**
3. Consider accepting the 2022/23 Fiscal Compliance Audits for the Commission and Modoc Transportation Agency. **Action**
4. Nominate Chair and Vice Chair for calendar year 2024 **Action**

6. Agency Updates and Project Reports

Information/Discussion

1. City of Alturas Public Works Department
2. Modoc County Road Department
3. Caltrans District 2
4. Modoc County Transportation Commission

7. Staff Update, Correspondence and Calendar

Information

Address outstanding issues, correspondence, information, and materials received.

- Future dates and events of interest.

8. Adjourn until next MCTC Regular meeting

Action

Tuesday, February 6, 2024, at 1:30 p.m., or soon thereafter, in the Sage Stage Conference Room at 108 S. Main Street, Alturas, CA.

Report to Modoc County Transportation Commission	
Subject	Meeting Date
Consent Agenda	December 5, 2023
Presented by	Agenda Item
Not Applicable	4

ATTACHMENTS – shown in **bold** below

- a. Approve the **minutes from the October 3, 2023, meeting.**
- b. **Financial transactions from September 1, 2023, to October 31, 2023**

Transactions exceeding \$1,000.00

Vendor	Transaction #/Amount	Explanation
Foster & Foster	2131/\$8,000.00	Actuarial and GASB 68 Reports
SingletonAuman	2129/\$7,000.00	FY 2022/23 Fiscal Audits
SingletonAuman	213.8/\$3,490.00	FY 2022/23 Fiscal Audits

- c. **Year-to-Date Expenditure Reports**



MODOC COUNTY
TRANSPORTATION COMMISSION

108 S. Main St., Alturas, CA 96101
Phone (530) 233-6410

MINUTES
Regular Meeting
October 3, 2023

Commissioners Present

Kathie Rhoads, Vice Chair
Mark Moriarity
Cheryl Nelson
Elizabeth Cavasso
Brian Cox

Board of Supervisors, District III, Modoc County
Modoc County, Member at Large
Councilmember, City of Alturas
Board of Supervisors, District IV, Modoc County
Councilmember, City of Alturas

Commissioners Absent

John Dederick, Chair
Ned Coe (Alternate)

Representative, City of Alturas
Board of Supervisors, District I, Modoc County

Staff Present

Debbie Pedersen
Michelle Cox

Executive Director
Executive Assistant Secretary

Public Present

Paul Minchella
Cherie Clark
Javed Iqbal
Lilly Toaetolu
Warren Farnam

Councilmember, City of Alturas
Caltrans District 2, Regional Planning Liaison
Modoc County Road Department
City of Alturas, Director of Public Works

- a. **Call to Order** – Vice Chair Kathie Rhoads called the meeting to order at 1:30 p.m. in the Sage Stage Conference Room, 108 S. Main Street, Alturas, CA.
- a. Rhoads led those present in the Pledge of Allegiance.
- b. Introductions were made.
- b. **Public Forum** – There were no public comments.
- c. **Confirm Agenda-**
Motion by Commissioner Rhoads to Confirm Agenda, seconded by Commissioner Nelson. All Ayes; motion carried.
4. **Consent Agenda-**
- a. Approve minutes from the August 1, 2023, MCTC Regular Meeting.
- b. Approve the financial reports from July 1, 2023, through August 31, 2023.
- c. Year to Date expenditure report through August 31, 2023.
- Motion by Commissioner Cavasso to approve the Consent Agenda, seconded by Commissioner Moriarity. All Ayes; motion carried.

5. Regular Business-

a. Consider accepting the 2022/23 PARS and GASB68 reports.

Debbie Pedersen, Executive Director, stated that Foster & Foster have prepared the 2022/23 PARS and GASB 68 annual reports. The GASB 68 report includes information regarding the Unfunded Liability (UL) for the PARS fund. The UL for 2022/23 is \$5,630.00 which needs to be paid by MCTC.

Staff recommends that the MCTC approve the payment of \$5,630.00 to PARS so that there is no unfunded liability.

Motion by Commissioner Cox to accept the 2022/23 PARS and GASB 68 reports, seconded by Commissioner Nelson. All Ayes; motion carried.

b. Consider adopting Resolution 22-05 rev. to include language for the actions that can be approved by the Executive Director or Chair for the Sustainable Planning Grant.

Motion by Commissioner Cavasso to adopt Resolution 22-05 rev. to include language for the actions that can be approved by the Executive Director or Chair for the Sustainable Planning Grant; motion seconded by Commissioner Moriarity. All Ayes; motion carried.

c. Consider approving the 2023/24 Overall Work Program Amendment #1 to include the Sustainable Planning Grant awarded to MCTC from Caltrans.

Pedersen explained that the Sustainable Planning Grant – Road Maintenance and Management Act RMRA (state funds) have been conditionally awarded to MCTC to prepare a Short-Range Transit Study. The conditions require that the funding, scope of work, tasks, and products are included in the 2023/24 Overall Work Program and Agreement. The amount of the grant is \$84,717. (\$75,000. RMRA and \$9,717. local match-LTF). Work will commence once Caltrans has approved the amendment and agreement. We will be soliciting requests for proposals for a consultant to prepare the plan.

Staff recommends approval of the 2023/24 OWP Amendment #1.

Motion by Commissioner Cox to approve the 2023/24 OWP Amendment #1 to include the Sustainable Planning Grant awarded to MCTC from Caltrans, seconded by Commissioner Nelson. All Ayes; motion carried.

d. Consider approving the October 2023 Salary Schedule.

The Finance Committee met and agreed to changing the salary schedule to a step/ladder schedule to be more consistent with the industry standard. They also agreed to the salaries for Accountant 1 and 2 positions. Since we currently have the Executive Assistant Secretary position in the February 7, 2023, Salary Schedule, it is recommended that the Executive Assistant Secretary position remain as shown in the February 7, 2023, Salary Schedule until the position is vacated to eliminate the need to meet and confer. Once the position is vacated, the October 2023 salary schedule will supersede.

Staff recommend approval of the October 2023 Salary Schedule and retaining the February 7, 2023, Salary Schedule for the Assistant Executive Secretary position until it is vacated.

e. MCTC and MTA Funding Chart

Pedersen explained that she had prepared the funding chart for the fiscal auditors and wanted to bring the chart to the Commission. It can be used as a tool; contact her if there are questions.

6. Agency Updates and Project Reports

a. Alturas Public Works Dept. – City Streets

Warren Farnum, Alturas Department of Public Works Director, reported the West 8th Street and Court Street Projects are moving along on track and will be put out to bid early 2024. In addition, Nagle and West C Streets are in PS&E.

The City has paid the final payment for East Street and filed the Notice of Completion. The City Council is anticipated to adopt a Resolution accepting the project at their October meeting. Following, the City will prepare final project close out documents and submit them to Caltrans.

b. Modoc County Road Dept. – County Roads

Lilly Toaetolu, Modoc County Road Department reported on the County's Cedarville Sidewalk ATP; it is being voted by the CTC. The County Clean CA Veterans' Park Improvements project is going out to bid this week. They are anticipating finding out if the City/County ATP project applications are approved and hope to hear by the end of the month.

c. Caltrans District 2

Javed Iqbal, Caltrans District 2, Project Manager, reported that the Hwy 139 Drainage & Culvert Project is complete and will need follow up environmental mitigation; the Clean California Project is out for bid; they are planning the Alturas CAPM Project Open House November 7, 2023; the Cedarville CAPM Project public meeting will be scheduled Spring/Summer 2024; and project study reports have been completed for the Goose Lake Pavement Project (2027 CON), and the Crowder Flat Pavement Project (2028 CON).

d. Modoc County Transportation Commission

Pedersen explained that we have 7 applications for the Assistant 1 or 2 position and requested a Commissioner to sit on the interview panel. Paul Minchella said he would be on the interview panel.

Pedersen reminded the City and County that they need to prepare their project programming requests for the 2024 STIP and submit them the first week of November.

7. Staff Update and Calendar

Calendar

MCTC Meeting schedule – 1:30

- 10/03/23
- 12/05/23

Modoc TAC Meeting Schedule - 1:00 p.m

- 09/06/23
- 11/08/23

8. Motion to Adjourn –motioned by Commissioner Cavasso; seconded by Commissioner Moriarity to adjourn the meeting at 2:31 p.m. All Ayes; motion carried. The next regular meeting will be Tuesday, December 5, 2023, at 1:30 p.m., or soon thereafter, in the Sage Stage Conference Room, 108 S. Main Street, Alturas, CA.

Submitted by,

Debbie Pedersen
Executive Director

4:24 PM

11/17/23

Accrual Basis

Modoc County Transportation Commission

Financial Transactions

September & October 2023

Type	Date	Num	Name	Amount	Balance
LAIF - 002 (Reserve \$300K)					308,568.51
Total LAIF - 002 (Reserve \$300K)					308,568.51
Plumas - Checking 0466					140,647.01
LTF Contingency Fund (\$100k)					100,000.00
Total LTF Contingency Fund (\$100k)					100,000.00
Plumas - Checking 0466 - Other					40,647.01
Bill Pmt -Check	09/09/2023	90923	Intuit	-15.00	40,632.01
Bill Pmt -Check	09/12/2023	2130	PARS	-716.43	39,915.58
Bill Pmt -Check	09/14/2023	2131	Foster & Foster Inc.	-8,000.00	31,915.58
Bill Pmt -Check	09/20/2023	2129	Singleton Auman PC	-7,000.00	24,915.58
Liability Check	09/25/2023	2132	Aflac	-104.52	24,811.06
Liability Check	09/25/2023	2133	Edward Jones	-257.46	24,553.60
Liability Check	09/25/2023	2134	US Bank PARS Account #674...	-1,137.12	23,416.48
Bill Pmt -Check	09/26/2023	92623	FreeConferenceCall.com	-4.00	23,412.48
Bill Pmt -Check	09/26/2023	100923	Intuit	-10.00	23,402.48
Liability Check	09/28/2023		QuickBooks Payroll Service	-9,582.54	13,819.94
Bill Pmt -Check	09/28/2023	92823	Network Solutions	-361.88	13,458.06
Paycheck	09/29/2023		Cox, Michelle D.	0.00	13,458.06
Paycheck	09/29/2023		Pedersen, Deborah	0.00	13,458.06
Liability Check	09/29/2023	2110	EDD	-1,145.70	12,312.36
Liability Check	09/29/2023	2111	IRS (eftps.gov)	-4,562.70	7,749.66
Bill Pmt -Check	09/29/2023	2154	Modoc Transportation Agency	-361.88	7,387.78
Bill Pmt -Check	09/30/2023	2135	Monica Derner, CPA	-3,490.00	3,897.78
Bill Pmt -Check	09/30/2023	2138	Singleton Auman PC	-1,150.00	2,747.78
Bill Pmt -Check	10/06/2023	2137	PARS	-716.43	2,031.35
Bill Pmt -Check	10/16/2023	2136	Modoc County Record	-191.00	1,840.35
Bill Pmt -Check	10/16/2023	2139	John Dederick	-400.00	1,440.35
Bill Pmt -Check	10/16/2023	2140	Kathie Rhoads	-150.00	1,290.35
Bill Pmt -Check	10/16/2023	2141	Elizabeth Cavasso	-150.00	1,140.35
Bill Pmt -Check	10/16/2023	2142	Cheryl Nelson	-150.00	990.35
Bill Pmt -Check	10/16/2023	2143	Mark Moriarity	-150.00	840.35
Bill Pmt -Check	10/16/2023	2144	Brian Cox	-150.00	690.35
Liability Check	10/23/2023	2145	Aflac	-104.52	585.83
Liability Check	10/23/2023	2146	Edward Jones	-257.46	328.37
Liability Check	10/23/2023	2147	Golden State Risk Manageme...	-142.82	185.55
Liability Check	10/23/2023	2148	US Bank PARS Account #674...	-1,137.12	-951.57
Liability Check	10/23/2023	2149	Golden State Risk Manageme...	-2,324.00	-3,275.57
Liability Check	10/23/2023	2150	Golden State Risk Manageme...	-71.41	-3,346.98
Liability Check	10/23/2023	2151	Golden State Risk Manageme...	-1,162.00	-4,508.98
Liability Check	10/23/2023	2152	Heather Kolsen	-174.30	-4,683.28
Bill Pmt -Check	10/26/2023	102623	FreeConferenceCall.com	-4.00	-4,687.28
Bill Pmt -Check	10/27/2023	2153	Modoc County Auditor's Office	-217.00	-4,904.28
Liability Check	10/30/2023		QuickBooks Payroll Service	-9,582.54	-14,486.82
Paycheck	10/31/2023		Cox, Michelle D.	0.00	-14,486.82
Paycheck	10/31/2023		Pedersen, Deborah	0.00	-14,486.82
Liability Check	10/31/2023		EDD	-1,145.70	-15,632.52
Liability Check	10/31/2023		IRS (eftps.gov)	-4,562.70	-20,195.22
Total Plumas - Checking 0466 - Other				-60,842.23	-20,195.22
Total Plumas - Checking 0466				-60,842.23	79,804.78
TOTAL				-60,842.23	388,373.29

Modoc County Transportation Commission

11/17/23

Balance Sheet

Accrual Basis

As of October 31, 2023

	Oct 31, 23
ASSETS	
Current Assets	
Checking/Savings	
LAIF - 002 (Reserve \$300K)	308,568.51
Plumas - Checking 0466	
LTF Contingency Fund (\$100k)	100,000.00
Plumas - Checking 0466 - Other	-20,195.22
Total Plumas - Checking 0466	79,804.78
Total Checking/Savings	388,373.29
Accounts Receivable	
MTA - AR	8,498.62
Total Accounts Receivable	8,498.62
Total Current Assets	396,871.91
Fixed Assets	
Fixed Asset	
Equipment / Furniture	25,752.98
Accumulated Depreciation	-25,752.98
Total Fixed Asset	0.00
Total Fixed Assets	0.00
Other Assets	
Net Pension Asset	11,576.00
Deferred Outflow of Resources	40,693.00
Total Other Assets	52,269.00
TOTAL ASSETS	449,140.91
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	190.65
Total Accounts Payable	190.65
Other Current Liabilities	
AP Trade	24,411.00
PAYROLL LIABILITIES	
Compensated Absences	17,133.62
Health insurance payable	-6.00
Total PAYROLL LIABILITIES	17,127.62
Total Other Current Liabilities	41,538.62
Total Current Liabilities	41,729.27
Long Term Liabilities	
Deferred Inflow of Resources	24,130.00
Total Long Term Liabilities	24,130.00
Total Liabilities	65,859.27
Equity	
Retained Earnings	450,280.48
Net Income	-66,998.84
Total Equity	383,281.64
TOTAL LIABILITIES & EQUITY	449,140.91

Modoc County Transportation Commission

Profit & Loss

As of October 31, 2023

	Jul - Oct 23
Ordinary Income/Expense	
Income	
LTF - MCTC Admin	26,162.28
RPA	22,548.77
Total Income	48,711.05
Gross Profit	48,711.05
Expense	
Accounting / Auditor Services	16,367.00
Commissioner Per Diem	2,150.00
Insurance	12,684.00
IT Service & Support	361.88
Legal Notices	233.00
Payroll Services / PARS Admin	6,802.86
Planning Support & Services	0.00
Payroll	
Unallocated Leave Time	2,540.80
PARS retirement -employer share	3,086.92
Simple IRA - employer share	631.92
Payroll taxes	3,683.60
Salaries	57,258.04
Health Benefits Expense	
Dental Insurance	482.94
Health Ins. - Employer Portion	8,889.30
Vision Insurance	159.75
Total Health Benefits Expense	9,531.99
Total Payroll	76,733.27
Travel / Training / Memberships	16.00
Total Expense	115,348.01
Net Ordinary Income	-66,636.96
Other Income/Expense	
Other Income	
Refunds/Reimbursements	-361.88
Total Other Income	-361.88
Net Other Income	-361.88
Net Income	-66,998.84

Report to Modoc County Transportation Commission	
Subject	Meeting Date
Regular Business	December 5, 2023
Presented by	Agenda Item
MCTC Staff	5

ATTACHMENTS – shown in **bold** below:

1. Consider adopting **Resolution 23-05 2024 Modoc Regional Transportation Improvement Program (RTIP)**. *Action*

The Commission is responsible for adopting the RTIP, following the release of the Fund Estimate, each odd numbered year. The RTIP is due to the California Transportation Commission (CTC) by December 15, 2023. Modoc's County Share is \$3.038 million; Planning, Programming, and Monitoring (PPM) is limited to 5% which is \$223,000, leaving \$2.815 million for the Commission to program for State, County, and City transportation infrastructure projects. Caltrans has not requested any State Highway projects this cycle.

The City and County have chosen to fund construction for 2 existing projects and one new project for the City. Attached is the **Modoc County 2024 RTIP** summary. This includes funds previously programmed by the Commission. The County has 1.578 million to program and the City has \$1.238 million to program.

Staff recommends adopting Resolution 23-25 Modoc Regional Transportation Improvement Program and authorizes the Executive Director to make changes as requested by the CTC.

2. Consider adopting **Resolution 23-06 Authorizing Calendar Year (CY) 2024 signatories**. *Action*

This is the annual resolution that is adopted by the Commission to authorize the Chair, Vice Chair, and Executive Director to sign documents related to the Commission's plans and programs.

Staff recommends adoption of Resolution 23-06 authorizing CY 2024 signatories.

3. Consider accepting the **FY 2022/23 Fiscal Compliance Audits** for the Commission and Modoc Transportation Agency. *Action*

SingletonAuman PC completed the Fiscal Year 2022/23 Fiscal Compliance Audits for the Commission and the Modoc Transportation Agency. We have the same three management findings as in past years.

Staff recommends that the Commission accept the FY 2022/23 Fiscal Compliance Audits.

4. Nominate Chair and Vice Chair for CY 2024 *Action*

MODOC COUNTY TRANSPORTATION COMMISSION

RESOLUTION No. 23-05

2024 Modoc Regional Transportation Improvement Program (RTIP)

WHEREAS, the MCTC is responsible to program and administer some programs for regional transportation projects consistent with 2019 Regional Transportation Plan and;

WHEREAS the RTIP is programmed by the California Transportation Commission (CTC) and included within the 2024 State Transportation Improvement Program (STIP), and submitted to Federal Highways Administration for inclusion in the Federal Transportation Improvement Program (FTIP) and;

WHEREAS, the MCTC Technical Advisory Committee has carefully considered and recommends a 2024 Modoc Regional Transportation Improvement Program, programming the region's County Share of \$3.038 million and agencies to submit RTIP's by December 15, 2023 and;

WHEREAS, a Project Study Report (or its equivalent) and requisite programming, documents have been or will be prepared for all listed projects (below) to comply with the revised STIP Guidelines (CTC Resolution G-23-58), except for STIP Planning, Programming and Monitoring for which they are not required.

NOW, THEREFORE, BE IT RESOLVED that the Modoc County Transportation Commission hereby adopts its 2024 Modoc RTIP to program the following funds to the projects as follows:

PPNO	Agency	Project Title	Prior	Programming by Fiscal Year					2024 MCTC STIP	State/Fed Funds
				Current	24-25	25-26	26-27	27-28		
2051	MCTC	PPM - New %	96	34	55	55	56	56	\$ 222	State
2581	County	CR111 Rehabilitation	295	3481					\$ -	FED, STIP,HIP
2584	Alturas	West 8th Street	1130						\$ -	State
2438	County	CR 55 Rehabilitation	215				1578		\$ 1,578	FED
2591	Alturas	Court St Phase 1 Rehab	700						\$ -	State
2593	Alturas	Nagle St Rehab	53		598				\$ 598	State
2592	Alturas	West C St	80	603					\$ -	State
2644	Alturas	East 4th St			1	148	491		\$ 640	State
Totals				4118	654	203	2125	56	\$3,038	

BE IT FURTHER RESOLVED, that the Modoc County Transportation Commission authorizes the Executive Director to submit the Modoc 2024 RTIP accompanied with the required programming documents, and to make minor changes as needed as requested by Caltrans and CTC staff.

PASSED AND ADOPTED this 5th day of December 2024 by the following vote:

AYES: Commissioners:

NOES: None

ABSENT: Commissioners:

John Dederick, Chair

ATTEST:

Debbie Pedersen, Executive Director

Modoc County 2024 RTIP

																	State/Fed Funds	Comments
					Programming by Fiscal Year					Programming by Component					2024 MCTC STIP	Change from 2022 STIP		
Priority	PPNO	Agency	Project Title	Prior	Current	24-25	25-26	26-27	27-28	R/W	CON	E&P	PS&E	CE				
	2051	MCTC	PPM - New %	96	34	55	55	56	56		222				\$ 222	\$ 188	State	5% of County Share
2	2581	County	CR111 Rehabilitation	295	3481						3481		44		\$ -		FED, STIP,HIP	No new funding
3	2584	Alturas	West 8th Street	1130						5	1025	5	95		\$ -		State	No new funding
4	2438	County	CR 55 Rehabilitation	215				1578			1578	110	105		\$ 1,578	\$ -	FED	Addt'l need CON \$2845
5	2591	Alturas	Court St Phase 1 Rehab	700							660	1	39		\$ -		State	No new funding
6	2593	Alturas	Nagle St Rehab	53		598						1	52		\$ 598		State	Fully funds CON
7	2592	Alturas	West C St	80	603							1	79	603	\$ -		State	No new funding
	2644	Alturas	East 4th St			1	148	491		10	491	1	138		\$ 640		State	Addt'l need CON \$569
Totals					4118	654	203	2125	56	15	7457	119	552	603	\$ 3,038	\$ 188		

City owes MCRD \$170 (2021 STIP Relief) to be balanced with the 2024 STIP cycle.

	3038	1408	City
MCTC PPM to program	223	-170	
	2815	1238	City available to program
50/50 split	1408		
		1408	County
		170	
		1578	County available to program

MODOC COUNTY TRANSPORTATION COMMISSION
RESOLUTION No. 23-06

Calendar Year 2024 Authorized Signatories for Plans and Programs

WHEREAS, the Modoc County Transportation Commission (MCTC) is the Regional Transportation Planning Agency (RTPA) for Modoc County region, serving residents of the County of Modoc and the incorporated City of Alturas;

WHEREAS, it is often required by various plans, programs and funding sources to have a resolution that identifies MCTC's designated signature authorities; and

WHEREAS, various agencies such as the Department of Transportation (Caltrans), Federal Transit Administration (FTA), Federal Highway Administration (FHWA), Office of Homeland Security (OHS) and other agencies require said resolution be provided for fund reimbursement; and

WHEREAS, it is the intent of the MCTC to identify the Executive Director, Chair, or Vice Chair as designated signature authorities for various transportation funds, including but not limited to:

- Local Transportation Funds (LTF)
- State Transit Assistance Funds (STAF)
- Federal Transit Administration (FTA) Section 5304, 5310, 5311, 5311(f), CARES, and CRRSAA funds.
- Regional Surface Transportation Program (RSTP) funds
- Rural Planning Assistance funds programmed through the Overall Work Program
- Sustainable Communities planning funds
- State / Regional Transportation Improvement Program (STIP / RTIP) funds, including Planning Programming and Monitoring (PPM) funds
- Alternative Transportation Program (ATP) funds
- Proposition 1B funds including PTMISEA and CTAF programs
- State-funded transit project funds including Sustainable Transportation Planning Grants and Restricted Grant Agreements
- American Recovery and Reinvestment Act (ARRA) funds.
- Low Carbon Transit Ops Program (LCTOP)
- SB 1 - State of Good Repair Program (SGR)

WHEREAS, the MCTC directs staff to perform or administer all related work, including but not limited to programming and allocation requests, certificates of assurances, master agreements, fund transfer agreements, acceptance of restricted grant awards and agreements, final expenditure reports, grant proposals and all related work, preparation of grant applications, fixed asset procurement, invoices, reports agency coordination, planning work, amendments, budget updates and minor budget adjustments not exceeding the approved annual budget, correspondence, and California Transportation Commission (CTC) agenda items for STIP projects.

NOW, THEREFORE, BE IT RESOLVED that the MCTC does hereby identify the Executive Director, Chair, or Vice Chair as designated signature authorities for calendar year 2024.

BE IT FURTHER RESOLVED that the MCTC does hereby authorize such persons to act on behalf of the Commission and to execute documents related to any transportation funding program.

PASSED AND ADOPTED this 5th day of December, 2023 by the following vote:

AYES: Commissioners:

NOES: None

ABSENT: Commissioners:

John Dederick, Chair
Modoc County Transportation Commission

ATTEST:

Debbie Pedersen, Executive Director
Modoc County Transportation Commission

**MODOC COUNTY TRANSPORTATION COMMISSION
ALTURAS, CALIFORNIA**

**Financial Statements, Management's Discussion & Analysis,
and Independent Auditor's Report**

As of and for year ended June 30, 2023

MODOC COUNTY TRANSPORTATION COMMISSION
Audited Financial Statements
June 30, 2023

TABLE OF CONTENTS

Page No

FINANCIAL SECTION

Independent Auditors' Report on Financial Statements	1
Management's Discussion and Analysis (MD&A)	4

Basic Financial Statements

Government-wide Statement of Net Position	11
Government-wide Statement of Activities	12

Fund Financial Statements

Balance Sheet-Governmental Funds	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balance- Governmental Fund	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of governmental fund to the Statement of Activities	16
Statement of Fund Net Position-Proprietary Fund	17
Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Fund	18
Statement of Cash Flows - Proprietary Fund	19
Statement of Fiduciary Net Position – Fiduciary Fund	20
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	21
Notes to Financial Statements	22

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule Planning Fund	36
Supplemental Schedules for the Public Agency Retirement System Plan	37

OTHER SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule - Transit Fund	39
Combining Balance Sheet – All Expendable Trust Funds	40
Combining Statement of Revenues, Expenditures and Changes in Fiduciary Net Position – All Expendable Trust Funds	41
Schedule of Revenues, Expenses, and Changes in Net Position – By Funding Source – Budget and Actual	42
Schedule of Allocations and Expenditures – Local Transportation Fund	43
Schedule of Allocations and Expenditures – State Transit Assistance Fund	44
Independent Auditor's Report on Compliance over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With the Statutes, Rules, and Regulations of the California Transportation Development Act and the Allocation Instructions and Resolutions of the Local Transportation Commission	45
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	47

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Combined Schedule of Findings and Questioned Costs	49
Summary Schedule of Prior year Audit Findings	52
Corrective Action Plan	53

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Modoc County Transportation Commission
Alturas, CA 96101

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Modoc County Transportation Commission (Commission) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Modoc County Transportation Commission as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, the schedule of proportionate share of net pension liability, and the schedule of pension contributions be presented to supplement the basic financial statements. Such information, although not a basic part of the 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 operation, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

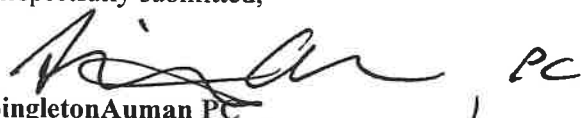
Other Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2023, on our consideration of Modoc County Transportation Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'SingletonAuman PC', followed by a comma and the letters 'PC'.

SingletonAuman PC

Susanville, CA

September 30, 2023

MODOC COUNTY TRANSPORTATION COMMISSION
Management's Discussion and Analysis (MD&A)
June 30, 2023

INTRODUCTION

The Modoc County Transportation Commission (Commission) was created pursuant to California Government Code Section 67910, as a local planning commission to provide regional transportation planning activities in Modoc County.

This discussion and analysis of Modoc County Transportation Commission's financial performance provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2023. It should be read in conjunction with the Commission's financial statements, including notes and supplementary information, which follow this section.

Documents with more information for the Commission's regional transportation planning process, programming and funding sources can be acquired within the Overall Work Plan (OWP) and Regional Transportation Plan (RTP) at www.modoctransportation.com.

Documents with more information for the Transportation Agency planning process, programming and funding sources can be acquired within the Short – Range Transit Development Plan (TDP) and Performance Audit at www.sagestage.com.

FINANCIAL HIGHLIGHTS

- ❑ Total net position was \$3,538,713 at June 30, 2023. This was an increase of \$151,370 over the prior year.
- ❑ Overall revenues were \$992,151 which was more than expenses of \$904,226, and a prior period adjustment of \$63,445 by \$151,370.
- ❑ The total cost of the Commission's programs increased by \$10,502 from last year.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The three sections together provide a comprehensive overview of the Commission. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- ❑ Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
- ❑ Fund financial statements focus on reporting the individual parts of the Commission operations in more detail. The fund financial statements comprise the remaining statements.
 - Governmental funds tell how services were financed in the short-term as well as what remains for future spending.
 - Proprietary funds statements provide information about the short and long-term financial information of the Commission that operate like businesses.

- Fiduciary funds statements provide information about the financial relationships in which the Commission acts solely as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required supplementary information that further explains and supports the financial statements. A comparison of the district's budget for the year is included.

Government-Wide Statements

The government-wide statements report information about the Commission as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Commission's net position and how they have changed. Net Position -the difference between the assets and liabilities- is one way to measure the Commission's financial health or position.

- ❑ Over time, increases or decreases in the Commission's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- ❑ To assess the overall health of the Commission, one needs to consider additional nonfinancial factors such as passenger ridership, changes in program funding by the Federal and State governments, and condition of facilities and vehicles.

The government-wide financial statements of the Commission include business-type activities. Most of the Commission's basic services are included here, such as transportation services. Fare revenues finance some of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Commission's most significant funds-not the Commission as a whole. Funds are accounting devices that the Commission uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by state law and by bond covenants. The Manager and Board of Commissioners establish other funds to control and manage money for particular purposes or to show that the Commission is meeting legal responsibilities for using certain revenues. The Commission has three kinds of funds

- ❑ Governmental Fund – The Planning Fund is the operating fund of the Commission. The major revenue sources for this fund are state grants and local transportation funds.
- ❑ Proprietary Fund – Services for which the Commission expects to support services from user fees are generally reported in proprietary funds. The Transit Fund is considered to be proprietary. Proprietary funds are reported in the same way as the district-wide financial statements.

- **Fiduciary Funds** – The Commission is the trustee, or fiduciary, for assets that belong to others. The Local Transportation Trust Fund and the State Transit Assistance Fund are expendable trust funds. The Commission is responsible for ensuring that assets reported in these funds are used only for their intended purposes. All of the Commission's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the Commission-wide financial statements because the Commission cannot use the assets to finance its operations.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The Commission's business-type and governmental net positions were \$3,013,922 and \$524,791 respectively, at June 30, 2023 See Table 1.

Table 1:
Net Position for Business-Type Activities

	Business-Type Activities		Total Percentage
	2023	2022	Change 2023-2022
Assets			
Cash and Investments	\$ 1,074,329	\$ 937,032	14.65%
Accounts Receivable	410,255	377,613	8.64%
Other Current Assets	-	55	-100.00%
	<u>1,484,584</u>	<u>1,314,700</u>	
Restricted Cash- State of Good Repair	-	-	
Capital Assets, Net of Accumulated Depreciation	<u>1,569,577</u>	<u>1,621,543</u>	-3.20%
TOTAL ASSETS	<u>\$ 3,054,161</u>	<u>\$ 2,936,243</u>	
Current Liabilities:			
Accounts Payable	\$ 40,239	\$ 10,189	100.00%
Unearned Revenue	-	-	0.00%
Total Current Liabilities	<u>40,239</u>	<u>10,189</u>	
TOTAL LIABILITIES	<u>\$ 40,239</u>	<u>\$ 10,189</u>	
Net Position			
Net Investment in Capital Assets	\$ 1,569,577	\$ 1,621,543	-3.20%
Unrestricted	<u>1,444,345</u>	<u>1,314,700</u>	9.86%
TOTAL NET POSITION	<u>\$ 3,013,922</u>	<u>\$ 2,936,243</u>	

Net Position for Governmental Activities

	Governmental Activities		Total Percentage
	2023	2022	Change 2023-2022
Assets			
Cash and Investments	\$ 455,121	\$ 444,995	2.28%
Accounts Receivable	51,765	35,492	45.85%
Net Pension Asset		11,576	-100.00%
	<u>506,886</u>	<u>492,063</u>	
Capital Assets, Net of Accumulated Depreciation	<u>-</u>	<u>-</u>	
TOTAL ASSETS	<u><u>\$ 506,886</u></u>	<u><u>\$ 492,063</u></u>	
DEFERRED RECOGNITION OF CONTRIBUTION TO PENSION PLAN	<u><u>\$ 54,176</u></u>	<u><u>\$ 40,693</u></u>	33.13%
Current Liabilities:			
Accounts Payable	2,866		
Compensated Absences	19,166	24,411	-21.49%
Unearned Revenue		22,928	-100.00%
Total Current Liabilities	<u>22,032</u>	<u>47,339</u>	
Net Pension Liability	<u>5,630</u>	<u>-</u>	
TOTAL LIABILITIES	<u><u>\$ 27,662</u></u>	<u><u>\$ 59,825</u></u>	
Deferred Inflow of Resources			
Deferred Inflows-Pension Plan	<u><u>\$ 8,609</u></u>	<u><u>\$ 24,130</u></u>	-64.32%
Net Position			
Net Investment in Capital Assets	\$ -	\$ -	
Restricted	<u>524,791</u>	<u>461,287</u>	13.77%
TOTAL NET POSITION	<u><u>\$ 524,791</u></u>	<u><u>\$ 461,287</u></u>	

Changes in Net Position

The Commission's business-type and governmental revenues were \$646,954 and \$345,197, respectively.

The total cost of all program expenses for transportation and planning and administration expenditures was \$559,088 and \$345,138, respectively.

Table 2:
Changes in Net Position -Governmental Activities

	Governmental Activities		Change
	2023	2022	2023-2022
Revenues			
Operating Grants and Contributions	\$ 338,408	\$ 346,614	-2.37%
Other Income	6,789	7,315	-7.19%
TOTAL REVENUES	<u>345,197</u>	<u>353,929</u>	
Program Expenses			
Planning and Administration	345,138	326,172	5.81%
TOTAL EXPENSES	<u>345,138</u>	<u>326,172</u>	
INCREASE (DECREASE) IN NET POSITION	<u>\$ 59</u>	<u>\$ 19,757</u>	

Changes in Net Position Business-Type Activities

	Business-Type Activities		Change
	2023	2022	2023-2022
Revenues			
Sales and Gas Taxes	\$ 35,712	\$ 90,218	-60.42%
Charges for Services	45,903	33,905	35.39%
Other Income	33,424	24,049	38.98%
Operating Grants and Contributions	531,915	504,432	5.45%
Capital Grants and Contributions	-	-	
TOTAL REVENUES	<u>646,954</u>	<u>652,604</u>	
Program Expenses			
Transit	559,088	567,552	-1.49%
TOTAL EXPENSES	<u>559,088</u>	<u>567,552</u>	
INCREASE (DECREASE) IN NET POSITION	<u>\$ 87,866</u>	<u>\$ 79,052</u>	

Table 3 presents the cost of each of the Commission's functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by charges for services, operating grants and capital grants and contributions.

Table 3
Net Cost of Business-Type Activities

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
Transit	\$ 559,088	\$ 567,552	\$ 18,730	\$ (29,215)
TOTAL	<u>\$ 559,088</u>	<u>\$ 567,552</u>	<u>\$ 18,730</u>	<u>\$ (29,215)</u>

Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
Planning and Admin	\$ 345,138	\$ 326,172	\$ (6,730)	\$ 20,442
TOTAL	<u>\$ 345,138</u>	<u>\$ 326,172</u>	<u>\$ (6,730)</u>	<u>\$ 20,442</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The overall financial performance of the Commission as a whole is reflected in the communication between the Board of Commissioners and the Commission employees as they all work together in providing the best quality of service to its customers. As the Commission completed the year, its proprietary fund reported a net position of \$3,013,922 which is more than last year's ending net position of \$2,926,056. The Commission's governmental fund reported fund equity of \$524,791, which is more than last year's ending fund equity of \$461,287, after adjusting for a prior period adjustment of \$63,445.

Budgetary Highlights

Over the course of the year, the Commission revises its annual budget to reflect unexpected changes in revenues and expenditures. The budget was approved by June 30 for the 2022/2023 fiscal year. The final revised budget was adopted on June 6, 2023. A schedule of the Commission's original and final budget amounts compared with actual revenues and expenses are provided in the supplemental section of the audited financial report.

CAPITAL ASSETS

At June 30, 2023 the Commission had invested in a broad range of capital assets, including land, vehicles, buildings and equipment. See Table 4. More detailed information about the Commission's capital assets is presented in the notes to the financial statements.

Table 4
Capital Assets Business-Type Activities

	Business-Type Activities		Total Percentage
	2023	2022	Change
			2023-2022
Land and Improvements	\$ 781,745	\$ 781,745	0.00%
Vehicles, Buildings and Equipment	1,786,556	1,776,154	0.59%
Totals at Historical Cost	2,568,301	2,557,899	
Total Accumulated Depreciation	(998,724)	(936,355)	6.66%
NET CAPITAL ASSETS	\$ 1,569,577	\$ 1,621,544	

Capital Assets Governmental Activities

	Governmental Activities		Total Percentage
	2023	2022	Change
			2023-2022
Vehicles and Other Equipment	\$ 25,753	\$ 25,753	0.00%
Totals at Historical Cost	25,753	25,753	
Total Accumulated Depreciation	(25,753)	(25,753)	0.00%
NET CAPITAL ASSETS	\$ -	\$ -	

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Commission's financial planning is based on specific assumptions from recent trends, State of California economic forecasts and historical growth patterns in the various communities served by the Commission.

The economic condition of the Commission as it appears on the balance sheet reflects financial stability and the potential for organizational growth. The Commission continues to be encouraged by development throughout its boundaries. The Commission will continue to maintain a watchful eye over expenditures and remain committed to sound fiscal management practices to deliver the highest quality service to citizens of the area.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, participants, investors and creditors with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact:

Debbie Pedersen, Executive Director
Modoc County Transportation Commission
108 S. Main Street
Alturas, CA 96101

MODOC COUNTY TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 455,121	\$ 1,074,329	\$ 1,529,450
Accounts Receivable	51,765	410,255	462,020
Total Current Assets	506,886	1,484,584	1,991,470
Property, Plant & Equipment, Net	-	1,569,577	1,569,577
Total Assets	\$ 506,886	\$ 3,054,161	\$ 3,561,047
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources - Pension Plan	\$ 54,176	-	\$ 54,176
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 2,866	\$ 40,239	\$ 43,105
Compensated Absences	19,166	-	19,166
Net Pension Liability	5,630	-	5,630
Total Liabilities	\$ 27,662	\$ 40,239	\$ 67,901
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows-Pension Plan	\$ 8,609	-	\$ 8,609
NET POSITION			
Net Investment in Capital Assets	\$ -	\$ 1,569,577	\$ 1,569,577
Restricted	524,791	-	524,791
Unrestricted	-	1,444,345	1,444,345
Total Net Position	\$ 524,791	\$ 3,013,922	\$ 3,538,713

The accompanying notes are an integral part of this statement.

MODOC COUNTY TRANSPORTATION COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Revenue		Net (Expense)		Net (Expense)	
	Charges For Services	Operating Grants and Contributions	Revenue and Changes in Net Assets	Revenue and Changes in Net Assets	Revenue and Changes in Net Position	Revenue and Changes in Net Position
	Expenses		Governmental Activities	Business Type Activities	Total	Total
<u>Governmental Activities</u>						
General Government						
Planning and Administration	\$ 345,138	\$ -	\$ 338,408	\$ (6,730)	\$ -	\$ (6,730)
Total Governmental Activities	<u>345,138</u>	<u>-</u>	<u>338,408</u>	<u>(6,730)</u>	<u>-</u>	<u>(6,730)</u>
<u>Business Type Activities</u>						
Transit	559,088	45,903	531,915	18,730		18,730
Total Business Type Activities	<u>559,088</u>	<u>45,903</u>	<u>531,915</u>	<u>18,730</u>		<u>18,730</u>
Total Primary Government	<u>\$ 904,226</u>	<u>\$ 45,903</u>	<u>\$ 870,323</u>	<u>(6,730)</u>	<u>18,730</u>	<u>12,000</u>
<u>General Revenues and Transfers In (Out):</u>						
Sales Tax			-	35,712		35,712
Interest			5,260	10,775		16,035
Other Income			1,529	22,649		24,178
Total General Revenue			<u>6,789</u>	<u>69,136</u>		<u>75,925</u>
<u>Change in Net Position</u>						
Net Position Beginning			59	87,866		87,925
Prior Period Adjustment (See Note 12)			461,287	2,926,056		3,387,343
Net Position Ending			<u>63,445</u>	<u>3,013,922</u>		<u>63,445</u>
			<u>\$ 524,791</u>	<u>\$ 3,013,922</u>		<u>\$ 3,538,713</u>

The accompanying notes are an integral part of this statement.

**MODOC COUNTY TRANSPORTATION COMMISSION
BALANCE SHEET-GOVERNMENTAL FUND
JUNE 30, 2023**

	<u>Planning Fund</u>
ASSETS	
Cash in Banks	\$ 455,121
Accounts Receivable	51,765
TOTAL ASSETS	<u>\$ 506,886</u>
LIABILITIES AND FUND EQUITY	
Liabilities:	
Accounts Payable	\$ 2,866
Compensated Absences	19,166
Total Liabilities	<u>22,032</u>
Fund Equity:	
Restricted Fund Equity	484,854
Total Fund Equity	<u>484,854</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 506,886</u></u>

The accompanying notes are an integral part of this statement.

**MODOC COUNTY TRANSPORTATION COMMISSION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2023**

Total Fund Balances - Governmental Funds	\$ 484,854
Reconciling Items:	
Net Pension Liability is not recorded in the governmental funds	(5,630)
Deferred Outflows are not recorded in the governmental funds	54,176
Deferred Inflows are not recorded in the governmental fund:	<u>(8,609)</u>
Total Net Position - Governmental Activities	<u><u>\$ 524,791</u></u>

The accompanying notes are an integral part of this statement.

MODOC COUNTY TRANSPORTATION COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Planning Fund</u>
Revenues	
Local Transportation Funds	\$ 88,000
MCTC - LTF Trust	-
RSTP Revenue	30,408
Rural Planning Assistance	158,000
Planning, Programming and Monitoring	62,000
Refunds	1,529
Interest Income	<u>5,260</u>
 Total Revenues	 <u>345,197</u>
 Expenditures	
Planning and Administration	<u>356,936</u>
Total Expenditures	<u>356,936</u>
 Excess Of Revenues Over (Under)	
Expenditures	(11,739)
 Fund Balances - July 1	433,148
Prior Period Adjustment (See Note 12)	<u>63,445</u>
 Fund Balances - June 30	 <u><u>\$ 484,854</u></u>

The accompanying notes are an integral part of this statement.

**MODOC COUNTY TANSPORTATION COMMISSION
RECONCILIATION OF THE THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF
ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Net Changes in fund balances - total governmental funds	\$ (11,739)
Reconciling Items:	
The depreciation of capital assets is not recorded in the funds	-
Pension Expense is not included in the Funds	<u>11,798</u>
Changes in net position of governmental activities - statement of activities	<u><u>\$ 59</u></u>

The accompanying notes are an integral part of this statement.

**MODOC TRANSPORTATION AGENCY
TRANSPORTATION DEVELOPMENT ACT FUNDS
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)**

	2023	2022
	Transit Fund	Transit Fund
ASSETS		
Current Assets:		
Cash and Investments	\$ 1,074,329	\$ 937,031
Accounts Receivable	410,255	377,613
Other Current Assets		55
Total Current Assets	<u>1,484,584</u>	<u>1,314,699</u>
Property, Plant & Equipment, Net	<u>1,569,577</u>	<u>1,621,543</u>
 Total Assets	 <u><u>\$ 3,054,161</u></u>	 <u><u>\$ 2,936,242</u></u>
 LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 40,239	\$ 10,189
Total Liabilities	<u><u>\$ 40,239</u></u>	<u><u>\$ 10,189</u></u>
 NET POSITION		
Net Investment in Capital Assets	\$ 1,569,577	\$ 1,621,543
Unrestricted	1,444,345	1,304,510
Total Net Position	<u><u>\$ 3,013,922</u></u>	<u><u>\$ 2,926,053</u></u>

The accompanying notes are an integral part of this statement.

MODOC TRANSPORTATION AGENCY
TRANSPORTATION DEVELOPMENT ACT FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FISCAL YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	2023	2022
Operating Revenues:		
Fare Revenues	\$ 45,903	\$ 33,905
Total Operating Revenue	<u>45,903</u>	<u>33,905</u>
Operating Expenses:		
Contract Transportation Services	269,004	271,001
Vehicle and Equipment Maintenance	89,297	50,614
Building Improvements	4,096	9,106
Fuel	44,247	40,727
Labor	11,432	61,995
Utilities	20,651	18,199
Marketing	16,019	15,664
Other Expenses	6,585	10,705
Professional Services	30,463	26,084
Insurance	4,925	4,648
Depreciation	62,369	58,807
Total Operating Expenses	<u>559,088</u>	<u>567,550</u>
Operating Income (Loss)	<u>(513,185)</u>	<u>(533,645)</u>
Non-Operating Revenues and (Expenses):		
Local Transportation Funds	35,712	90,218
State Transportation Assistance Funds	117,984	84,351
Federal Grants	346,048	163,456
Covid 5311 Reimbursement	-	183,534
Lassen Transit Service Agency	30,000	28,103
LCTOP - Exchange with Tehama County	23,149	24,931
State of Good Repair Program	14,577	15,057
Rents, Leases and Other	22,649	22,313
Other Income	157	-
Sale of Asset		5,000
Interest	10,775	1,736
Total Non-Operating Revenues and (Expenses)	<u>601,051</u>	<u>618,699</u>
Transfers (Out)	-	(6,000)
Change in Net Position	<u>87,866</u>	<u>79,054</u>
Net Position, Beginning of the Period	<u>2,926,056</u>	<u>2,846,999</u>
Net Position, End of the Period	<u><u>\$ 3,013,922</u></u>	<u><u>\$ 2,926,053</u></u>

The accompanying notes are an integral part of this statement.

**MODOC TRANSPORTATION AGENCY
TRANSPORTATION DEVELOPMENT ACT FUNDS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)**

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Cash Received From Passengers	\$ 45,903	\$ 33,905
Cash Payments to Employees	(11,432)	(61,995)
Cash Payments to Suppliers for Goods and Services	(455,182)	(436,506)
Net Cash Provided (Used) by Operating Activities	<u>(420,711)</u>	<u>(464,596)</u>
Cash Flows from Non-Capital Financing Activities:		
Received from Other Governmental Agencies	534,831	507,886
Other Income	22,806	27,313
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>557,637</u>	<u>535,199</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase of Property and Equipment	(10,403)	(10,740)
Transfers (Out)	-	(6,000)
Net Cash Provided (Used) by Capital Financing Activities	<u>(10,403)</u>	<u>(16,740)</u>
Cash Flows from Investing Activities		
Interest Earned	<u>10,775</u>	<u>1,736</u>
Net Cash Provided (Used) by Investing Activities	<u>10,775</u>	<u>1,736</u>
Net Increase (Decrease) in Cash and Cash Equivalents	137,298	55,599
Cash and Cash Equivalents:		
Balance - July 1	<u>937,031</u>	<u>881,432</u>
Balance - June 30	<u>\$ 1,074,329</u>	<u>\$ 937,031</u>
Reconciliation:		
Operating Income (Loss)	\$ (513,185)	\$ (533,645)
Depreciation and Amortization	62,369	58,807
(Increase)/Decrease in Other Current Assets	55	53
Increase/(Decrease) in Accounts Payable	<u>30,050</u>	<u>10,189</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (420,711)</u>	<u>\$ (464,596)</u>

The accompanying notes are an integral part of this statement.

MODOC COUNTY TRANSPORTATION COMMISSION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	2023	2022
	Private Purpose Trust Funds	Private Purpose Trust Funds
ASSETS		
Cash in Banks and in the County Treasury	\$ 566,199	\$ 501,918
Accounts Receivable	36,119	
TOTAL ASSETS	<u>\$ 602,318</u>	<u>\$ 501,918</u>
 LIABILITIES AND NET POSITION		
 LIABILITIES		
Accounts Payable	\$ 53,903	\$ -
TOTAL LIABILITIES	<u>\$ 53,903</u>	<u>\$ -</u>
 Net Position:		
Restricted for Other Governments	\$ 548,415	\$ 501,918
TOTAL NET POSITION	<u>\$ 548,415</u>	<u>\$ 501,918</u>

The accompanying notes are an integral part of this statement.

MODOC COUNTY TRANSPORTATION COMMISSION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	2023 Private Purpose Trust Funds	2022 Private Purpose Trust Funds
Revenues		
Sales Tax	\$ 425,701	\$ 374,047
Intergovernmental		
State of Good Repair Program	14,577	57,584
Interest Income	1,650	253
	<hr/>	<hr/>
Total Revenues	441,928	431,885
	<hr/>	<hr/>
Expenditures		
State of Good Repair Program	14,577	15,057
Modoc County Transportation Commission	88,000	46,305
Modoc Transportation Agency	153,696	174,567
Other		100,000
	<hr/>	<hr/>
Total Expenditures	256,273	335,929
	<hr/>	<hr/>
Excess Of Revenues Over (Under)		
Expenditures	185,655	95,956
Transfers In (Out)		
Transfers In		9,777
Transfers (Out)		-
	<hr/>	<hr/>
Net Increase (Decrease) in Fiduciary Net Position	185,655	105,733
Net Position - July 1	501,918	396,187
Prior Period Adjustment (See Note 12)	(139,158)	-
	<hr/>	<hr/>
Net Position - June 30	\$ 548,415	\$ 501,920
	<hr/>	<hr/>

The accompanying notes are an integral part of this statement.

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – REPORTING ENTITY

The Modoc County Transportation Commission (the Commission) was created pursuant to California Government Code Section 67910, as a local planning commission to provide regional transportation planning activities for the area of Modoc County. The Commission is also responsible for the administration of the Transportation Development Act Funds (Local Transportation and State Transit Assistance Fund). The Commission does not exercise control over any other governmental commission or authority. Criteria used in determining the reportable entity was based on control or dependence determined on the basis of budget adoption, funding, and appointment of the respective governing board.

The Modoc County Transportation Commission accounts for its financial transactions in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Commission conform to U.S. generally accepted accounting principles and are applicable to governments. The following is a summary of the significant policies:

A. Description of Blended Component Unit

The Commission's combined financial statements include the accounts of all its operations. The criteria for including organizations as component units within the Commission's reporting entity are set forth in GASB Statement No. 14 "The Financial Reporting Entity" and GASB Statement No. 39 "Determining Whether Certain Organizations Are Component Units."

The Modoc Transportation Agency, although a legally separate entity, is reported as if it were part of the primary government because the Board of Directors of the Commission are the same individuals that make up the component unit's governing body, or appoints the majority of representatives to the unit's governing board, or the unit provides services entirely to the Commission. Under the blended method of inclusion, the component unit's balances and transactions are reported in a manner similar to the balances and transactions of the Commission itself.

As a result, the basic financial statements of the Commission include the Modoc Transportation Agency (MTA). The MTA is a separate legal entity established to provide transit services within and outside of Modoc County. The financial operations of the MTA are closely related, and the same individuals on the Board of Directors have continuing oversight responsibility.

Complete financial statements of the above component unit may be obtained directly from the Modoc Transportation Agency, 108 S. Main St, Alturas, CA, 96101.

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Business-type activities are financed in whole or in part by fares charged to external parties, as well as operating grants.

The statement of activities presents a comparison between direct expenses and program revenues for the different governmental and business-type activities of the Commission. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The Commission does not allocate indirect expenses in the statement of activities. Program revenues include (a) fares and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Commission's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, grants, entitlements and investment earnings, result from nonexchange transactions or ancillary activities.

The Commission reports the following major Governmental and Proprietary Funds:

The Planning Fund is the operating fund of the Commission. The major revenue sources for this fund are state, federal and local transportation funds. Expenditures are made for administration, as well as local and regional planning projects.

The Transit Fund collects fares from operating transportation services, as well as receiving local and state transit assistance, to operate and provide public transit services to the County of Modoc, the City of Alturas, and out of the region.

C. Basis of Accounting

Government-wide Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include taxes, grants, entitlements, donations, and other miscellaneous income. On an accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied.

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Commission considers revenues collected after its year-end to be available if they are collected within sixty days after year-end. Revenues from local sources consist primarily of taxes and charges for services. Revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Agency gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are received. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The Commission has chosen not to apply future FASB standards.

D. Budgets

Governmental Fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Proprietary fund budgets are adopted using the modified accrual basis of accounting, instead of the accrual basis of accounting.

Planning Fund – The Commission annually adopts a budget through the preparation of an overall work program. This work program describes the projects, or work elements, that are to be funded, and the type of funds that will pay for the expenditures, such as Rural Planning Assistance, Local Transportation, or Federal Transit Administration.

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

The work program, in draft form, is prepared by the staff, approved by the Commission, and submitted to the State of California, Department of Transportation (Caltrans) in March and the final is approved by June 30. Caltrans, as the grantor of Rural Planning Assistance and FTA funds, approves the work program, which then becomes part of the budget for the operating fund of the Commission.

Fiduciary Funds – There are two expendable trust funds, the Local Transportation Fund (LTF) and the State Transit Assistance Fund (STA). The Transportation Demand Management Program was made obsolete by SB 45 in 1998. The LTF funds are available for transit, streets and roads, pedestrian and bicycle, administration of the Transportation Development Act (TDA), and the transportation planning. The STA funds are available for transit purposes.

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

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

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

E. Fiduciary Fund Types

These funds account for assets held by the Commission as a trustee or agent for other units of governments. Private purpose trust funds are used by the Commission for the following purposes:

Local Transportation Fund (LTF) – This fund is utilized by the Commission, as trustee, to receive the ¼ of 1% retail sales tax that is returned to each county by the State Board of Equalization. These funds are apportioned and allocated by the Commission to eligible claimants for transit, transportation planning, and for administration of the TDA. While it is legal to allocated LTF fund

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

for street and road purposes under certain conditions, the Commission has adopted a Local Transportation Reserve Fund policy that precludes any street and road allocations.

State Transit Assistance Fund (STA) – This fund is utilized by the Commission, as trustee, to receive sales tax derived from statewide sales of gasoline and diesel fuel. Each county receives its share of these funds based upon a population and operator revenue formula. These funds are allocated by the Commission to transit operators.

F. Use of Estimates

The financial statements have been prepared in conformity with accounting principles generally accepted in the United State of America, and as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those amounts.

G. Unearned Revenue

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent cash received on specific projects or programs exceeds qualified expenditures.

H. Risk Management

The Commission is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

I. Internal Balances

Internal balances are presented in the government-wide financial statement only. They represent the net interfund receivables and payable remaining after the elimination of all such balances within governmental activities and business-type activities.

J. Cash and Cash Equivalents

The cash that is maintained in the County of Modoc Treasury is considered a highly liquid demand account and as such meets the definition of cash or cash equivalent for purposes of the statement of cash flows. The Commission considers cash investments in the Local Agency Investment Fund to be cash equivalents. The Commission is authorized to deposit cash and invest excess funds by California Government Code 53648 et seq.

The remainder of the Commission's cash is held in Plumas Bank. The FDIC insures cash balances up to \$250,000. Periodically, the Commission's cash balances exceed FDIC limits; however, the Commission believes that no significant concentration of credit risk exists for these excess deposits. As of June 30, 2023, funds were held in excess of the FDIC limits in the trust fund account.

K. Receivable and Payable Balances

The Commission believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation.

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Therefore, no disclosure is provided which disaggregates those balances. There are no significant receivables which are not scheduled for collection within one year of year end.

L. Fair Value Measurements and Investments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets and liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include various types of mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. In certain cases where Level 1 or 2 inputs are not available, securities are classified as Level 3 in the hierarchy.

NOTE 3 – CASH AND INVESTMENTS

The Commission's cash is maintained with various financial institutions. A summary of the Commission's cash and investments at June 30, 2023 is as follows:

MTA Local Agency Investment Fund	\$632,049
MTA Plumas Bank Operating	442,280
MCTC Local Agency Investment Fund	308,569
MCTC Plumas Bank Operating Fund	145,952
MCTC Trust- Cash in County Treasury	69,779
MCTC Trust- Cash in Plumas Bank	<u>496,420</u>
	<u>\$2,095,049</u>

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

The following tables present the fair value measurements of assets recognized in the accompanying statement of financial position measured at fair value on a recurring basis and level within the fair value hierarchy in which the fair value measurements fall:

	Fair Market Value	Assets (Level 1)	Inputs (Level 2)	Inputs (Level 3)
Local Agency Investment Fund	\$ 940,618		\$ 940,618	

The total amount of interest income of \$16,035 includes \$5,260 for governmental activities and \$10,775 for the Modoc Transportation Agency. This interest income is included in the balances of the accounts and fair value measurements.

NOTE 4 – COMPENSATED ABSENCES

The Commission's employees earn compensated absence time for hours worked. Compensated absences accumulate and are accrued, when they are earned, based upon length of employment.

NOTE 5 – EQUITY CLASSIFICATIONS

The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance—amounts that are not in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance—amounts constrained to specific purposes by the Commission itself, using its highest level of decision-making authority (i.e., District Board). To be reported as committed, amounts cannot be used for any other purpose unless the Commission takes the same highest level action to remove or change the constraint.
- Assigned fund balance—amounts the Commission intends to use for a specific purpose. Intent can be expressed by the Commission or by an official or body to which the Commission delegates the authority. The Commission has chosen not to delegate this authority.
- Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Commission establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as obligated for future contracts). Assigned fund balance is established by the Commission through adoption or amendment of the budget as intended for

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

specific purpose, such as the purchase of fixed assets, construction, debt service.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Commission considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Commission has provided otherwise in its commitment or assignment actions.

For Government-Wide Financial Statements, equity is classified in three components as follows:

- Net Investment in Capital Assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of debt borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position consists of net assets with restrictions placed on their use either by external groups such as contributors, grantors or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted Net Position consists of all other net assets that do not meet the definition of in capital assets, net of "restricted" or "net investment in capital assets." When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 6 – CONTINGENCIES

The Commission receives revenue from Federal, State and Local agencies that have requirements to be followed when expending these revenues. If the requirements are not followed, the unauthorized expenditures would be a liability to be refunded to the appropriate agency.

The Commission is not involved in any litigation. Commission management, based upon the opinion of legal counsel, is of the opinion that the ultimate resolution of any matters should not have a materially adverse effect on the Commission's financial position or results of operations.

NOTE 7 – CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical costs is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Capital assets with a value of \$5,000 or more and with a useful life of one year or more are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the assets useful life ranging between 3-50 years.

A summary of changes in fixed assets of the Governmental Fund for fiscal year 2022-23 follows:

	<u>Balance</u> <u>6/30/22</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6/30/23</u>
Vehicles and Other Equipment	\$ 25,753	\$ -		\$ 25,753
Total	<u>25,753</u>	<u>-</u>	<u>-</u>	<u>25,753</u>
Accumulated Depreciation	<u>25,753</u>			<u>25,753</u>
Property, Plant and Equipment, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

A summary of changes in fixed assets of the Proprietary Fund for fiscal year 2022-23 follows:

	<u>Balance</u> <u>6/30/2022</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>6/30/2023</u>
Land and Improvements	\$ 781,745	\$ -	\$ -	\$ 781,745
Vehicles, Buildings and Equipment	1,776,153	10,403		1,786,556
Total	<u>2,557,898</u>	<u>10,403</u>	<u>-</u>	<u>2,568,301</u>
Accumulated Depreciation	<u>936,355</u>	<u>62,369</u>		<u>998,724</u>
Property, Plant and Equipment, Net	<u>\$ 1,621,543</u>	<u>\$ 72,772</u>	<u>\$ -</u>	<u>\$ 1,569,577</u>

Depreciation and amortization was charged to functions as follows:

Planning and Administration	<u>\$ -</u>
Transit	<u>\$ 62,369</u>

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plans

Plan Description

The Commission is required to make a monthly contribution to Public Agency Retirement Services (PARS) to include actuarial valuations of prior and future years of service of each employee. All eligible Commission employees participate in PARS. PARS acts as a common investment and administrative agent which are managed by a third -party portfolio manager under guidelines approved by the Commission.

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

All qualified permanent and probationary employees are eligible to participate in the defined benefit pension plan (Plan). PARS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information.

Benefits Provided – PARS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service

Contributions – The Commission establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Commission is required to contribute the actuarially determined rate.

Contributions-Employer	\$	23,179
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Employees Covered-

At June 30, 2023, the following employees were covered by the benefit terms for each Plan:

	<u>Plan</u>
Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	1
Active employees	<u>2</u>
Total	3

Net Pension Asset-

The Commission net pension liability for the Plan, \$5,630, is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension asset of the Plan is measured as of June 30, 2022, using an annual actuarial valuation as of January 31, 2022. There were no significant changes between the valuation date and the measurement date. A summary of principal assumptions and methods used to determine the net pension asset is shown below.

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

	<u>Plan</u>
Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal, Level % of Pay
Amortization Method:	
Level percent or Level dollar	Level Percent
Amortization Period	10-year fixed period for 2021/22
Inflation	2.5%
Discount Rate	5.75 %
Mortality	CalPERS 2000-2019 experience study

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between Expected and Actual Experience	\$ 5,456	\$ 38,483
Change in Assumptions	9,724	1,168
Difference Between Projected and Actual Earnings		
On Plan Investments	19,090	
Contributions Subsequent to the Measurement Date	19,906	
Total	<u>\$ 54,176</u>	<u>\$ 39,651</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction of pension expense as follows:

Periods Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2024	\$ (337)
2025	372
2026	(352)
2027	5,515
2028	(4,835)
Thereafter	(5,744)
	<u>\$ (5,381)</u>

Actuarial Assumptions

Discount Rate

The discount rate used to measure the total pension liability was 5.75%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, PARS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 5.75% discount rate is adequate.

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date using the discount rate of 5.75%, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (4.75%) or 1 percentage point higher (6.75%) than the current rate:

	Discount Rate -1% 4.75%	Current Discount Rate 5.75%	Discount Rate +1% 6.75%
Net Pension Liability:	\$ 45,080	\$ 5,630	\$ (26,578)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PARS financial reports.

Payable to the Pension Plan

At June 30, 2023, the Commission had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

NOTE 8 – SUBSEQUENT EVENTS

In preparing these financial statements, the Modoc County Transportation Commission has evaluated events and transactions for potential recognition or disclosure through September 30, 2023, the date these financial statements were available to be issued.

NOTE 9– COMPLIANCE AND ACCOUNTABILITY

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, should be reported with actions taken to address such violations:

No violations of finance-related legal provision, or deficit Fund net position existed at June 30, 2023.

NOTE 10 – EXCESS OF EXPENDITURES OVER BUDGET

As of June 30, 2023, the following expense categories exceeded budgeted amounts:

<u>Category</u>	<u>Amount in excess of Budget</u>
Planning and Administration	\$18,858

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11-- FARE REVENUE RATIO

The Agency claims TDA funding per Article 8, Section 99400(c), not Article 4, Section 99268. The Agency adopted resolution 21-02, which requires the Agency to follow the Commission's performance criteria and, therefore, does not have a fare box requirement. However, for comparison purposes only, the Agency's ratio of fare revenues to operating costs for the years ended June 30, 2022 and 2021 are presented below:

	<u>2023</u>	<u>2022</u>
Operating Revenues:		
Fare Revenue	\$ 45,903	\$ 33,905
Total Operating Revenue	<u>\$ 45,903</u>	<u>\$ 33,905</u>
Operating Expenses:		
Operating Expenses	\$ 531,915	\$ 567,552
Less: Depreciation	<u>(62,369)</u>	<u>(58,807)</u>
Adjusted Operating Expenses	<u>\$ 469,546</u>	<u>\$ 508,745</u>
Fare Revenue Ratio	<u>9.78%</u>	<u>6.66%</u>

The Agency adopted a resolution requiring a 10% Farebox ratio, however this requirement was waived due to the Coronavirus pandemic with the passage of California Assembly Bill 90.

NOTE 12 – PRIOR PERIOD ADJUSTMENTS

Following the year ending December 31, 2022, management determined that revenue should not have been recognized for LTF in the prior year financial statements that significantly misstated the financial activities, and the financial position of the Rancheria's governmental activities. Prior period adjustments have been made as summarized below:

	<u>Net Position</u>
<u>Governmental Activities</u>	
Governmental Activities Net Position, as previously stated:	\$ 461,287
Prior Period Adjustment	<u>63,445</u>
Governmental Activities Net position, as restated:	<u>\$ 524,732</u>

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

<u>Major Funds</u>	<u>Planning Fund</u>
Fund Balance, as previously stated:	\$ 433,148
Prior Period Adjustment	<u>63,445</u>
Fund Balance, as restated:	<u><u>\$ 496,593</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

**MODOC COUNTY TRANSPORTATION COMMISSION
PLANNING FUND BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023**

	Planning Fund			
	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Local Transportation Funds	\$ 88,000	\$ 88,000	\$ 88,000	\$ -
Intergovernmental:				
MCTC - LTF Trust	-	-	-	-
Planning Programming and Monitoring	62,000	62,000	62,000	-
Rural Planning Assistance	158,000	158,000	158,000	-
RSTP Revenue	30,078	30,078	30,408	330
Refunds			1,529	1,529
Interest Income	-	-	5,260	5,260
 Total Revenues	 338,078	 338,078	 345,197	 7,119
Expenditures				
Planning and Administration	338,078	338,078	356,936	(18,858)
 Total Expenditures	 338,078	 338,078	 356,936	 (18,858)
Excess of Revenues Over (Under)				
Expenditures	\$ -	\$ -	(11,739)	\$ (11,739)
Fund Balance - July 1			433,148	
Prior Period Adjustment (See Note			63,445	
Fund Balance - June 30			<u>\$ 484,854</u>	

**MODOC COUNTY TRANSPORTATION COMMISSION
PUBLIC AGENCY RETIREMENT SYSTEM (PARS)**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSETS) AND RELATED RATIOS

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Changes in Total Pension Liability						
Service Cost	\$ 45,358	\$ 41,024	\$ 32,449	\$ 3,042	\$ 30,586	\$ 30,586
Interest on total pension liability	15,152	12,099	8,578	-	4,040	4,040
Actual vs. expected experience	(45,005)		9,014			
Assumption Change	969	12,849	(1,930)			
Benefit payments	-	(713)	-	-	-	(3,080)
Net change in total pension liability	16,474	65,259	48,111	3,042	34,626	31,546
Total pension liability -beginning	218,165	152,906	104,795	101,753	67,127	35,581
Total pension liability -ending	\$ 234,639	\$ 218,165	\$ 152,906	\$ 104,795	\$ 101,753	\$ 67,127

Changes in Plan Fiduciary Net Position

Contributions-employer	\$ 23,179	\$ 22,848	\$ 30,269	\$ -	\$ 20,331	\$ 24,395
Contributions-employee	15,115	15,019	22,668	-	18,563	17,096
Net Investment Income	(30,962)	40,407	4,507	9,814	-	2,358
Benefit Payments	-	(713)	-	-	-	(3,080)
Administrative Expenses	(8,064)	(7,829)	(7,601)	-	(3,998)	(7,239)
Net change in plan fiduciary net position	(732)	69,732	49,843	9,814	34,896	33,530
Plan fiduciary net position- beginning	229,741	160,009	110,166	100,352	65,456	31,926
Plan fiduciary net position- ending	229,009	229,741	160,009	110,166	100,352	65,456

Net pension liability/(asset) - ending \$ 5,630 \$ (11,576) \$ (7,103) \$ (5,371) \$ 1,401

Plan fiduciary net position as a percentage of total pension liability 97.60% 105.31% -105.10% 98.36% 98.62%

Covered employee payroll \$ 117,500 \$ 156,928 \$ 176,210 \$ 149,514 \$ 130,664

Net pension liability as a percentage of covered employee payroll 4.8% -7.4% -3.0% 1.1% 1.1%

Notes to Schedule:

Fiscal year 2018 was the first year of implementation, therefore only six years are shown.

OTHER SUPPLEMENTARY INFORMATION

**MODOC COUNTY TRANSPORTATION COMMISSION
PUBLIC AGENCY RETIREMENT SYSTEM (PARS)**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially Determined Contribution (ADC)	\$ 21,876	\$ 32,039	\$ 30,269	\$ 30,269	\$ 17,195	\$ 17,195
Contributions in relation to the ADC	21,876	32,039	30,269	30,269	17,195	17,195
Net change in total pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 117,500	\$ 122,074	\$ 156,928	\$ 176,210	\$ 149,514	\$ 130,664
Contributions as a % of covered employee payroll	18.62%	26.25%	19.29%	17.18%	11.50%	13.16%

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal year 2018 was the first year of implementation, therefore only six years are shown.

Methods and Assumptions for 2021/22 Actuarially Determined Contributions:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level Percent
Amortization Period	10- Year fixed period
Asset Valuation Method	Market Value of Assets
Discount Rate	5.75%
General Inflation	2.50%
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
	2020 modified to converge to ultimate rates in 2022
Salary Increases	Aggregate - 2.75%
	Merit - CalPERS 2000-2019 Experience Study

**MODOC TRANSIT SERVICE AGENCY
TRANSIT FUND BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating Revenues:				
Fare Revenues	\$ 47,000	\$ 47,000	45,903	\$ (1,097)
Total Operating Revenue	47,000	47,000	45,903	(1,097)
Operating Expenses:				
Contract Transportation Services	262,000	262,000	269,004	(7,004)
Vehicle and Equipment Maintenance	48,000	90,000	89,297	703
Building Improvements	6,625	6,625	4,096	2,529
Fuel	45,000	42,450	44,247	(1,797)
Labor	107,000	57,250	11,432	45,818
Utilities	22,000	25,000	20,651	4,349
Marketing	15,000	20,000	16,019	3,981
Other Expenses	15,000	15,000	6,585	8,415
Professional Services	32,000	34,300	30,463	3,837
Insurance	7,000	7,000	4,925	2,075
Transit Property & Insurance Reserve	40,625	40,625		
Depreciation			62,369	(62,369)
Total Operating Expenses	600,250	600,250	559,088	41,162
Operating Income (Loss)	(553,250)	(553,250)	(513,185)	40,065
Non-Operating Revenue (Expense):				
Local Transportation Funds	123,000	123,000	35,712	(87,288)
State Transportation Assistance Funds	95,284	95,284	117,984	22,700
Federal Grants	241,741	241,741	346,048	104,307
Covid 5311 Reimbursement	-	-	-	-
Lassen Transit Service Agency	30,000	30,000	30,000	-
Rural Transit Assistance Program	-	-	-	-
State of Good Repair Program	15,694	15,694	14,577	(1,117)
LCTOP - Exchange with Tehama County	24,931	24,931	23,149	(1,782)
Rents, Leases & Other	22,600	22,600	22,649	49
Interest			10,775	10,775
Misc Income			157	
Total Non-Operating Revenues (Expenses)	553,250	553,250	601,051	47,644
Transfers Out	-	-	-	-
Change in Net Position	\$ -	\$ -	\$ 87,866	\$ 87,709

Note to Transit Fund Budgetary Comparison Schedule

For reconciliation of LTF unused cash balance as of 6/30/23 to total LTF allocation, see the Planning Fund Budgetary Comparison Schedule.

**MODOC COUNTY TRANSPORTATION COMMISSION
COMBINING BALANCE SHEET
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2023**

	Local Transportation Trust Fund	State Transit Assistance Fund	Total
ASSETS			
Cash In Plumas Bank	\$ 496,420		\$ 496,420
Cash in County Treasury	68,962	\$ 817	69,779
Accounts Receivable - LTF		36,119	36,119
TOTAL ASSETS	<u>\$ 565,382</u>	<u>\$ 36,936</u>	<u>\$ 602,318</u>
LIABILITIES			
Accounts Payable	\$ 17,784	\$ 36,119	\$ 53,903
Total Liabilities	17,784	36,119	53,903
NET POSITION			
Held in Trust	\$ 547,598	\$ 817	\$ 548,415
Total Net Position	<u>547,598</u>	<u>817</u>	<u>548,415</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 565,382</u>	<u>\$ 36,936</u>	<u>\$ 602,318</u>

MODOC COUNTY TRANSPORTATION COMMISSION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FIDUCIARY
NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Local Transportation Trust Fund	State Transit Assistance Fund	Total
Revenues			
Sales Tax	\$ 307,717	\$ 117,984	\$ 425,701
Intergovernmental		14,577	14,577
Interest Income	1,356	294	1,650
Total Revenues	<u>309,073</u>	<u>132,855</u>	<u>441,928</u>
Expenditures			
Modoc County Transportation Commission	88,000	-	88,000
Modoc Transportation Agency	35,712	117,984	153,696
State of Good Repair		14,577	
Total Expenditures	<u>123,712</u>	<u>132,561</u>	<u>256,273</u>
Excess Of Revenues Over (Under)			
Expenditures	185,361	294	185,655
Net Position - July 1	501,395	523	501,918
Prior Period Adjustment (See Note 12)	<u>(139,158)</u>	<u>-</u>	<u>(139,158)</u>
Net Position - June 30	<u>\$ 547,598</u>	<u>\$ 817</u>	<u>\$ 548,415</u>

MODOC COUNTY TRANSPORTATION COMMISSION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BY FUNDING SOURCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	OWP Budget	LTF	PPM 22/23	RPA 22/23	RSTP	Interest	Other-Misc.	TOTAL	Budget Variance
Revenues									
LTF 22/23	\$ 88,000	\$ 88,000	\$ -	\$ -	-	\$ -	\$ -	\$ 88,000	\$ -
PPM 22/23	62,000		62,000					62,000	-
RPA 22/23	158,000			158,000				158,000	-
RSTP 22/23	30,078				30,408			30,408	330
Interest	-					5,260		5,260	5,260
Other							1,528	1,528	1,528
Total Income	338,078	88,000	62,000	158,000	30,408	5,260	1,528	345,196	7,118
Expenses									
Pavement Management System	\$ 5,500							-	5,500
Accounting/Auditing	20,000	11,457						11,457	8,543
Commissioner Per Diem	8,400	3,100		1,150				4,250	4,150
Depreciation Expense								-	-
Insurance	20,000	12,686						12,686	7,314
IT Equipment	1,000							-	1,000
It Service and Support	10,000	7,786						7,786	2,214
Lease and Overhead	17,200	17,129						17,129	71
Legal Notices	1,000	1,168						1,168	(168)
Legal Services	5,000	133						133	4,868
Miscellaneous	1,000	900						900	100
Office Supplies	2,000	1,472						1,472	528
Payroll Services	9,000	17,159						17,159	(8,159)
Planning and Support	4,978	39,034						39,034	(34,056)
Salaries/Labor	230,000	1,963	51,012	158,000	17,676		(4,742)	223,909	6,091
Travel/Training/Memberships	3,000	1,012	1,115	28				2,155	845
Total Expenses	338,078	114,999	52,127	159,178	17,676	-	-	339,238	(1,160)
Increase/(Decrease) in Net Position	\$ -	\$ (26,999)	\$ 9,873	\$ (1,178)	\$ 12,733	\$ 5,260	\$ 1,528	\$ 5,958	\$ 5,958

**MODOC COUNTY TRANSPORTATION COMMISSION
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
LOCAL TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Public Utilities Code Section</u>		
		<u>Contracted</u>	
	<u>Administration</u>	<u>Transit Services</u>	
	<u>99233.1</u>	<u>99400 (c)</u>	<u>Total</u>
Allocations			
Sales Tax and Other Income	\$ 309,073	\$ -	\$ 309,073
Total Allocations	309,073	-	309,073
Expenditures			
Modoc County Transportation Commission	88,000		88,000
Modoc Transportation Agency	35,712	-	35,712
Total Expenditures	123,712	-	123,712
Excess Of Allocations Over (Under)			
Expenditures	\$ 185,361	\$ -	\$ 185,361

**MODOC COUNTY TRANSPORTATION COMMISSION
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
STATE TRANSIT ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Public Utilities
	<u>Code Section</u>
	General Public
	<u>6731</u>
Allocation	
STAF	\$ 117,984
State of Good Repair	14,577
Interest	<u>294</u>
Total Allocations	<u>132,855</u>
Expenditures	
Modoc Transportation Agency and Miscellaneous	117,984
State of Good Repair	<u>14,577</u>
Total Expenditures	<u>132,561</u>
Excess Of Allocations Over (Under)	
Expenditures	<u><u>\$ 294</u></u>

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH THE STATUTES, RULES, AND REGULATIONS OF THE
CALIFORNIA TRANSPORTATION DEVELOPMENT ACT AND THE ALLOCATION
INSTRUCTIONS AND RESOLUTIONS OF THE LOCAL TRANSPORTATION
COMMISSION**

Board of Commissioners
Modoc County Transportation Commission
Alturas, California

Report on State Compliance

We have audited the financial statements of the Transportation Development Act Funds of the Modoc County Transportation Commission as of and for the year ended June 30, 2023 and have issued a report thereon dated September 30, 2023.

Management's Responsibility for State Compliance

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have also audited the Commission's compliance with the California Code of Regulations Sections 6661, 6662, 6666 and 6751 that are applicable to Modoc County Transportation Commission. Additionally, we performed tests to determine that expenditures paid by the Modoc Transportation Agency were made in accordance with the allocation instructions and resolutions of Modoc County Transportation Commission and in conformance with the California Transportation Development Act. Compliance with the requirements referred to above is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

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The auditing standards referred to above require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the state laws and regulations applicable to the items above occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Commission's compliance with those requirements.

Opinion on State Compliance

In our opinion, the Modoc County Transportation Commission complied, in all material respects, with the statutes, rules, and regulations of the California Transportation Development Act, the allocation instructions and resolutions, and with applicable bond act and state accounting requirements.

Purpose of This Report

The report is intended solely for the information and use of Modoc County Transportation Commission, the California Department of Transportation, and the State Controller's Office and should not be used by anyone other than these specified parties.

Respectfully submitted,



Singleton Auman, PC

Susanville, CA

September 30, 2023

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

Board of Commissioners
Modoc County Transportation Commission
Alturas, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, and each major fund of the Modoc County Transportation Commission as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated September 30, 2023.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. See Findings 2023-001 and 2023-002.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Commission's financial statements are free of 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 determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*.

Commission's Response to Findings

The Commission's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of the Report

This 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 Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'SingletonAuman PC', followed by a small checkmark.

SingletonAuman PC
Susanville, CA
September 30, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**MODOC COUNTY TRANSPORTATION COMMISSION
COMBINED SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023**

EXECUTIVE SUMMARY

The Commission provides regional transportation planning activities for the area of Modoc County.

The quality of the Commission's internal controls is dependent upon oversight by the Board Members. A summary of the auditors' results follows:

1. **Type of Auditors' Report on Financial Statements:** Unmodified.
2. **Internal Control Findings:** 2 Significant Deficiencies
3. **Material Noncompliance Noted:** None.

**MODOC COUNTY TRANSPORTATION COMMISSION
COMBINED SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023**

Internal Control – Significant Deficiency

Finding 2023-001 Financial Reporting

Criteria Upon Which Audit Finding is Based (Legal Citation)

AU-C Section 265, Communicating Internal Control Matters Identified in an Audit.

Finding (Condition)

Similar to many small governmental entities, the Commission is not providing complete and accurate MD&A and footnote disclosures that are prepared in accordance with GAAP prior to the annual audit.

Amount of Questioned Cost, How Computed and Prevalence

None.

Effect

There is a risk that a material financial statement misstatement may exist and not be prevented or detected by the Commission's system of internal control.

Cause

The Commission does not have the resources to address this deficiency.

Recommendation

We recommend that the Commission consider the cost benefit of hiring an accountant familiar with GAAP or contracting with an independent CPA firm to compile financial statements in conformity with GAAP.

Commission's Response

The Commission has determined that the costs of correcting the control weakness outweigh the benefits to be received. The Commission will continue to rely on the independent auditor to prepare its annual financial statements.

**MODOC COUNTY TRANSPORTATION COMMISSION
COMBINED SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023**

Internal Control – Significant Deficiency

Finding 2023-002 Lack of Segregation of Duties

Criteria Upon Which Audit Finding is Based (Legal Citation)

AU-C Section 265, Communicating Internal Control Matters Identified in an Audit.

Finding (Condition)

An inadequate segregation of duties exists in the areas of cash handling, payroll, general ledger & financial reporting, and grants management with the Commission personnel.

Amount of Questioned Cost, How Computed and Prevalence

None.

Effect

The Commission has exposure to risk of financial statement misstatement and the potential risk of fraud.

Cause

Due to the number of personnel assigned to duties that involve access to the general ledger and other accounting records and who also have custody of and responsibility for handling cash and other assets, an inadequate segregation of duties exists.

Recommendation

We recommend the Commission employees and Board maintain diligence for the potential risks of not having an adequate segregation of duties. The Commission should consider segregating the following duties as much as possible:

1. Receiving cash, deposit preparation, and posting the deposit to the general ledger.
2. Preparing voucher packages/check requests, approving checks for payment, and mailing checks.
3. Bank reconciliations, and cash receipt & disbursements. Bank reconciliations should be prepared by someone who is not responsible for recording transaction in the general ledger
4. Administrative staff who are not involved in cash or accounting related functions could perform duties, such as taking deposits to the bank, maintaining check stock, etc...

Commission's Response

The Commission has implemented policies due to the small number of employees employed by MCTC:

1. The Chair reviews and signs payables along with the Executive Director.
2. All transactions are reviewed and approved by the Commission.
3. Deposits are prepared by one staff and another takes the deposit to the bank.

**MODOC COUNTY TRANSPORTATION COMMISSION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FINDINGS FROM THE JUNE 30, 2022 AUDIT REPORT)
FOR THE YEAR ENDED JUNE 30, 2023**

Finding 2022-001 Financial Reporting

Similar to many small governmental entities, the Commission is not providing complete and accurate MD&A and footnote disclosures that are prepared in accordance with GAAP prior to the annual audit

Status: See Current Year Finding 2023-001.

Finding 2022-001 Lack of Segregation of Duties

An inadequate segregation of duties exists in the areas of cash handling, payroll, general ledger & financial reporting, and grants management with the Commission personnel.

Status: See Current Year Finding 2023-002.

**MODOC COUNTY TRANSPORTATION COMMISSION
CORRECTIVE ACTION PLAN
JUNE 30, 2023**

Person Monitoring Corrective Action Plan

Debbie Pedersen, Executive Director

Finding 2023-001 Financial Reporting

Finding (Condition)

Similar to many small governmental entities, the Commission is not providing complete and accurate MD&A and footnote disclosures that are prepared in accordance with GAAP prior to the annual audit.

Corrective Action Planned

The Commission has determined that the costs of correcting the control weakness outweigh the benefits to be received. The Commission will continue to rely on the independent auditor to prepare its annual financial statements.

Expected Completion Date

Ongoing.

Finding 2023-002 Lack of Segregation of Duties

Finding (Condition)

An inadequate segregation of duties exists in the areas of cash handling, payroll, general ledger & financial reporting, and grants management with the Commission personnel.

Corrective Action Planned

The Commission has implemented policies due to the small number of employees employed by MCTC:

1. The Chair reviews and signs payables along with the Executive Director.
2. All transactions are reviewed and approved by the Commission.
3. Deposits are prepared by one staff and another takes the deposit to the bank.

Expected Completion Date

Ongoing.

Report to Modoc County Transportation Commission	
Subject Agency Updates and Project Status Reports	Meeting Date December 5, 2023
Presented by Each Respective Agency	Agenda Item 6

a. Alturas Public Works Dept. - City Streets

Warren Farnum/Dorothy Long

- West 8th Street (PPNO 2584)
- Court Street (PPNO) 2591
- Nagle (PPNO 2593)
- West C (PPNO 2592)

b. Modoc County Road Dept. - County Roads

Mitch Crosby

- County Road 111 (PPNO 2581) – PS&E phase
- CR 55 (PPNO 2438) – E&P phase
- Active Transportation Program Cycle 6 – Cedarville Pedestrian Improvements
- County Clean California grant – Veteran’s Memorial Part Improvements

c. Caltrans District 2 – Regional Planning Liaison

Cherie Clark

- Update on the State Clean California projects in Modoc County.

d. MCTC -

Debbie Pedersen

- Caltrans Planning Grant - 2024 Short Range Transit Plan

Report to Modoc County Transportation Commission	
Subject Staff Update and Calendar	Meeting Date December 5, 2023
Presented by Debbie Pedersen, Executive Director	Agenda Item 7

Staff Updates, Correspondence, and Calendar

One full-time and one extra help person have been hired; will continue to gauge phone and office traffic. Staff may request a second full-time person if the current workload continues.

Calendar

MCTC Meeting schedule – 1:30 Sage Stage Conference Room, Alturas, CA 96101

- February 6, 2024

Modoc TAC Meeting Schedule - 1:00 p.m. Sage Stage Conference Room, 108 S Main St., Alturas

- January 10, 2024

Office Holiday Schedule

- December 25,26, 2023 – Christmas Holiday
- January 1, 2, 2024 – New Years’ Holiday