

**COLUSA COUNTY LOCAL TRANSPORTATION
COMMISSION
COLUSA, CALIFORNIA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2020



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INTRODUCTORY SECTION

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
LIST OF OFFICIALS
YEAR ENDED JUNE 30, 2020**

Board of Commissioners

Gary Evans	County of Colusa
Kent Boes	County of Colusa
J. Merced Corona	County of Colusa
Josh Hill	City of Colusa
Frank Kennedy	City of Williams
Alfred Sellers, Jr.	City of Williams

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Colusa County Local Transportation Commission
Colusa, California

Report on the Financial Statements

We have audited the accompanying financial statements of governmental activities, the business-type activities and each major fund of Colusa County Local Transportation Commission (Commission), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Commission as of June 30, 2020, 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.

Other Matters

Report on Summarized Comparative Information

We have previously audited the Commission's 2019 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, and each major fund, in our report dated February 20, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other 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 introductory section and schedules of allocations and expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2021 on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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.



CliftonLarsonAllen LLP

Roseville, California
February 24, 2021

BASIC FINANCIAL STATEMENTS

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
GOVERNMENT-WIDE – STATEMENT OF NET POSITION
JUNE 30, 2020**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 706,526	\$ 453,963	\$ 1,160,489
Receivables:			
Accounts	-	-	-
Interest	3,181	1,516	4,697
Intergovernmental	398,918	64,192	463,110
Prepaid Costs	-	-	-
Capital Assets:			
Nondepreciable	-	-	-
Depreciable, Net	-	801,494	801,494
Net OPEB Asset	-	6,044	6,044
Total Capital Assets	-	807,538	807,538
 Total Assets	 1,108,625	 1,327,209	 2,435,834
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Adjustments	-	213,227	213,227
Deferred OPEB Adjustments	-	2,299	2,299
Total Deferred Outflows of Resources	-	215,526	215,526
LIABILITIES			
Accounts Payable	83,755	49,412	133,167
Long-Term Liabilities:			
Due Within One Year	-	18,648	18,648
Due in More than One Year	-	28,041	28,041
Net Pension Liability	-	1,398,903	1,398,903
Total Liabilities	83,755	1,495,004	1,578,759
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Adjustments	-	23,151	23,151
Deferred OPEB Adjustments	-	50,375	50,375
Total Deferred Inflows of Resources	-	73,526	73,526
NET POSITION			
Investment in Capital Assets	-	801,494	801,494
Restricted for Transportation	1,024,870	359,362	1,384,232
Unrestricted	-	(1,186,651)	(1,186,651)
Total Net Position	\$ 1,024,870	\$ (25,795)	\$ 999,075

See accompanying Notes to Financial Statements.

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
GOVERNMENT-WIDE – STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:							
Transportation	\$ 1,797,853	\$ -	\$ 609,906	\$ -	\$ (1,187,947)	\$ -	\$ (1,187,947)
Total Governmental Activities	1,797,853	-	609,906	-	(1,187,947)	-	(1,187,947)
Business-Type Activities:							
Transit Agency	1,285,813	96,943	1,084,489	-	-	(104,381)	(104,381)
Total Business-Type Activities	1,285,813	96,943	1,084,489	-	-	(104,381)	(104,381)
Total	\$ 3,083,666	\$ 96,943	\$ 1,694,395	\$ -	(1,187,947)	(104,381)	(1,292,328)
General Revenues:							
Sales and Use Taxes					1,241,871	-	1,241,871
Interest and Investment Earnings					22,385	12,481	34,866
Sale of Capital Assets					-	-	-
Other Revenue					-	1,285	1,285
Total General Revenues					1,264,256	13,766	1,278,022
CHANGE IN NET POSITION					76,309	(90,615)	(14,306)
Net Position - Beginning of year					948,561	64,820	1,013,381
NET POSITION - END OF YEAR					\$ 1,024,870	\$ (25,795)	\$ 999,075

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
GOVERNMENTAL FUNDS – BALANCE SHEET
JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

	Local	Local	State	Totals	
	Transportation Planning	Transportation	Transit Assistance	2020	2019
ASSETS					
Cash and Investments	\$ 102,897	\$ 603,629	\$ -	\$ 706,526	616,386
Receivables:					
Interest	671	2,496	14	3,181	3,162
Intergovernmental	63,923	278,933	56,062	398,918	329,019
	<u>63,923</u>	<u>278,933</u>	<u>56,062</u>	<u>398,918</u>	<u>329,019</u>
Total Assets	<u>\$ 167,491</u>	<u>\$ 885,058</u>	<u>\$ 56,076</u>	<u>\$ 1,108,625</u>	<u>\$ 948,567</u>
LIABILITIES					
Accounts Payable	83,755	-	-	83,755	6
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	63,923	123,279	56,062	243,264	206,296
FUND BALANCES					
Restricted	19,813	761,779	14	781,606	742,265
Total Fund Balances	<u>19,813</u>	<u>761,779</u>	<u>14</u>	<u>781,606</u>	<u>742,265</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 167,491</u>	<u>\$ 885,058</u>	<u>\$ 56,076</u>	<u>\$ 1,108,625</u>	<u>\$ 948,567</u>

See accompanying Notes to Financial Statements.

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
JUNE 30, 2020**

Total Fund Balance - Total Governmental Funds	\$ 781,606
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Other long term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds.	<u>243,264</u>
Net Position of Governmental Activities	<u><u>\$ 1,024,870</u></u>

See accompanying Notes to Financial Statements.

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

	Local	Local	State	Totals	
	Transportation Planning	Transportation	Transit Assistance	2020	2019
REVENUES					
Taxes	\$ -	\$ 1,241,871	\$ 194,724	\$ 1,436,595	\$ 1,348,208
Aid from Other Governmental Agencies:					
Rural Planning Assistance	73,106	-	-	73,106	194,348
STIP PPM	-	-	-	-	28,000
SAFETEA-LU	305,108	-	-	305,108	-
RPSTPLE-5915(064)	-	-	-	-	-
Use of Money	3,875	18,393	117	22,385	24,812
Total Revenues	<u>382,089</u>	<u>1,260,264</u>	<u>194,841</u>	<u>1,837,194</u>	<u>1,595,368</u>
EXPENDITURES					
Overall Work Program:					
Prep & RTPA coordination (1.01)	16,044	-	-	16,044	15,579
Regional Coordiation & RTP Amendment (2.01)	1,825			1,825	1,114
Transportation Systems					
Maintenance (5.01)	111,658	-	-	111,658	149,000
Coordination with Caltrans District 3 (3.01)	-	-	-	-	743
STIP PPM Expenditures	-	-	-	-	28,000
SAFETEA-LU Expenditures	305,108	-	-	305,108	132,144
Road Maintenance	-	472,683	-	472,683	384,739
Allocations:					
Colusa County Transit Agency	-	680,463	194,754	875,217	824,995
Planning and Administration	-	15,245	73	15,318	16,926
Total Expenditures	<u>434,635</u>	<u>1,168,391</u>	<u>194,827</u>	<u>1,797,853</u>	<u>1,553,240</u>
NET CHANGE IN FUND BALANCES	(52,546)	91,873	14	39,341	42,128
Fund Balances - Beginning of Year	<u>72,359</u>	<u>669,906</u>	<u>-</u>	<u>742,265</u>	<u>700,137</u>
FUND BALANCES - END OF YEAR	<u>\$ 19,813</u>	<u>\$ 761,779</u>	<u>\$ 14</u>	<u>\$ 781,606</u>	<u>\$ 742,265</u>

See accompanying Notes to Financial Statements.

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2020**

Net Change in Fund Balances - Total Governmental Funds	\$	39,341
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Amounts reported for governmental activities in the Statement of Activities are different because:

Some revenues reported in the Statement of Activities will not be collected for several months after the Commission’s year-end and do not provide current financial resources and therefore, are not reported as revenue in the governmental funds.

36,968

Changes in Net Position of Governmental Activities	\$	<u><u>76,309</u></u>
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**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 JUNE 30, 2020
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

	Colusa County Transit Agency	
	2020	2019
ASSETS		
Current Assets:		
Cash and Investments	\$ 453,963	\$ 561,264
Receivables:		
Accounts	-	626
Interest	1,516	3,006
Intergovernmental	64,192	171,542
Total Current Assets	519,671	736,438
Noncurrent Assets:		
Capital Assets:		
Nondepreciable	-	234,340
Depreciable, Net	801,494	365,608
Net OPEB Asset	6,044	-
Total Noncurrent Assets	807,538	599,948
Total Assets	1,327,209	1,336,386
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Adjustments	213,227	233,436
Deferred OPEB Adjustments	2,299	405
Total Deferred Outflows of Resources	215,526	233,841
LIABILITIES		
Current Liabilities:		
Accounts Payable	49,412	10,415
Compensated Absences Payable	18,648	19,725
Total Current Liabilities	68,060	30,140
Noncurrent Liabilities:		
Compensated Absences Payable	28,041	31,031
Net Pension Liability	1,398,903	1,287,018
Net OPEB Obligation	-	84,138
Total Noncurrent Liabilities	1,426,944	1,402,187
Total Liabilities	1,495,004	1,432,327
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Adjustments	23,151	14,249
Deferred OPEB Adjustments	50,375	58,831
Total Deferred Inflows of Resources	73,526	73,080
NET POSITION		
Investment in Capital Assets	801,494	599,948
Restricted	359,362	616,231
Unrestricted	(1,186,651)	(1,151,359)
Total Net Position	\$ (25,795)	\$ 64,820

See accompanying Notes to Financial Statements.

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 YEAR ENDED JUNE 30, 2020
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

	Colusa County Transit Agency	
	2020	2019
OPERATING REVENUES		
Passenger Fares	\$ 36,932	\$ 54,596
Contract Revenue	18,357	25,077
Advertising	13,363	7,331
Reimbursed Projects	28,231	29,506
Total Operating Revenues	96,883	116,510
OPERATING EXPENSES		
Salaries and Benefits	933,400	864,243
Professional Services	129,376	106,068
Fuel	58,878	66,932
Repairs and Maintenance	48,116	44,514
Office and Administration	22,510	20,430
Insurance	12,445	11,594
Depreciation	81,088	65,569
Total Operating Expenses	1,285,813	1,179,350
OPERATING INCOME (LOSS)	(1,188,930)	(1,062,840)
NONOPERATING REVENUES (EXPENSES)		
Local Transportation Fund Allocation	680,463	637,242
State Transit Assistance Fund Allocation	194,754	223,203
Senate Bill 1 (SB1) Allocation	36,251	-
FTA Section 5311	122,702	118,199
Low Carbon Transit Operations Program	41,819	53,343
Intergovernmental Revenue	8,500	-
Interest Income	12,481	22,163
Donations	60	540
Other Revenue	1,285	-
Total Nonoperating Revenues (Expenses)	1,098,315	1,054,690
CHANGE IN NET POSITION	(90,615)	(8,150)
Total Net Position - Beginning of Year	64,820	72,970
TOTAL NET POSITION - END OF YEAR	\$ (25,795)	\$ 64,820

See accompanying Notes to Financial Statements.

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 YEAR ENDED JUNE 30, 2020
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

	Colusa County Transit Agency	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 97,509	\$ 118,021
Payments to Suppliers	(232,328)	(246,271)
Payments to Employees	(897,003)	(851,364)
Net Cash Used by Operating Activities	(1,031,822)	(979,614)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local Transportation Funds Allocated	680,463	637,242
State Transit Assistance Funds Allocated	194,754	223,203
Senate Bill 1 (SB1) Funds Allocated	36,251	-
Low Carbon Transit Operations Program Funds Allocated	41,819	53,343
Grant Proceeds	238,552	(25,284)
Other Nonoperating Revenue	1,345	540
Net Cash Provided by Noncapital Financing Activities	1,193,184	889,044
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Acquisition of Capital Assets	(282,634)	(32,881)
Proceeds from the Sale of Capital Assets	-	-
Net Cash Used by Capital Financing Activities	(282,634)	(32,881)
CASH FLOWS FROM CAPITAL INVESTING ACTIVITIES		
Interest Received on Investments	13,971	21,880
Net Cash Provided by Investing Activities	13,971	21,880
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(107,301)	(101,571)
Cash and Cash Equivalents - Beginning of Year	561,264	662,835
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 453,963	\$ 561,264
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Loss	\$ (1,188,930)	\$ (1,062,840)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:		
Depreciation	81,088	65,569
(Increase) Decrease in Assets and Deferred Outflows of Resources:		
Accounts Receivable	626	1,511
Prepaid Costs	-	109
Pension Adjustments - Deferred Outflows	20,209	30,245
OPEB Adjustments - Deferred Outflows	(1,894)	(299)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:		
Accounts Payable	38,997	3,158
Compensated Absences Payable	(4,067)	(7,427)
Net Pension Liability	111,885	57,670
Net OPEB Obligation	(90,182)	(67,926)
Pension Adjustments - Deferred Inflows	8,902	12,853
OPEB Adjustments - Deferred Inflows	(8,456)	(12,237)
Net Cash Used by Operating Activities	\$ (1,031,822)	\$ (979,614)

See accompanying Notes to Financial Statements.

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Colusa County Local Transportation Commission, the regional transportation planning agency for the County of Colusa, was established in 1973 pursuant to the Transportation Development Act of 1971. The Commission is responsible for transportation planning activities as well as administration of the Local Transportation Fund and State Transit Assistance Fund and operation of the Colusa County Transit Agency.

The Commission receives monies and allocates these monies for the planning, management, and operation of public transportation systems within the County of Colusa. The Commission also has the authority to allocate monies for other transportation related activities including street and road projects.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

For financial reporting purposes, the Commission's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the Board of Commissioners. Separate financial statements for the Colusa County Transit Agency are not issued.

Blended Component Units

Colusa County Transit Agency - The Transit Agency, was formed to provide transit services to residents of Colusa County. The Board of Commissioners is the governing body of the Transit Agency and because its financial and operational relationship with the Commission is closely integrated, the Transit Agency is reported in the enterprise fund financial statements.

Discretely Presented Component Units

There are no component units of the Commission which meet the criteria for discrete presentation.

Related Organizations

The County of Colusa performs administrative and accounting functions for the Commission. However, the County is not financially accountable for this organization and therefore the Commission is not a component unit under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Board.

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information on all of the activities of the Commission and its blended component units. These statements include the financial activities of the overall Commission. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental activities and business-type activities of the Commission. Governmental activities, which are normally supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the Commission's business-type activities and for each function of the Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the Commission's funds, including blended component units. Funds are organized into two major categories: governmental and proprietary. The emphasis is placed on major funds within the governmental and proprietary categories; each is displayed in a separate column.

The Commission reports the following major governmental funds:

- The Local Transportation Planning fund is a special revenue fund used to account for monies expended in relation to the overall work program. Funding comes primarily from rural planning assistance and STIP grants.
- The Local Transportation fund is a special revenue fund used to account for local transportation activities. Funding comes primarily from local transportation fund allocations.
- The State Transit Assistance fund is a special revenue fund used to account for the receipt and expenditure of State Transit Assistance funds. Funding comes primarily from state transit assistance fund allocations.

The Commission reports the following major proprietary fund:

- The Colusa County Transit Agency fund is an enterprise fund used to account for activity related to providing transit services to Colusa County residents.

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YEAR ENDED JUNE 30, 2020

C. Basis of Accounting and Measurement Focus

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded 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 sales tax, grants, entitlements, and donations. Under the accrual basis, revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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. Sales taxes, interest, and certain state and federal grants are considered susceptible to accrual and are accrued when their receipt occurs within thirty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Noncurrent Governmental Assets/Liabilities

Noncurrent governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide statement of net position.

E. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the Commission considers all highly liquid investments with a maturity of three months or less when purchased, including amounts held in the Colusa County investment pool, to be cash and cash equivalents.

F. Cash and Investments

The Commission pools all cash and investments with the County of Colusa. The Colusa County Treasury is an external investment pool for the Commission and the Commission is considered an involuntary participant. The Commission's share in this pool is displayed in the accompanying financial statements as cash and investments.

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
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Participant's equity in the investment pool is determined by the dollar amount of participant's deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Interest payments, accrued interest, accreted discounts, amortized premiums and realized capital gains and losses, net of administrative fees, are apportioned to pool participants every quarter. This method differs from the fair value method used to value investments in these financial statements as unrealized gains and losses are not apportioned to pool participants.

G. Receivables

Receivables for governmental activities consist mainly of interest, taxes and intergovernmental revenues. Receivables for business-type activities consist mainly of charges for services, interest and intergovernmental revenues. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

H. Other Assets

Inventory

Governmental fund inventories are recorded as expenditures at the time inventory is purchased rather than when consumed. Proprietary fund inventories are recorded as expenses at the time the inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

Prepaid Items

Payments made for services that will benefit periods beyond June 30, 2020, are recorded as prepaid costs under both the accrual and modified accrual basis of accounting. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Capital Assets

Capital assets are defined by the Commission as all land regardless of cost and assets with a cost of more than \$5,000 for equipment and structures and improvements and a useful life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their acquisition value at the date of donation.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets' estimated useful life in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	3-25 Years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities, or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
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J. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

K. Unearned Revenue

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.

L. Compensated Absences

The Commission has no employees. The Commission has an agreement with the County of Colusa to provide for the management of its operations and management of the Colusa County Transit Agency. Under this agreement, all employees working for the Colusa County Transit Agency are considered to be County employees. The County’s policy regarding vacation is to permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the Commission’s proprietary fund financial statements. The current portion of this debt is estimated based on historical trends. The Commission includes its share of social security and Medicare taxes payable on behalf of the employees in the accrual for compensated absences.

COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
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M. Pensions

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

N. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County of Colusa's Retiree Healthcare Plan (Plan) and additions to/deductions from the Plan's fiduciary net position has been determined on the same basis as they are reported by the Counties contracted actuary. For this purpose, the Commission recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission has two items that qualifies for reporting in this category. The first item relates to the outflows from changes in the net pension liability and is reportable on the statement of net position. The second item relates to the outflows from changes in the OPEB asset and is reportable on the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has three types of items which qualify for reporting in this category. One item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item relates to the inflows from changes in the net pension liability and is reportable on the statement of net position. The third item relates to the inflows from changes in the OPEB asset and is reportable on the statement of net position.

P. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Q. Reclassifications

Certain prior year balances have been reclassified to conform to current year presentation. These reclassifications had no effect no reported net position.

NOTE 2 CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2020, the Commission’s cash and investments are reported in the financial statements as follows:

Governmental Activities	\$	706,526
Business-Type Activities		453,963
Total Cash and Investments		\$ 1,160,489

As of June 30, 2020, the Commission’s cash and investments consisted of the following:

Investments:		
Colusa County Treasurer’s Pool	\$	1,160,489
Total Cash and Investments		\$ 1,160,489

B. Investments

The Commission does not have a formal investment policy. At June 30, 2020, all investments of the Commission were in the County of Colusa investment pool. Under the provisions of the County’s investment policy and the California Government Code, the County may invest or deposit in the following:

- Bonds Issued by a Local Agency
- Treasury Obligations
- State of California Obligations
- Obligations of a California Local Agency
- Obligations Issued by Federal Agencies and U.S. and Government Sponsored Enterprises
- Banker’s Acceptances
- Commercial Paper
- Negotiable Certificates of Deposit
- Repurchase Agreements/Reverse Repurchase Agreements
- Medium Term Notes
- Mutual Funds
- Investments as Permitted by Provision in Agreements of Indebtedness
- Asset Secured Indebtedness
- Collateralized Mortgage Obligations
- Contracted Non-Negotiable Time Deposits
- Local Agency Investment Fund (LAIF)

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the County’s investment policy

COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
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limits investment maturities to a term appropriate to the need for funds so as to permit the County to meet all projected obligations.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's investment policy sets specific parameters by type of investment to be met at the time of purchase. As of June 30, 2020, the Commission's investments were all in with the County Investment Pool which is not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the Commission will not be able to recover its deposits or collateral securities that are in the possession of an outside party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of mutual funds or government investment pools.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the Commission's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law and the investment policy of the County contain limitations on the amount that can be invested in any one issuer. All investments of the Commission were in the County investment pool which contains a diversification of investments.

C. Investments in External Pool

Colusa County Pooled Investment Fund - The Colusa County Pooled Investment Fund is a pooled investment fund program governed by the County which monitors and reviews the management of public funds maintained in the investment pool in accordance with the County investment policy and the California Government Code. The Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the Board of Supervisors every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost and fair value. Investments in the Colusa County Pooled Investment Fund are regarded as highly liquid as deposits and withdrawals can be made at any time without penalty. The Pool does not impose a maximum investment limit. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County of Colusa's financial statements may be obtained by contacting the County of Colusa Auditor-Controller's office at 546 Jay Street, Colusa, California 95932.

The fair value of the Commission's investment in the Colusa County Pooled Investment Fund is determined on an amortized cost basis which approximates fair value.

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 3 CAPITAL ASSETS

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

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in progress	\$ 234,340	\$ 282,634	\$ (516,974)	\$ -
Total Capital Assets, Not Being Depreciated	234,340	282,634	(516,974)	-
Capital Assets, Being Depreciated:				
Structures and improvements	599,552	516,974	-	1,116,526
Equipment	828,062	-	-	828,062
Total Capital Assets, Being Depreciated	1,427,614	516,974	-	1,944,588
Less Accumulated Depreciation for:				
Structures and Improvements	(449,337)	(37,217)	-	(486,554)
Equipment	(612,669)	(43,871)	-	(656,540)
Total Accumulated Depreciation	(1,062,006)	(81,088)	-	(1,143,094)
Total Capital Assets, Being Depreciated, Net	365,608	435,886	-	801,494
Total Capital Assets, Net	<u>\$ 599,948</u>	<u>\$ 718,520</u>	<u>\$ (516,974)</u>	<u>\$ 801,494</u>

Depreciation

Depreciation expense was charged to business-type functions as follows:

Transit Agency	<u>\$ 81,088</u>
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NOTE 4 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2020:

Type of Indebtedness	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020	Amounts Due Within One Year
Business-Type Activities:					
Compensated Absences	\$ 50,756	\$ 58,973	\$ (63,040)	\$ 46,689	\$ 18,648
Total Long-Term Liabilities	<u>\$ 50,756</u>	<u>\$ 58,973</u>	<u>\$ (63,040)</u>	<u>\$ 46,689</u>	<u>\$ 18,648</u>

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 5 NET POSITION

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects, debt service requirements and other special revenue fund purposes.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

NOTE 6 FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the Commission is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2020, fund balance for governmental funds is made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
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- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the Commission’s highest level of decision-making authority. The Board of Commissioners is the highest level of decision making authority for the Commission that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the Commission’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The fund balances for all governmental funds as of June 30, 2020, were distributed as follows:

	Local Transportation Planning	Local Transportation	State Transit Assistance	Total
Restricted for:				
Transportation	\$ 19,813	\$ 761,779	\$ 14	\$ 781,606
Total Restricted	\$ 19,813	\$ 761,779	\$ 14	\$ 781,606

Fund Balance Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policy

The Board of Commissioners adopted the policy of the County of Colusa for fund balance reporting. The policy establishes procedures for reporting fund balance classifications and establishes a hierarchy of fund balance expenditures.

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2020**

NOTE 7 PENSION PLAN

A. General Information About the Pension Plan

Plan Description

The Commission has no employees. All employees working for the Colusa County Transit Agency are considered to be County of Colusa employees and are eligible to participate in the County’s Miscellaneous agent multiple-employer defined benefit pension plan, Employee Pension Plan, administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for participating member employers. Benefit provisions under the Plan are established by State statute and County resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

A portion of the County’s pension liability and related deferred inflows and outflows have been allocated to the Commission.

Additional disclosure information regarding the Plan can be found in the County’s audited financial statements, which can be found online at www.countyofcolusa.org.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees’ Retirement Law.

Each Rate Tier’s specific provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Benefit Formula	Retirement Age	Monthly Benefits as a % of Eligible Compensation
Miscellaneous	3.0% @ 60	50-60	2.0% to 3.0%
Miscellaneous PEPRA	2.0% @ 62	52-67	1.0% to 2.5%

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
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Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The Commission recognized contributions of \$164,056 as part of pension expense for the Plan during the year ended June 30, 2020.

	Employer Contribution Rates	Employee Contribution Rates	Employer Paid Member Contribution Rates
	<u> </u>	<u> </u>	<u> </u>
Miscellaneous	34.58%	8.00%	0.00%
Miscellaneous PEPRA	34.58%	7.00%	0.00%

B. Changes in the Net Pension Liability

The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures.

As of June 30, 2020, the Commission reported net pension liabilities for its proportionate share of the net pension liability as follows:

	Proportion of Net Pension Liability	Proportionate Share of Net Pension Liability
	<u> </u>	<u> </u>
Colusa County Transit Agency	2.15%	\$ 1,398,903

The Commission's proportion of the net pension liability was based on the Commission's share of contributions to the pension plan.

C. Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Commission's proportionate share of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.15%) or 1 percentage point higher (8.15%) than the current rate:

	Discount Rate		
	1% Decrease <u>6.15%</u>	Current Rate <u>7.15%</u>	1% Increase <u>8.15%</u>
Net Pension Liability	\$ 2,172,621	\$ 1,398,903	\$ 990,741

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the Commission recognized pension expense of \$242,050. At June 30, 2020, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to the Measurement Date	\$ 164,056	\$ -
Changes of Assumptions	-	7,855
Differences Between Expected and Actual Experience	49,171	-
Net Differences Between Projected and Actual Earnings on Plan Investments	-	15,296
Total	\$ 213,227	\$ 23,151

\$164,056 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30	Amount
2021	\$ 29,584
2022	(3,261)
2023	(2,257)
2024	1,954

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The Commission has no employees. All employees working for the Colusa County Transit Agency are considered to be County of Colusa employees and are covered under the postemployment benefit plan of the County of Colusa.

The County contributes to the County of Colusa Retiree Healthcare Plan, a single-employer defined benefit postemployment healthcare plan administered by the County. An employee is eligible for lifetime medical benefits under the Plan, along with his/her spouse at the time of retirement, if he or she retires from the County under CalPERS.

Additional disclosure information regarding OPEB can be found in the County's audited financial statements.

A portion of the County's postemployment benefit liabilities and related deferred inflows and outflows have been allocated to the Commission.

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

B. OPEB Asset

The Commission's net OPEB asset is measured as the proportionate share of the total net OPEB asset as reported by the Plan. The net OPEB asset is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019. The Commission's proportion of the net OPEB asset was based on the contributions of all participants in the plan. As of June 30, 2020, the Commission's proportional share of the net OPEB asset was 2.52%, for a total of \$6,044.

C. Discount Rate and Trend Sensitivity

The following presents the net OPEB asset of the Commission, as well as what the Commission's net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Discount Rate		
	1% Decrease	Current Rate	1% Increase
	4.00%	5.00%	6.00%
Net OPEB Liability (Asset)	\$ 42,703	\$ (6,044)	\$ (46,962)

The following presents the net OPEB asset of the Commission, as well as what the Commission's net OPEB asset would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare Trend Rate		
	1% Decrease	Current Rate	1% Increase
Net OPEB Liability (Asset)	\$ (15,263)	\$ (6,044)	\$ 4,389

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2020, the Commission recognized OPEB income of \$14,743. As of fiscal year ended June 30, 2020, the Commission reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ -	\$ -
Change in Assumptions	2,017	34,941
Differences Between Expected and Actual Experience	282	7,616
Net Difference Between Projected and Actual Earnings on Plan Investments	-	7,818
Total	\$ 2,299	\$ 50,375

Deferred outflows and deferred inflows of resources related to OPEB expense will be recognized as follows:

Year Ending June 30,	Amount
2021	\$ (17,100)
2022	(17,100)
2023	(11,017)
2024	(2,289)
2025	(570)

NOTE 9 RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission is covered under the County of Colusa's risk management programs.

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 10 RELATED PARTY TRANSACTIONS

Management and Administration

The Commission has an agreement with the County of Colusa to provide for the management of its operations and management of the Colusa County Transit Agency. Under this agreement, all employees working for the Colusa County Transit Agency are considered to be County employees and receive the same benefits offered to County employees. Total administrative and personnel costs provided by the County to the Commission for the year ended June 30, 2020 were as follows:

Local Transportation:	
Administrative Overhead Charges	\$ 16,718
Total Charges Local Transportation	<u>16,718</u>
Colusa County Transit Agency:	
Personnel and Benefits	933,400
Administrative Overhead Charges	<u>107,583</u>
Total Charges Colusa County Transit Agency	<u>1,040,983</u>
Total Charges	<u><u>\$ 1,057,701</u></u>

NOTE 11 OTHER INFORMATION

A. Fare Revenue Ratio

The Colusa County Transit Agency is required by the Transportation Development Act (TDA) to maintain a fare revenue ratio to operating expenses of 10%. During the year ended June 30, 2020, the fare ratio was 10.28%. The calculation of the fare revenue ratio for fiscal year ending June 30, 2020, is as follows:

Passenger Fares	\$ 36,932
Contract Revenue	18,357
Advertising	13,363
Donations	60
LCTOP Funds	41,819
Other Revenue	9,770
Total Fare Revenue	<u><u>\$ 120,301</u></u>
Total Operating Expenses	\$ 1,285,813
Allowable TDA Adjustments:	
Depreciation	(81,088)
Reimbursed Projects	(28,231)
Projects funded by TSSSDRA	(6,421)
Net Operating Expenses	<u><u>\$ 1,170,073</u></u>
Fare Revenue Ratio	<u><u>10.28%</u></u>

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

B. PTMISEA

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006. Of the \$19.925 billion of state general obligation bonds authorized, \$4 billion was set aside by the State as instructed by statute as the Public Transportation Modernization Improvement and Services Enhancement Account (PTMISEA). These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation or replacement. Qualifying expenditures must be encumbered within three years from the date of the allocation and expended within three years from the date of the encumbrance.

During the year ended June 30, 2020, the Commission had a carryover balance of \$509,125 and interest earnings of \$11,160 for a total amount available of \$520,285. For the year ended June 30, 2020, qualifying expenditures of \$225,608 were incurred and the remaining carryover balance was \$294,677.

NOTE 12 DEFICIT FUND BALANCE/NET POSITION

The following major enterprise fund had a deficit net position. This deficit is expected to be eliminated through increased revenues.

Transit Agency	\$	25,795
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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
COMMISSION PENSION PLAN
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF CONTRIBUTIONS
YEAR ENDED JUNE 30, 2020
LAST 10 YEARS***

Proportionate share of Net Pension Liability

Last 10 Fiscal Years*	Reporting Fiscal Year (Measurement Date)					
	June 30, 2015 <i>June 30, 2014</i>	June 30, 2016 <i>June 30, 2015</i>	June 30, 2017 <i>June 30, 2016</i>	June 30, 2018 <i>June 30, 2017</i>	June 30, 2019 <i>June 30, 2018</i>	June 30, 2020 <i>June 30, 2019</i>
Proportionate share of the net pension liability	3.22%	2.71%	2.54%	2.08%	2.10%	2.15%
Proportion of the net pension liability	\$ 1,185,664	\$ 1,367,349	\$ 1,552,129	\$ 1,229,348	\$ 1,287,018	\$ 1,398,903
Covered payroll	\$ 408,291	\$ 441,557	\$ 419,777	\$ 465,339	\$ 479,846	\$ 489,499
Proportionate share of the net pension liability as a percentage of covered payroll	290.40%	309.67%	369.75%	264.18%	268.21%	285.78%
Plan's fiduciary net position as a percentage of total pension liability	70.00%	66.26%	62.34%	61.28%	61.87%	61.51%

* Fiscal year 2015 was the first year of implementation. Additional years will be presented as they become available.

Schedule of Contributions

Last 10 Fiscal Years*	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Actuarially determined contribution	\$ 92,801	\$ 92,416	\$ 101,476	\$ 122,281	\$ 139,396	\$ 164,056
Contributions related to the actuarially determined contribution	(92,801)	(92,416)	(101,476)	(122,281)	(139,396)	(164,056)
Contribution deficiency (excess)	<u>\$ -</u>					
Covered payroll	\$ 441,557	\$ 419,777	\$ 465,339	\$ 479,846	\$ 489,499	\$ 550,498
Contribution as a percentage of covered payroll	21.02%	22.02%	21.81%	25.48%	28.48%	29.80%

* Fiscal year 2015 was the first year of implementation. Additional years will be presented as they become available.

Changes of Benefit Terms

None.

Changes of Assumptions

None.

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
 REQUIRED SUPPLEMENTARY INFORMATION
 COMMISSION OPEB PLAN
 SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB ASSET
 YEAR ENDED JUNE 30, 2020**

Proportionate Share of Net OPEB Asset

Last 10 Fiscal Years*	June 30, 2019	June 30, 2020
Proportionate share of the net OPEB liability	2.78%	2.52%
Proportion of the net OPEB liability (asset)	\$ 84,138	\$ (6,044)
Covered employee payroll	\$ 489,499	\$ 550,498
Proportionate share of the net OPEB liability (asset) as a percentage of covered employee payroll	17.19%	-1.10%
Plan's fiduciary net position as a percentage of the total OPEB liability	81.30%	101.52%

* Fiscal year 2018 was the first year of implementation. Additional years will be presented as they become available.

Changes of Benefit Terms

None.

Changes of Assumptions

None.

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
LOCAL TRANSPORTATION PLANNING – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Federal Aid	\$ 37,036	\$ 37,036	\$ -	\$ (37,036)
Aid from Other Government Agencies:				
Rural Planning Assistance	158,000	158,000	73,106	(84,894)
Active Transportation Program				
STIP PPM	28,000	28,000	-	(28,000)
SAFETEA-LU	-	157,679	305,108	147,429
RPSTPLE-5915(064)	-	-	-	-
Use of Money	2,140	2,140	3,875	1,735
Total Revenues	<u>225,176</u>	<u>382,855</u>	<u>382,089</u>	<u>(766)</u>
EXPENDITURES				
Overall Work Program	227,176	227,139	129,527	97,612
STIP PPM Expenses	-	28,000	-	28,000
SAFETEA-LU Expenses	-	305,108	305,108	-
Total Expenditures	<u>227,176</u>	<u>560,247</u>	<u>434,635</u>	<u>125,612</u>
NET CHANGE IN FUND BALANCES	(2,000)	(177,392)	(52,546)	124,846
Fund Balances - Beginning of Year	<u>72,359</u>	<u>72,359</u>	<u>72,359</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 70,359</u></u>	<u><u>\$ (105,033)</u></u>	<u><u>\$ 19,813</u></u>	<u><u>\$ 124,846</u></u>

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
LOCAL TRANSPORTATION- MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	\$ 950,000	\$ 950,000	\$ 1,241,871	\$ 291,871
Use of Money	10,000	10,000	18,393	8,393
Total Revenues	<u>960,000</u>	<u>960,000</u>	<u>1,260,264</u>	<u>300,264</u>
EXPENDITURES				
Allocations:				
Road Maintenance	-	472,683	472,683	-
Regional Transit	940,352	945,212	680,463	264,749
Planning and Administration	19,648	14,788	15,245	(457)
Total Expenditures	<u>960,000</u>	<u>1,432,683</u>	<u>1,168,391</u>	<u>264,292</u>
NET CHANGE IN FUND BALANCES	-	(472,683)	91,873	564,556
Fund Balances - Beginning of Year	<u>669,906</u>	<u>669,906</u>	<u>669,906</u>	-
FUND BALANCES - END OF YEAR	<u><u>\$ 669,906</u></u>	<u><u>\$ 197,223</u></u>	<u><u>\$ 761,779</u></u>	<u><u>\$ 564,556</u></u>

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
STATE TRANSIT ASSISTANCE – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	\$ -	\$ 224,104	\$ 194,724	\$ (29,380)
Use of Money	-	94	117	23
Total Revenues	<u>-</u>	<u>224,198</u>	<u>194,841</u>	<u>(29,357)</u>
EXPENDITURES				
Allocations:				
Planning and Administration	94	74	73	
Regional Transit	224,104	224,124	194,754	29,370
Total Expenditures	<u>224,198</u>	<u>224,198</u>	<u>194,827</u>	<u>29,370</u>
NET CHANGE IN FUND BALANCES	(224,198)	-	14	14
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ (224,198)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14</u></u>	<u><u>\$ 14</u></u>

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO BUDGETARY COMPARISON SCHEDULES
YEAR ENDED JUNE 30, 2020**

NOTE 1 BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year. The Commission presents a comparison of annual budgets to actual results for all governmental funds. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (U.S. GAAP).

The following procedures are performed by the Commission in establishing the budgetary data reflected in the financial statements:

- (1) The Director of Public Works submits to the Board of Commissioners a recommended budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.
- (2) The Board of Commissioners review the recommended budget at regularly scheduled meetings, which are open to the public.
- (3) Prior to July 1, the budget is adopted through Board order.
- (4) The Board of Commissioners may amend the budget by motion during the fiscal year.

The Commission does not use encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

SUPPLEMENTARY INFORMATION

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
LOCAL TRANSPORTATION FUND
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
YEAR ENDED JUNE 30, 2020**

	Allocations Outstanding July 01, 2019	Allocated	Expended	Adjustment	Allocations Outstanding June 30, 2020
Colusa County Transit Agency					
99260 (a)	\$ -	\$ 680,463	\$ 680,463	\$ -	\$ -
Colusa County Local Transportation Commission					
99233.1	-	15,245	15,245	-	-
County of Colusa					
99234	222,161	287,426	222,161	-	287,426
City of Colusa					
99233.9	132,351	171,233	132,351	-	171,233
City of Williams					
99233.9	118,171	152,886	118,171	-	152,886
Contingency	150,000	-	-	-	150,000
Totals	\$ 622,683	\$ 1,307,253	\$ 1,168,391	\$ -	\$ 761,545

**COLUSA COUNTY LOCAL TRANSPORTATION COMMISSION
 SUPPLEMENTARY INFORMATION
 STATE TRANSIT ASSISTANCE FUND
 SCHEDULE OF ALLOCATIONS AND EXPENDITURES
 YEAR ENDED JUNE 30, 2020**

	Allocations Outstanding July 01, 2019	Allocated	Expended	Rescinded	Allocations Outstanding June 30, 2020
Colusa County Transit Agency 6731 (b)	\$ -	\$ 194,754	\$ 194,754	\$ -	\$ -
Totals	<u>\$ -</u>	<u>\$ 194,754</u>	<u>\$ 194,754</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER REPORTS



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

Board of Commissioners
Colusa County Local Transportation Commission
Colusa, 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 Colusa County Local Transportation Commission, (Commission), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated February 24, 2021.

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) as a basis for designing 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial 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 or other matters that are required to be reported under *Government Auditing Standards*.

Additionally, we performed tests to determine that allocations made and expenditures paid by the Commission were made in accordance with the allocation instructions and resolutions of the Commission and in conformance with the California Transportation Development Act. Specifically, we performed each of the specific tasks identified in the California Code of Regulations Title 21, Section 6666 and 6667 that are applicable to the Commission. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Also as part of our audit, we performed tests of compliance to determine whether certain state bond funds were received and expended in accordance with the applicable bond act and state accounting requirements. As of June 30, 2020, PTMISEA funds received and expended were verified in the course of our audit as disclosed in Note 11B. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Purpose of this Report

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



CliftonLarsonAllen LLP

Roseville, California
February 24, 2021