

LASSEN COUNTY TRANSPORTATION COMMISSION
REGIONAL TRANSPORTATION PLANNING AGENCY



John L. Clerici, Executive Secretary

Office:
555 Capitol Mall, Suite 600
Sacramento, CA 95814

P.O. Box 1028
Susanville, CA 96130

Date Posted: MAY 9, 2024

To: THE LASSEN COUNTY TRANSPORTATION COMMISSION:

Russ Brown, (City Council)
Mendy Schuster (City Council)
Dawn Miller (City Council)

Tom Neely, (Co. Supervisor)
Chris Gallagher, (Co. Supervisor)
Aaron Albaugh, Chair (Co. Supervisor)

Subject: **REGULAR MEETING**

of the

LASSEN COUNTY TRANSPORTATION COMMISSION

A meeting of the Lassen County Transportation Commission has been scheduled for **Monday, May 13, 2024, at 1:30 p.m.**

The meeting will be held at the City Council Chambers, 66 North Lassen Street, Susanville, CA.

The meeting will use zoom for remote viewers.

Join Zoom Meeting

<https://us06web.zoom.us/j/89645280886>

Meeting ID: 896 4528 0886

Passcode: 569562

One tap mobile

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The Agenda is as follows:

(1) CONVENE

1.1 Pledge of Allegiance

1.2 Adoption of the Agenda: **Motion Required**

The Commission may make any necessary additions, deletions or corrections to the agenda including moving items to or from the agenda.

1.3 Approval of the Minutes for March 11, 2024, Regular Meeting: **Motion Required**

1.4 Approval of the Consent Calendar: **Motion Required**

NOTE: All matters listed under the Consent Calendar are considered routine and will be enacted by one motion by roll call vote unless any member of the Commission wishes to remove an item for discussion. The reading of the full text of all Resolutions will be waived unless a commissioner requests otherwise.

1.41 Payment of Clerici Consulting for Executive Secretary and LCTC staffing fees and costs in the amount of \$26,879.07. *

REQUESTED ACTION: Approve payment of Clerici Consulting fees and costs in the amount of \$26,879.07 as shown in Invoice #009-47 for April 2024.

1.42 Professional Services Agreement – Triennial Performance Audits.

REQUESTED ACTION: Authorize the Executive Secretary to execute a contract for professional services to prepare the Triennial Performance Audits for the Lassen County Transportation Commission (LCTC) and the public transit operator, Lassen Transit Service Agency (LTSA) with Moore and Associates.

(2) CORRESPONDENCE/PUBLIC COMMENT

(3) REPORTS

3.1 Reports from Caltrans, CHP, City of Susanville, County of Lassen, and LCTC Staff

- Caltrans Report
- California Highway Patrol (CHP) Report
- City of Susanville Report
- County of Lassen Report
- Susanville Indian Rancheria Report

(4) NEW BUSINESS

4.01 ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

- There are no closed session items.

4.02 ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

4.10 ACTION/DISCUSSION ITEMS

4.11 Fiscal Year 2022/2023 Audit Reports*

REQUESTED ACTION: Receive and file the Fiscal Year 2022/2023 Audit Reports and direct staff to forward Audits to Caltrans.

4.12 Fiscal Year 2024/25 Overall Work Program and Budget *

REQUESTED ACTION: BY MOTION, adopt Resolution 24-02 approving the FY 2024/25 Overall Work Program and Budget.

4.13 Date change for June 17, 2024 Regular Meeting.

REQUESTED ACTION: By Motion, direct staff to change the date of the of the LCTC's June 17, 2024, Regular Meeting to June 10, 2024.

4.14 Fiscal Year 2024/25 Transportation Development Act Apportionment and Allocation for Local Transportation Fund (LTF) and State Transit Assistance (STA).

REQUESTED ACTION: By Motion, adopt Resolution 24-03 approving the Final Fiscal Year 2024/25 Transportation Development Act Allocations for the estimates of Local Transportation Fund (LTF) and State Transit Assistance (STA) funds, and authorizing staff to approve claims consistent with the allocations.

(5) INFORMATION ITEMS

5.01 Executive Secretary Report

Updates:

- US 395 Coalition – Corridor projects
- Wildlife Crossing
- Legislation

(6) CORRESPONDENCE

6.01 None

(7) OTHER BUSINESS

7.1 Matters brought forth by the Commission

7.2 Next Commission Meeting – **Monday, June 10, 2024, at 1:30 p.m.**

7.3 Adjourn

* Attachment

Enclosure

^ Handout

ITEMS TENTATIVELY SCHEDULED FOR FUTURE MEETINGS: Report on City/County/SIR road and transportation workshop, Update on US 395 projects, Commission schedule for FY 24/25, EV Charging Station (LMUD initiative), request for transit funding, end of FY wrap-up

LASSEN COUNTY TRANSPORTATION COMMISSION

MINUTES

Regular Commission Meeting

March 11, 2024

City of Susanville Council Chambers
66 North Lassen Street
Susanville, CA

1:30 P.M. Open Session

1:30 P.M. OPEN SESSION

1. Convene

The Chair called the meeting to order at 1:33 P.M.

Roll Call: Present: Albaugh, Brown, Ingram, McCourt, Neely, Stafford
Absent: Gallagher

1.1 Pledge of Allegiance

The Pledge of Allegiance to the Flag was waived.

1.2 Adoption of Agenda:

It was moved by Commissioner Brown and seconded by Commissioner Safford that the Commission adopt the agenda with the suggested change as presented by Commissioner Albaugh. The revised agenda was adopted by the following vote:

AYES: Albaugh, Brown, Ingram, McCourt, Neely, Stafford
NOES: None
ABSENT: Gallagher
ABSTAIN: None

1.3 Approval of the January 8, 2024 Regular Meeting Minutes

The Commission was asked to adopt the Minutes of their January 8, 2024, Regular Meeting, as presented by staff.

It was moved by Commissioner Stafford and seconded by Commissioner Brown to approve the minutes as presented by staff. The motion was passed by the following vote:

AYES: Albaugh, Brown, Ingram, McCourt, Neely, Stafford
NOES: None
ABSENT: Gallagher
ABSTAIN: None

1.4 Approval of Consent Calendar

It was moved by Commissioner Ingram and seconded by Commissioner Stafford that the Commission approve the Consent Calendar as presented by staff. The motion was passed by the following vote:

AYES: Albaugh, Brown, Ingram, McCourt, Neely, Stafford
NOES: None
ABSENT: Gallagher
ABSTAIN: None

2. CORRESPONDENCE/PUBLIC COMMENT

No written communications were received.

Verbal communications:

No verbal comments were received.

3. REPORTS

3.1 Caltrans

Mike Oguro provided an update on work anticipated for SR 139, including a public meeting that was held in Susanville to engage the public about the project and its potential impacts.

3.2 CHP

No report was provided by CHP.

3.3 City of Susanville

No Report was provided for the City of Susanville.

3.4 Lassen County

Pete Heimbigner reported work on A1 (Eagle Lake Road) will be performed this summer.

3.5 Susanville Indian Rancheria

No Report was provided by the Susanville Indian Rancheria.

4 NEW BUSINESS

4.01 Announcement of Items to be Discussed in Closed Session

There was no closed session.

4.02 Announcement of Action Taken in Closed Session

There was no closed session.

4.10 Action/Discussion Items

4.11 Fiscal Year 2024/25 Draft Overall Work Program and Budget

The Commission was asked to Authorize staff to release the Draft Overall Work Program and Budget (OWP) for FY 2024/25 to the public for circulation, review, and comment.

John Clerici reminded the Commission that the OWP is the primary management tool for the Commission and its staff. The OWP contains a description of the activities to be undertaken by the Commission in the coming fiscal year along with detailed budget information, tasks and deliverables.

John provided an update of the major differences from the current OWP and the Draft OWP for fiscal year 23/24. He noted that the ZEV Infrastructure Grant Work (WE 705) would be completed, but that a new grant funding an update of the Lassen County GIs would take its place (WE 706). He also pointed out that a separate work element for the US 395 Wildlife Crossing Evaluation was not included in the OWP since it was funded through a separate (non-Caltrans) source.

Chair Albaugh asked if the wildlife crossing could be mentioned in the OWP for information purposes. Staff said they would discuss it with Caltrans.

It was moved by Commissioner Brown and seconded by Commissioner McCourt to adopt the staff recommendations to circulate the Draft FY 24/25 OWP and Budget for public review and comment. The motion was passed with the following vote:

AYES: Albaugh, Brown, Ingram, McCourt, Neely, Stafford
NOES: None
ABSENT: Gallagher
ABSTAIN: None

4.12 Transportation Development Act Citizens Participation Process for Public Transportation

The Commission was asked to Receive comment from the public regarding public transportation, and refer any comments received to staff and the Social Services Transportation Advisory Council for review.

John Clerici explained that the Transportation Development Act (TDA) requires the Lassen County Transportation Commission (LCTC), as the Regional Transportation Planning Agency for Lassen County, to ensure the establishment and implementation of a citizen participation process which shall include provisions for at least one public hearing/meeting in the jurisdiction represented by the Social Services Transportation Advisory Council (SSTAC).

The Lassen Transit Services Agency (LTSA) currently claims all TDA funds for transit purposes; therefore, the formal unmet needs process and analysis referenced in the TDA Statutes and California Code of Regulations no longer applies. This fact, though, does not preclude the need to identify potential transit needs and/or ways to improve the efficiency and effectiveness of existing transit services.

John added that the opportunity to provide comment on public transportation was noticed to the SSTAC, and fliers were made available online and posted to the LCTC website and to local social media sites, local news sites, and fliers were sent to Lassen Rural Bus to be placed on buses soliciting both verbal and written comments. Comments received during the 30-day comment period will be forwarded to the SSTAC for review and consideration, and, as appropriate, to the LTSA.

The Chair opened the item to public comment. None was received.

5. INFORMATION ITEMS

The following is an overview of some of the issues, projects, and coordination currently being advanced by LCTC.

5.01 Executive Summary Report

The Executive Secretary reported the following:

- **US 395 Update** – *Staff continues to work on preparing two very important presentations prepared for the Coalition. One will be a more detailed look at the safety project Caltrans D2 has developed for the area north of Hallelujah Junction to about Honey Lake. The second will be an introductory presentation on the Wildlife Crossing grant recently awarded the LCTC by the Wildlife Conservation Board. Staff anticipates that a meeting for the Coalitions will happen in April.*
- *Staff has contacted the Lassen County Board of Supervisor to provide an update on all activities on US 395 related to all efforts associated with the Coalition. That meeting is scheduled for mid-May.*
- **Legislation** – *There were no updates on current state legislation.*
- **Road/Mobility Workshop** – *On January 18th a meeting which included staff from Caltrans, Lassen County, the City of Susanville, the Susanville Indian Rancheria and Lassen Rural Bus was held to discuss countywide road/mobility needs and prioritizing those needs. This process was an extension of the update to the Regional Transportation Plan (2023) with the aim to take selected projects from the RTP and determine what funding and planning was required for implementation. A number of projects were identified in each jurisdiction, including transit*

capital needs, and staff is currently working to develop an action plan for each. A detailed presentation will be made to the Commission at your May meeting.

Commissioner Neely asked if culverts had been discussed since they were mentioned for possible funding in the 2023 RTP. Staff responded that specific were not discussed, and many of the funding sources do not account for what would be considered maintenance. Staff will work with the County Public Works to see what can be done about culverts that do not meet the funding categories described in planning documents.

6. CORRESPONDENCE

None.

7. OTHER BUSINESS

7.1 Matter brought forth by the Commissioners

No items were brought forth by Commissioners.

7.2 Next Commission Meeting

Next meeting of the LCTC will be on Monday, May 13, 2024, at 1:30 PM, at the City of Susanville, City Council Chambers, 66 North Lassen Street, Susanville, CA.

7.3 Adjourn

The meeting was adjourned at 2:32 p.m.

Submitted for approval by:



John Clerici
Executive Secretary

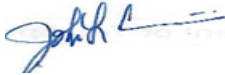


John L. Clerici, Executive Secretary

Staff Report

Date: May 8, 2024 **AGENDA ITEM 1.41**

To: Lassen County Transportation Commission

From: John L Clerici, Executive Secretary 

Subject: Payment of Clerici Consulting for Executive Secretary and LCTC staffing fees and costs in the amount of \$26,879.07

REQUESTED ACTION

Approve payment of Clerici Consulting fees and costs in the amount of \$26,879.07 as shown in Invoice #009-47 for April 2024.

PAST ACTION

This is the Forty-seventh invoice under the contract with Clerici Consulting for Executive Secretary and staff services. This invoice includes a detailed invoice for charges for sub-consultant Borroum Engineering in the amount of \$11,422.64.

DISCUSSION

Attached is Invoices #009-47, with supporting documentation, and a detailed Progress Report for the period beginning April 1, 2024, and ending April 30, 2024.

Note: This is the fifth invoice to include separate billing for the US 395 Wildlife Crossing grant effort. This grant is separate from our traditional Overall Work Program duties and will be addressed as a stand-alone item in LCTC staffing invoices.

Key items of work completed in the last month in support of the OWP included the following:

- Follow up to LCTC March 2024 Commission and TAC meetings
- Prepared revised FY 2024/25 OWP and Budget based on input from Caltrans and regional stakeholders
- Provided administrative support to the ZEV Infrastructure Feasibility study and document review and feed back.
- Provided follow-up to January Road/Mobility workshop held January 18, 2024
- Met with Congressman LaMalfa to discuss issues vital to the transportation needs of Lassen County

Key items of work completed in the last month in support of the WCB Wildlife Crossing grant included the following:

- Provided administrative support to the US 395 Wildlife Crossing Study effort
- Provided outreach to the US 395 region on the wildlife crossing effort as needed

These charges are consistent with the billing trends for the FY 2023/24 OWP budget and the WCB Wildlife Crossing budget to date.

Attachments (1)

INVOICE

Project Title:

**Lassen County Transportation Commission
Executive Secretary and Staffing Services**

Date: May 1, 2024
Invoice # 009-047
Billing Cycle Ended: 4/30/2024 (April 1, 2024 - April 30, 2024)

Clerici Consulting
1555 Sean Drive
Placerville, CA 95667
530-919-9739
jlfclerici@gmail.com

To: **Mr. Aaron Albaugh, Chairman**
Lassen County Transportation Commission
PO Box 1028
Susanville, CA 96130

Staff Member	Hours OWP	Hours WCB	Total Hours	Total Cost
John Clerici	71.00	33.00	104.00	\$ 15,456.43
Borroum Engineering April				\$ 11,422.64
LSC Transportation Consultants April				
2023 RTP Environmental Doc Filing Fee				No Charge
Travel (Lodging, meals)				No Charge
			TOTAL	\$ 26,879.07
			Prior Balance	\$ 32,073.82
			Payment	\$ 32,073.82
			Total Due	\$ 26,879.07

Thank you for your history of prompt payment! As a small business, we greatly appreciate it!

5/1/2024

Billing Detail for Clerici Consulting --

Date	Hours										Labor Sub-Total OWP hours only
	WE 100 - OWP Administration	WE 601A - General/General Transportation Planning	WE 601B - Active Transportation Planning	WE 601C - Transit Planning	WE 602 - Programming	WE 603 - Outreach	WE 604 - TDA	WE 705 - ZEV	WE 706 - GIS	Wildlife Crossing	
April											
1	1	1			1			1	2	2	6
2							1		3		4
3									1		1
4	1	1			1	1				2	4
5		2			1		1	2		2	6
											0
											0
8		1							2		3
9		1							2		3
10		1								1	1
11	3	1			4					2	8
12	1	2								2	3
											0
											0
15	1	1			1	1	1	2		2	7
16					1	1	1			5	3
17										1	0
18		1			2					1	3
19		2								2	2
											0
											0
22	1	2			1		1			2	5
23		1			1					1	2
24		1								2	1
25	1									1	1
26		3								2	3
											0
											0
29		1			1		1			3	3
30		1			1						2
											0
Total OWP	9	23	0	0	15	3	6	5	10		71
Billing Rate: \$143.33											
	\$ 1,289.97	\$ 3,296.59	\$ -	\$ -	\$ 2,149.95	\$ 429.99	\$ 859.98	\$ 716.65	\$ 1,433.30		\$ 10,176.43

WCB Hours		33
Total WCB	WCB Billing Rate: \$160.00	\$ 5,280.00

Total Labor \$ 15,456.43

PROGRESS REPORT
CLERICI CONSULTING ACTIVITIES

Project: Lassen County Transportation Commission
Clerici Consulting Project 009-047
Period: April 1, 2024 – April 30, 2024

WORK COMPLETED (through April 30, 2024)

SPECIFIC WORK ELEMENT RELATED ACTIVITIES

- **Work Element 100 – Administration**
 - Provided follow-up for the March 2024 Regular Commission meeting
 - Prepared agenda and handouts for May Regular Commission meeting

- **Work Element 601A – General/General Transportation Planning**
 - Supported countywide GIS effort
 - Provided follow up to regional Roads Workshop with City, County and SIR staff, and identified candidate projects, funding sources and planning needs for further development.
 - Prepared information items and logistics for Congressman LaMalfa workshop with NSSR (4/10, 4/16, 4/23)
 - Attended NSSR Workshop with Congressman LaMalfa (4-26)
 - Presented US 395 project update to US 395 Coalition for review and comment & attended meeting (4/25)

- **Work Element 601B – Active Transportation Programming**
 - No work was done in this work element.

- **Work Element 601C – Transit Planning**
 - No work was done in this work element.

- **Work Element 602 – Programming**
 - Participated in D2 semi-annual check in with RTPA's (4/11)
 - Participated in Caltrans Obligation Plan Workshop (4/18)

- **Work Element 603 – Outreach**
 - Provided interagency outreach through the LCTC Technical Advisory Committee
 - Followed up with TAC as needed to get input regional planning priorities

- Provided follow-up to Marech TAC meeting
 - Prepared and distributed Agenda for May 4, TAC meeting
 - Reviewed and provided comment on revised LCTC website
 - Updated information on LCTC website as needed
- **Work Element 604 – TDA**
 - Processed other TDA related claims and transfers as needed
 - Selected consultant to provide services for Triennial Performance Audits as required in the FY 24/25 OWP (4/19)
- **Work Element 705 – Zero Emission Infrastructure**
 - Participated in ZEV study meetings and final project documents
- **WCB - Wildlife Crossing**
 - Participated in project development meetings (4/19)
 - Provided outreach on project objectives and progress to date:
 - KOLO (Reno news) Interview on site 4/16)
 - US 395 Coalition (4/24)
 - NSSR (4/26)
 - Reviewed and edited draft informational materials for public meetings
 - Performed administrative duties as required to implement grant

5/3/2024

INVOICE TO CLERIC CONSULTING (re: Lassen County Transportation Commission)

Borroum Engineering
 633 Tamarindo Way
 Roseville, CA 95678

Invoice #42: April 1, 2024 to May 1, 2024

HOURS										
DATE	OWP Task 100- Administration	OWP Task 601A - Transportation Planning - General	OWP Task 601B - Active Transportation Planning	OWP Task 601C - Transit Planning	OWP Task 602 - Programming	OWP Task 603 - Outreach	OWP Task 604 - TDA	OWP Task 705-EV Feasibility Study	OWP Task 706-GIS	Labor Sub-Total
April										
1							3			3
2					2		1			3
3		3			1					4
4		4			1		3			5
5					1					4
6w										0
7w										0
8							3			3
9		3								3
10		2					2			3
11		3			1					5
12		3			1				2	6
13w										0
14w										0
15		4								4
16		5					4			5
17					1					5
18		4			1					5
19		3						1		4
20w										0
21w										0
22							2	4		4
23								2		4
24		4								4
25		2						2		5
26		3			1					3
27w										0
28w										0
29		3								3
30		3								3
TOTAL	0	49	0	0	10	0	18	9	2	88
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	-	5,942,772	-	-	1,212,800	-	2,183,040	1,091,520	242,560	10,672,640
					Rate: \$121.28					

Total this invoice: \$ 10,672,640

[Handwritten Signature]
 5/2/24

Borroum Engineering

Work assignments

Invoice period for April 1, 2024 to May 1, 2024

- With Caltrans, the Commission, the County and the City of Susanville work on updating the long-range transportation projects in the RTP, including amending the RTP as needed. This includes work on data collection, planning Rt 36 and 395, non-vehicular transportation, transit systems and in support of the ZEV project. This also includes work to analysis the County demographic changes. (OWP work element 601A, 601B, 601C,705)
- With the local transit operator, Caltrans, the County, the City, and the County Auditor to identify available funding, and assist the Commission's project prioritization and programming processes. (OWP work element 602)
- With the local partners, work on refining an outreach plan. (OWP work element 603)
- With the independent auditor and the County Auditor addressing audit findings, address claims for ensuing year, preparing year end audit reports (OWP work element 604)
- Administration support for the grant (contracts, budgets and schedules, and invoicing) (OWP work element 705)
- Management and engineering oversight/support (OWP work element 705)

4/6/2024

**INVOICE TO CLERICI CONSULTING (re. Lassen County
Transportation Commission)**

Wildlife O/C Project

Borroum Engineering

633 Tamarindo Way
Roseville, CA 95678

Invoice Number 7: April 1, 2024 to May 1, 2024

	HOURS
DATE	
April	
1	2
2	2
3	
4	
5	
6w	
7w	
8	
9	
10	
11	
12	
13w	
14w	
15	
16	
17	
18	
19	1
20w	
21w	
22	
23	
24	
25	
26	
27w	
28w	
29	
30	
TOTAL	5
	Rate: \$150.00

Aut
5/3/24

Total Invoice \$ 750.00

Borroum Engineering

Work assignments – Wildlife O/C

Invoice period for April 1, 2023 to May 1, 2024

- Review consultant work status
- Review with consultant work schedule
- Revise invoicing process
- Prepare invoice
- Work on website



LASSEN COUNTY TRANSPORTATION COMMISSION
REGIONAL TRANSPORTATION PLANING AGENCY

555 CAPITOL MALL, SUITE 600
SACRAMENTO, CA 95814

P.O. Box 1028
SUSANVILLE, CA 96130

John L. Clerici, Executive Secretary

Staff Report

Date: May 9, 2024

AGENDA ITEM 1.42

To: Lassen County Transportation Commission

From: John L Clerici, Executive Secretary

A handwritten signature in blue ink, appearing to read "John L. Clerici", is placed over the printed name in the "From:" field.

Subject: Professional Services Agreement – Triennial Performance Audits

REQUESTED ACTION

Authorize the Executive Secretary to execute a contract for professional services to prepare the Triennial Performance Audits for the Lassen County Transportation Commission (LCTC) and the public transit operator, Lassen Transit Service Agency (LTSA) with Moore and Associates.

BACKGROUND & DISCUSSION

Triennial Performance Audits (TPA) are required pursuant to PUC Section 99246. The audit is conducted in accordance with Caltrans Performance Audit Guidebook and related laws and regulations. The purpose of the performance audit is to describe how LCTC is meeting its administrative and planning obligations under TDA, as well as to present a description of its organizational management and efficiency. The audit will also provide an independent, constructive and objective evaluation of the efficiency, effectiveness, and economy of the operation of the LCTC and LTSA.

On March 11, 2024 the Commission granted permission to the Executive Secretary to distribute an Request for Proposal (RFP) for professional services to develop the TPA's for the LCTC and the LTSA.

The RFP was distributed to a group of pre-qualified consulting firms on March 21, 2024. Proposals were due back to the LCTC by April 19, 2024. One proposal was received by the deadline, by Moore and Associates. The content and qualifications described in the proposal met and/or exceeded the requirements of the RFP. The separate cost proposal (\$29,477.11) fell within the budget anticipated for the project. After checking references Moore & Associates was informed of their selection.

Next steps would include preparing and executing a contract with Moore and Associates by May 17, 2024, and set up a kick-off meeting to initiate the TPA process.

The TPA process is anticipated to be completed during FY 24/25.

ALTERNATIVES

Provide direction to staff.

Attachments (1)



LASSEN COUNTY TRANSPORTATION COMMISSION
REGIONAL TRANSPORTATION PLANING AGENCY

555 CAPITOL MALL, SUITE 600
SACRAMENTO, CA 95814


P.O. Box 1028
SUSANVILLE, CA 96130

John L. Clerici, Executive Secretary

Staff Report

Date: May 8, 2024 **AGENDA ITEM 4.11**

To: Lassen County Transportation Commission

From: John L Clerici, Executive Secretary 

Subject: Fiscal Year 2022/2023 Audit Reports

REQUESTED ACTION: Receive and file the Fiscal Year 2022/2023 Audit Reports and direct staff to forward Audits to Caltrans.

BACKGROUND

According to the Transportation Development Act (TDA), Sections 6661, 6662, and 6751, LCTC is required to submit reports of fiscal and compliance audits to the California State Controller within 180 days following the close of each fiscal year. The fiscal and compliance audits of the financial statements of LCTC, the Local Transportation Fund, and State Transit Assistance funds have been completed by Richardson & Company, LLP. These audits are performed in accordance with Generally Accepted Auditing Standards by a certified public accountant and include a determination of compliance with TDA rules and regulations. Pursuant to TDA statute Section 99245, LCTC also contracts with an independent fiscal auditor to conduct certified fiscal audits of all TDA claimants in the LCTC jurisdiction.

For Fiscal Year 2022/2023, these audit reports include:

- Lassen County Transportation Commission
- Lassen County Transportation Commission – Local Transportation Fund
- Lassen County Transportation Commission – State Transit Assistance Fund

The approved LCTC FY 2022/2023 Overall Work Program and Budget includes the expenditure for the preparation of the fiscal year 2022/2023 audits and reports for the LCTC.

DISCUSSION

The audit reports included the Lassen County Transportation Commission, the Lassen County Transportation Commission Local Transportation Fund (LTF), and the Lassen County Transportation

Commission State Transit Assistance Fund (STA). This is the fifth financial audit of the LCTC since its administrative separation from Lassen County. This audit shows a steady improvement in the financial reporting and tracking of Commission funds. Despite changes in leadership and personnel at the County Auditor's office (and it being combined with the County Treasures office) they continue to provide assistance that has facilitated these continued improvements.

Commission Staff has requested that Ingrid Sheipline of Richardson & Company provide a verbal report directly to the Commission on the audit findings. An outline of the topics Ms. Sheipline will be addressing are included in Attachment A. In addition, Steve Borroum, who worked with Ms. Sheipline, city and county staff, and the County Auditor during this process, will be available to provide additional insights.

The results of the audit as reported by Richardson & Company, LLP will be discussed by Ms. Sheipline. The Management's Discussion and Analysis presents a narrative overview and analysis of LCTC's financial statements during the fiscal year ending June 30, 2023, and is included as Attachment B. In addition to the Audit Report, independent audit firms are also required to submit communications regarding the audit directly to the governing board. This communication is included as Attachment C. The complete Audit is included as Attachment D. The FY 2022/23 Independent Audit, and supporting documents, once accepted by the Commission, will be available to the public upon request and will be available at LassenCTC.com.

Attachments (4)

LASSEN COUNTY TRANSPORTATION COMMISSION

SUMMARY OF 2022/23 AUDIT RESULTS

May 13, 2024

Presentation by Richardson & Company, LLP of the Audited Financial Statements, including the following communications required by Generally Accepted Auditing Standards:

Reports issued

- Audited Financial Statements with auditors opinion
- Internal Control and Compliance Reports
- Governance (required communications) letter
- Management letter

Independent Auditor's Report (page 1)

- Unmodified (clean) opinion (after adjustments were made)

Discussion of financial statements

Fund statements (page 6)

- Planning/General Fund has fund balance of \$229,882
- LTF has unapportioned balance of \$248,458 (\$30,413 for ped/bike)
- STA/SGR has unapportioned balance for transit of \$46,299 and \$42,435
- Grant fund balance of \$657,186 available (state transportation funds)
- Note G – Amount owed to County for past pension/OPEB costs of \$81,783, being repaid at \$100,000 per year beginning in 2020/21 (no repayment in FY 22/23)

Reports on Internal Control and Compliance (pages 20 to 24)

Internal control weaknesses

- Internal tracking needs to be compared to County general ledger
- Accrual adjustments to be made by County

Compliance findings

- County overhead to be included in OWP
- Claimants to be notified of allocations prior to March 1 and allocation instructions to be provided to County

Governance letter

Audit adjustments

- 14 adjustments made to amounts in County's books (mostly accrual adjustments)

Management letter

Other recommendations for improvement noted

- Disbursement of STA funds exceeded allocations
- Internal tracking of street/road funds exceeds amounts available in fund
- Allocation instructions to include items required by TDA (written memo, TDA Article number, payment method and frequency)



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MANAGEMENT LETTER

To the Commissioners and Management
Lassen County Transportation Commission
Susanville, California

In planning and performing our audit of the financial statements of the Lassen County Transportation Commission (the Commission) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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.

During our audit, we became aware of the following matters that have been included in this letter for your consideration, which are in addition to the material weaknesses discussed in the report on internal control and compliance.

We noted the following items that warrant consideration:

State Transit Assistance (STA) Tracking

We noted that the County disbursed more STA funds than were allocated in the prior year as approved by the Commission management. We recommend that the Commission develop schedules which compare allocations to actual disbursements on an accrual basis to be updated as each allocation and disbursement is made to ensure that the Commission and the County's records can be reconciled before the start of the audit and prevent overpayments.

Undisbursed Steet and Road Funds

We noted that the Commission has been tracking unallocated/undisbursed Local Transportation Fund (LTF) funds for fiscal years ended 2021 to 2023 in the amount of \$566,690 to the City and County for streets and roads, which exceeds the remaining fund balance in the LTF of \$218,045, excluding amounts restricted for pedestrian and bicycles. We recommend that management revisit these allocations and update them so that the fund in not over-encumbered with allocations that it does not have funds to cover.

TDA Allocation Instruction Compliance

We noted that the allocation instructions did not include all of the required information as stated by section 6659 of the Transportation Development Act (TDA). We recommend the Commission convey allocation instructions to the County Auditor by written memorandum of its Executive Director accompanied by a certified copy of the resolution authorizing the action accordingly. According to the TDA, each allocation instruction shall be numbered, shall designate the section of the Act under which the allocation is authorized and any additional terms and conditions of the allocation. Allocation instructions should also include payment method, by single payment or as moneys become available.

* * * * *

This communication is intended solely for the information and use of management, the Board of Directors and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Richardson & Company, LLP

March 27, 2024



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GOVERNANCE LETTER

To the Commissioners
Lassen County Transportation Commission
Susanville, California

We have audited the financial statements of the Lassen County Transportation Commission (the Commission) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated July 18, 2023, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

We have been engaged to report on the Schedule of Allocations of Local Transportation Fund (LTF), State Transit Assistance (STA) Funds and State of Good Repair (SGR) Funds, which accompany the financial statements, but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

In planning and performing our audit, we will consider the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Commission's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors,

(2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Our findings are included in the Report on Internal Control and Compliance.

We are required by the audit standards to identify potential risks of material misstatement during the audit process. We have identified the following significant risk of material misstatement as part of our audit planning: Management override of controls and revenue recognition. These are the areas that the audit standards require at a minimum to be identified as significant risks.

We performed the audit according to the planned scope previously communicated to you in our engagement letter dated July 18, 2023.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note A to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year. We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Commission's financial statements were the pension and OPEB liabilities billed by the County for past employee services in Note G.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Adjustments included fourteen audit adjustments needed to correct balances of the accounts and transactions consisting of:

- Update balances to agree to prior year audit.
- Reclassification of legal expense to professional service expense
- Reclassification of PPM funds repayment recorded as expense instead of a reduction in due to other governments.
- Accrue additional LTF allocation to LSTA to agree to board approved resolution.
- Reclassification of LTF payment to LSTA accrued in prior year as due to other governments instead of expense.
- True up of fund balance restricted for Pedestrian & Bike uses.
- Accrual of payables for expenditures related to fiscal year end 2023.
- Accrual of revenue and receivable for STA/SGR to agree to State Controller disbursements.

- Accrue additional SGR allocation for LSTA to agree to approved resolution.
- Accrual of PPM revenue related to fiscal year end 2023 expenses.
- Reclassify federal grants recorded in state grant revenue account.
- Accrue fiscal year 2022/23 RSTP allocation.

Management has agreed to correct all such misstatements.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 27, 2024.

Management Consultations With Other Independent Accountants

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

Issues Discussed Prior to Retention of Independent Auditors

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

Restriction on Use

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

Richardson & Company, LLP

March 27, 2024

Attachment D

**LASSEN COUNTY
TRANSPORTATION COMMISSION**

Audited Financial Statements
Supplementary Information and Compliance Report

June 30, 2023

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LASSEN COUNTY TRANSPORTATION COMMISSION

Audited Financial Statements,
Supplementary Information and Compliance Report

June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Lassen County Transportation Commission
Susanville, California

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Lassen County Transportation Commission (the 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 financial position of the Commission as of June 30, 2023, the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 these 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and

therefore is not a guarantee that an audit conducted in accordance with 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.

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 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 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 audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information 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.

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

historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2024 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 the Transportation Development Act. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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.

Richardson & Company, LLP

March 27, 2024

LASSEN COUNTY TRANSPORTATION COMMISSION

STATEMENT OF NET POSITION

June 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 158,750
Restricted cash	1,501,922
Due from other governmental agencies	<u>730,134</u>
TOTAL ASSETS	<u>2,390,806</u>
LIABILITIES	
Accounts payable	84,895
Due to other governmental agencies	<u>865,272</u>
TOTAL LIABILITIES	<u>950,167</u>
NET POSITION	
Restricted:	
Transportation/transit	1,367,791
Pedestrian/bicycle	30,413
State of Good Repair (SGR) projects	<u>42,435</u>
TOTAL NET POSITION	<u><u>\$ 1,440,639</u></u>

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

LASSEN COUNTY TRANSPORTATION COMMISSION

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

	Governmental Activities
PROGRAM EXPENSES	
Planning and administration	\$ 536,476
Transportation claimants	1,132,579
Other	10,144
	<u>1,679,199</u>
TOTAL PROGRAM EXPENSES	<u>1,679,199</u>
PROGRAM REVENUES	
Operating grants and contributions	675,917
	<u>675,917</u>
TOTAL PROGRAM REVENUE	<u>675,917</u>
	<u>(1,003,282)</u>
NET PROGRAM EXPENSE	<u>(1,003,282)</u>
GENERAL REVENUES	
State shared revenue - sales tax	1,337,846
Interest income	27,183
	<u>1,365,029</u>
TOTAL GENERAL REVENUES	<u>1,365,029</u>
	361,747
CHANGE IN NET POSITION	361,747
Net position, beginning of year	<u>1,078,892</u>
NET POSITION, END OF YEAR	<u>\$ 1,440,639</u>

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

LASSEN COUNTY TRANSPORTATION COMMISSION

BALANCE SHEETS - GOVERNMENTAL FUNDS

June 30, 2023

	General Fund Planning and Administration	Major Special Transportation Fund	Revenue Funds State Transit Assistance Fund	Nonmajor Special Revenue Fund		Total Governmental Funds
				Other Grants Fund	State of Good Repair Fund	
ASSETS						
Cash and investments	\$ 158,750					\$ 158,750
Restricted cash and investments Due from other governmental agencies		\$ 782,717	\$ 19,010	\$ 657,186	\$ 43,009	1,501,922
	237,810	159,968	107,669	216,379	8,308	730,134
TOTAL ASSETS	\$ 396,560	\$ 942,685	\$ 126,679	\$ 873,565	\$ 51,317	\$ 2,390,806
LIABILITIES						
Accounts payable	\$ 84,895					\$ 84,895
Due to other governmental agencies	81,783	\$ 694,227	\$ 80,380		\$ 8,882	865,272
TOTAL LIABILITIES	166,678	694,227	80,380		8,882	950,167
DEFERRED INFLOWS						
Unavailable revenue				\$ 216,379		\$ 216,379
TOTAL DEFERRED INFLOWS				216,379		216,379
FUND BALANCE						
Restricted for transportation/transit	229,882	218,045	46,299	\$ 657,186		1,151,412
Restricted for predestrian/bicycle		30,413				30,413
Restricted for SGR Projects					42,435	42,435
TOTAL FUND BALANCE	229,882	248,458	46,299	657,186	42,435	1,224,260
TOTAL LIABILITIES AND FUND BALANCE	\$ 396,560	\$ 942,685	\$ 126,679	\$ 873,565	\$ 51,317	\$ 2,390,806

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

LASSEN COUNTY TRANSPORTATION COMMISSION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEETS TO
THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2023

Fund balance - governmental funds, June 30, 2023	\$ 1,224,260
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Certain receivables are not available to pay current period expenditures and therefore deferred in the governmental funds.	<u>216,379</u>
Net position - governmental activities, June 30, 2023	<u><u>\$ 1,440,639</u></u>

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

LASSEN COUNTY TRANSPORTATION COMMISSION

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

For the Year Ended June 30, 2023

	General Fund	Major Special Revenue Funds		Nonmajor Special Revenue Funds		Total Governmental Funds
	Planning and Administration	Local Transportation Fund	State Transit Assistance Fund	Other Grants Fund	State of Good Repair Fund	
REVENUES:						
State Rural Planning Assistance	\$ 395,528					\$ 395,528
Federal grants	15,431					15,431
Sales Tax		\$ 923,156	\$ 414,690			1,337,846
State of Good Repair					\$ 48,579	48,579
Interest income		13,946	457	\$ 12,101	679	27,183
TOTAL REVENUES	410,959	937,102	415,147	12,101	49,258	1,824,567
EXPENDITURES:						
Transportation planning and related expenditures	514,588					514,588
Allocation - Lassen Transit Agency		697,752	386,096		48,731	1,132,579
Administration	21,888					21,888
Other	10,144					10,144
TOTAL EXPENDITURES	546,620	697,752	386,096		48,731	1,679,199
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(135,661)	239,350	29,051	12,101	527	145,368
OTHER FINANCING SOURCES (USES)						
Transfers in	253,634					253,634
Transfers out		(253,634)				(253,634)
TOTAL OTHER FINANCING SOURCES (USES)	253,634	(253,634)				
CHANGE IN FUND BALANCE	117,973	(14,284)	29,051	12,101	527	145,368
Fund balance, beginning of year	111,909	262,742	17,248	645,085	41,908	1,078,892
FUND BALANCE, END OF YEAR	\$ 229,882	\$ 248,458	\$ 46,299	\$ 657,186	\$ 42,435	\$ 1,224,260

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

LASSEN COUNTY TRANSPORTATION COMMISSION

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

Net change in fund balance - governmental fund	\$ 145,368
Amounts reported for governmental activities in the Statement of Activities are different because:	
Some receivable are deferred in the governmental funds in the prior year because the amounts do not represent current financial resources that are recognized under the accrual basis in the statement of activities	
Unavailable revenue recognized	<u>216,379</u>
Change in net position - governmental activities	<u><u>\$ 361,747</u></u>

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

LASSEN COUNTY TRANSPORTATION COMMISSION

STATEMENT OF NET POSITION

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Lassen County Transportation Commission (Commission) have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Commission's accounting policies are described below.

Description of Reporting Entity: Lassen County Transportation Commission (the Commission) was created pursuant to California Government Code Section 29535 of Article II, Chapter 2 of Division 3 of Title 3, as a local planning commission to provide regional transportation planning activities for the area of Lassen County. The Commission is also responsible for the administration of the Transportation Development Act Funds (Local Transportation and State Transit Assistance Fund). The Commission's responsibilities include establishing rules and regulations to provide for administering transportation planning and allocating the Local Transportation Fund and State Transit Assistance Fund in accordance with the applicable sections of the Government Code, Public Utilities Code and Administrative Code included within the Transportation Development Act. The Commission is also responsible for administering the regional transportation planning process, updating the Regional Transportation Plan and the Regional Transportation Improvement Program, and for State Exchange Funds that were created under the Federal Intermodal Surface Transportation Efficiency Act.

Although the Commissioners also serve as the Board of Directors of Lassen Transit Services Agency (LTSA), it is not considered to be a component unit of the Commission because a financial benefit or burden relationship does not exist between the two organizations.

Basis of Presentation - Government-wide Financial Statements: The government-wide financial statements (i.e., the statement of net assets and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange revenues are recognized when all eligibility requirements have been met. Cost reimbursement grant revenues are recognized when program expenses are incurred in accordance with program guidelines. When nonexchange revenues are received before eligibility requirements are met, they are reported as unearned revenues until earned. Sales tax revenue is recorded as revenue when collected and apportioned to the Commission.

Basis of Presentation – Fund Financial Statements: The accounts of the Commission are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations. Major individual governmental funds are reported as separate columns in the fund financial statements.

LASSEN COUNTY TRANSPORTATION COMMISSION

STATEMENT OF NET POSITION

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period for sales tax and 180 days for grant revenue. Expenditures generally are recorded when a liability is incurred, as under accrual basis accounting, except for compensated absences and termination benefits, which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

The Commission reports the following major governmental funds:

General Fund – The General Fund (Planning and Administration) is the general operating fund of the Commission and accounts for revenues collected to provide services and finance the fundamental operations of the Commission. The fund is charged with all costs of operations not reported in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. In its capacity as a Regional Transportation Planning Agency, the Commission is responsible for the administration of several special revenue funds which provide funding for transportation planning, transit operations, pedestrian and bicycle facilities and street and roads maintenance and improvements. These funds include:

Local Transportation Fund: The Local Transportation Fund represents revenues generated from a ¼ cent sales tax imposed by the State of California pursuant to the Transportation Development Act. Agencies file claims with the Commission for the monies and allocations are made for planning, transit, pedestrian, bicycle, streets and roads purposes. The Commission reviews the claims, determines the agency's eligibility to receive funds, and, upon approval, allocates the funds to the agencies.

State Transit Assistance Fund: The State Transit Assistance Fund represents revenues earned based on a portion of the State gasoline tax. Agencies file claims with the Commission for the monies and allocations are made solely for transit-related purposes.

The Commission reports the following nonmajor governmental funds:

State of Good Repair Fund: Under Senate Bill (SB) 1 (Chapter 5, Statutes of 2017) and the Road Repair and Accountability Act of 2017, a new Transportation Improvement Fee (Fee) on vehicle registrations is collected, a portion of which is provided to the California State Controller's Office for the program. SGR fees are available for capital assistance to rehabilitate and modernize existing local transportation systems, including the purchase of new vehicles and the maintenance and rehabilitation of transit facilities and vehicles.

Other Grants Fund: The Other Grants Fund includes revenue from the following sources:

Regional Surface Transportation program (RSTP): The RSTP fund represents an apportionment under the Federal Transportation Bill whereby the Agency allocates funds to agencies for projects included in the adopted Federal Statewide Transportation Improvement Project.

LASSEN COUNTY TRANSPORTATION COMMISSION

STATEMENT OF NET POSITION

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Surface Transportation Block Grant Program Fund – The Surface Transportation Block Grant Program Fund represents an apportionment under the Federal Transportation Bill whereby the Commission allocates funds to agencies for projects included in the adopted Federal Statewide Transportation Improvement Program.

Due from Other Governments: Due from other governments consists mainly of amounts due from state and federal agencies under grant agreements and other revenue sources. Management believes these amounts to be fully collectible and, accordingly, no allowance for doubtful accounts is required.

Capital Assets: Capital assets for governmental fund types of the Commission are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are reported in the government-wide financial statements at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Capital assets are defined as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Provision is made for depreciation by the straight-line method over the estimated useful lives of these individual assets, which range from three to ten years for equipment and thirty years for structures. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Fund Balance: In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned and unassigned balances.

Nonspendable Funds – Fund balance should be reported as nonspendable when the amounts cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Nonspendable balances are not expected to be converted to cash within the next operating cycle. The Commission has no nonspendable funds.

Restricted Funds – Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Amounts are restricted in the Special Revenue Funds for purposes listed on the face of the Balance Sheet.

Committed Funds – Fund balance should be reported as committed when the amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which is by resolution of the Commission. These amounts cannot be used for any other purpose unless the governing body modifies or removes the fund commitment.

Assigned Funds – Fund balance should be reported as assigned when the amounts are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned Funds – Unassigned fund balance is the residual classification of the Commission's funds and includes all spendable amounts that have not been restricted, committed, or assigned to specific purposes.

LASSEN COUNTY TRANSPORTATION COMMISSION

STATEMENT OF NET POSITION

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position: The government-wide financial statements present net position. Net position is categorized as invested in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets into one component of net assets. Accumulated depreciation reduces the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the Commission not restricted for any project or other purpose.

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. 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.

Use of Estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

Budgetary Information: The Commissioners approve all budgeted revenues and expenditures for the General Fund. Budgeted revenues and expenditures represent the original budget, as approved by the Commissioners, and the final budget, which includes modifications of the original budget through amendments approved by either the Executive Director or the Commissioners during the year. Amendments that alter total expenditures within the General Fund require approval of the Board of Directors. The Commissioners do not budget for the special revenue funds.

NOTE B – CASH AND CASH EQUIVALENTS

Investment in the County of Lassen Investment Pool: The Commission's cash is held in the County of Lassen Treasury. The County maintains an investment pool and allocates interest to the various funds based upon the average daily cash balances. Investments held in the County's investment pool are available on demand to the Commission and are stated at cost, which approximates fair value.

Investment Policy: California statutes authorize governmental agencies to invest surplus funds in a variety of credit instruments as provided in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The Commission follows the investment policy of the County of Lassen.

LASSEN COUNTY TRANSPORTATION COMMISSION

STATEMENT OF NET POSITION

June 30, 2023

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2023, the weighted average maturity of the investments contained in the County of Lassen investment pool was approximately 782 days.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County of Lassen investment pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Custodial credit risk does not apply to a local government's indirect deposits or investment in securities through the use of government investment pools (such as the County of Lassen investment pool).

NOTE C – CONTINGENCIES

The Commission receives grant funding for specific purposes that are subject to review and audit by the granting agencies. Such audits could result in a request for reimbursement for expenditures disallowed under the terms and conditions of the contracts. Management is of the opinion that no material liabilities will result from such potential audits.

NOTE D – RISK FINANCING

The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage from the prior year.

NOTE E – INTERFUND TRANSFERS/DUE TO AND FROM OTHER FUNDS

Interfund transfers are used to move revenues from a fund that is required by statute to receive them to a fund that statute or budget requires to expend them. During the year ended June 30, 2023, the Local Transportation Fund transferred \$253,634 to the Planning and Administration Fund as part of the annual allocation of local transportation funds.

LASSEN COUNTY TRANSPORTATION COMMISSION

STATEMENT OF NET POSITION

June 30, 2023

NOTE F – REIMBURSEMENT PAYABLE TO COUNTY

From 1972 to 2016, the Commission had relied upon the County employees to perform the operations of the Commission. The Commission, as controlled by the Board of Supervisors, provided appropriation and staffing to help the Commission perform its duties expressly mandated pursuant to the Transportation Act of 1971. Over those 44 years, approximately 14 County employees received salaries and benefits from the Commission for work performed in their various roles, responsibilities and functions. The County quantified the amount of unfunded pension and OPEB liabilities and invoiced the Commission for these liabilities for a total of \$442,057. Since a portion of these liabilities related to transit services, the County provided a breakdown of the liabilities between the Commission and LTSA employees. The unfunded pension and OPEB liabilities for Commission employees include active and retired employees based upon 1) an employee's years of service for the Commission, 2) annual full time equivalent (FTE) of work for the Commission. The unfunded pension and OPEB liabilities attributed to the Commission was \$281,783 and the unfunded pension and OPEB liabilities attributed to LTSA was \$160,274. The Commission approved repaying the County \$100,000 per year beginning in fiscal year 2020/21 using cash balances transferred from a Commission/LTSA commingled fund to the Local Transportation Fund that will be subject to the TDA allocation process. No payments were made during the year ended June 30, 2023. The remaining balance owed by the Commission to the County as of June 30, 2023 was \$81,783.

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SUPPLEMENTARY INFORMATION

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LASSEN COUNTY TRANSPORTATION COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
State Rural Planning Assistance	\$ 313,080	\$ 481,342	\$ 395,528	\$ (85,814)
Federal Grants	21,600	15,431	15,431	-
TOTAL REVENUES	<u>334,680</u>	<u>496,773</u>	<u>410,959</u>	<u>(85,814)</u>
EXPENDITURES:				
Transportation planning and related expenditures	531,163	693,256	514,588	178,668
Admininstration	9,400	9,400	21,888	(12,488)
Other			10,144	(10,144)
TOTAL EXPENDITURES	<u>540,563</u>	<u>702,656</u>	<u>546,620</u>	<u>166,180</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	(205,883)	(205,883)	(135,661)	80,366
OTHER FINANCING SOURCES (USES)				
Transfers in	205,883	205,883	253,634	47,751
TOTAL OTHER FINANCING SOURCES (USES)	<u>205,883</u>	<u>205,883</u>	<u>253,634</u>	<u>47,751</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>117,973</u>	<u>128,117</u>
Fund balance, beginning of year	<u>111,909</u>	<u>111,909</u>	<u>111,909</u>	
FUND BALANCE, END OF YEAR	<u>\$ 111,909</u>	<u>\$ 111,909</u>	<u>\$ 229,882</u>	<u>\$ 128,117</u>

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

LASSEN COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF ALLOCATIONS AND EXPENDITURES – LOCAL TRANSPORTATION FUNDS

For the Year Ended June 30, 2023

California Code of Regulations Article 5, Subchapter 2, Section 6661 related to the Transportation Development Act requires supplementary information for the County of Lassen Local Transportation Fund regarding expenditures made by the Fund. The net amount allocated and expended for each of the allocation purposes specified in Public Utilities Code (PUC) Chapter 4 of the Act were as follows for the year ended June 30, 2023:

<u>Section</u>	<u>Purpose</u>	<u>Allocated</u>	<u>Disbursed</u>	<u>Undisbursed</u>
99233.1	Administration			
	Lassen County Transportation Commission	\$ 253,634	\$ 253,634	
99262	Public transportation			
	Lassen Transit Service Agency	<u>697,752</u>	<u>523,314</u>	\$ 174,438
		<u>\$ 951,386</u>	<u>\$ 776,948</u>	174,438
Unclaimed/Undisbursed-Prior Year Apportionments:				
	City of Susanville - Streets and Roads			185,586
	County of Lassen - Streets and Roads			305,382
	City of Susanville - Pedestrian and Bicycle			6,325
	County of Lassen - Pedestrian and Bicycle			<u>22,496</u>
				<u>519,789</u>
	Total allocations payable			<u>\$ 694,227</u>

LASSEN COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF ALLOCATIONS AND EXPENDITURES – STATE TRANSIT ASSISTANCE FUNDS

For the Year Ended June 30, 2023

California Code of Regulations, Subchapter 2.5, Article 5, Section 6751 related to the Transportation Development Act requires supplementary information for the STA Fund regarding fund balances maintained and expenditures made by the Fund. No portion of the fund balance was apportioned to operators pursuant to Section 6721 of the Code as of June 30, 2023. The amounts allocated and expended for each of the allocation purposes specified in Section 6730 and 6731 of the Code were as follows for the year ended June 30, 2023:

<u>PUC</u> <u>Section</u>	<u>Purpose</u>	<u>Allocated</u>	<u>Disbursed</u>	<u>Undisbursed</u>
6730(a)	Rural Bus Operation			
	Lassen Transit Service Agency	<u>\$ 386,096</u>	<u>\$ 289,572</u>	<u>\$ 96,524</u>
		<u>\$ 386,096</u>	<u>\$ 289,572</u>	\$ 96,524
	Overdisbursed-Prior Year Apportionments:			<u>(16,144)</u>
	Total allocations payable			<u>\$ 80,380</u>

LASSEN COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF ALLOCATIONS AND EXPENDITURES – STATE OF GOOD REPAIR FUNDS

For the Year Ended June 30, 2023

California Code of Regulations, Chapter 5, Statutes of 2017 known as the Road Repair and Accountability Act of 2017 requires supplementary information for the SGR Fund regarding fund balances maintained and expenditures made by the Fund. The amounts allocated and expended for each of the allocation purposes specified in Section 99312.1(a) of the Code were as follows for the year ended June 30, 2023:

<u>PUC Section</u>	<u>Purpose</u>	<u>Allocated</u>	<u>Disbursed</u>	<u>Undisbursed</u>
99313	Contributions to vehicle replacement fund Lassen Transit Service Agency	\$ 48,731	\$ 40,423	\$ 8,308
		<u>\$ 48,731</u>	<u>\$ 40,423</u>	<u>\$ 8,308</u>

COMPLIANCE REPORTS

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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
GOVERNMENT AUDITING STANDARDS AND THE TRANSPORTATION
DEVELOPMENT ACT AND OTHER STATE PROGRAM GUIDELINES

Lassen County Transportation Commission
Susanville, 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 and each major fund of the Lassen County Transportation Commission (the 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 _____, 2024.

Report on 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 opinion 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 charges 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be material weaknesses.

To the Commission
Lassen County Transportation Commission

Report on Compliance and Other Matters (including other State program guidelines)

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 statements. Our audit was further made to determine that Transportation Development Act Funds allocated and received by the Commission were expended in conformance with the applicable statutes, rules and regulations of the Transportation Development Act and Section 6659, 6661 and 6662 of the California Code of Regulations and other state program guidelines. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of performing these tasks disclosed instances of noncompliance with the applicable statutes, rules and regulations of the Transportation Development Act that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2023-003 and 2023-004.

Lassen County Transportation 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 this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

Richardson & Company, LLP

March 27, 2024

LASSEN COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2023

INTERNAL CONTROL OVER FINANCIAL REPORTING

Finding 2023-001 – Material Weakness

Condition: The Commission’s internal records of allocations are not reconciled to the amounts recorded in the general ledger maintained by the County of Lassen for allocations payable to claimants and reserves for pedestrian/bicycle. In addition, accrual entries to reflect allocations to claimants for the year are not being made.

Criteria: Management of the Commission is responsible for ensuring internal controls and processes are in place to ensure that amounts reflected in the general ledger that are used for the preparation of the financial statements are complete and accurate.

Cause: The Commission’s accounting is performed by the County of Lassen Auditor Controller Office (the County) and activity is not regularly reviewed by the Commission. The Commission maintains internal record keeping that is not compared to the County records on a periodic basis.

Effect: Material misstatement of allocations payable to the claimants may exist.

Recommendation: The Commission should request to review the general ledger maintained by the County on a monthly basis to ensure that all transactions have been approved and accounted for correctly based on the internal records of allocations maintained by Commission management. The Commission should develop procedures to track amounts that are due to claimants that are reconciled to County records on accrual basis. Reconciliations should be made to ensure all activity has been properly recorded and included in the general ledger and trial balance prior to these items to being provided to the auditor. Management needs to work with the County to ensure that any adjustments to the balances in the County’s accounting system are correct and properly reflect the financial activity of the Commission and its funds prior to the start of the audit.

Finding 2023-002– Material Weakness

Criteria: Internal controls over financial reporting should be in place to ensure management can initiate, record, process and report financial data consistent with the assertions of management in the financial statements.

Condition: The County’s closing process did not identify required closing entries to report the Fund’s financial statements on the accrual basis. In addition, restricted resources are not being tracked in separate restricted fund balance accounts or in separate funds.

Effect: Audit adjustments were needed to report the financial statements in accordance with generally accepted accounting principles, including entries posted to roll forward fund balances from prior year audit adjustments, record additional payables and record restricted resources in separate restricted cash and fund balance accounts.

Cause: The closing process did not identify all required closing entries.

Recommendation: We recommend the County ensure transactions are reported in the proper period. The Commission needs to consider establishing its own internal accounting system to track these various funding sources, so that more timely and accurate information is available.

LASSEN COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2023

COMPLIANCE AND OTHER MATTERS

CURRENT YEAR FINDINGS

Finding 2023-003 – Noncompliance

Criteria: PUC § 99233.1 of the Transportation Development Act allows the Commission make allocations for administrative purposes using Local Transportation Funds (LTF). Management of the Commission is responsible for preparing the budget and Overall Work Program (OWP) for the fiscal year of the general fund which includes all expected expenditures during the fiscal year.

Condition: Management approved transfer of LTF monies to the general fund for the purpose of paying the County of Lassen for administrative overhead costs without a Commission-approved allocation and resolution.

Cause: Management did not include County overhead costs as part of the OWP.

Effect: The Commission was not in compliance with PUC § 99233.1 and administrative costs were not included in the General Fund Budget.

Recommendation: We recommend that the County of Lassen administrative overhead costs be included in the development and approval of the OWP and LTF funds be allocated and approved by the Commission for the overhead costs.

Finding 2023-004 – Noncompliance

Criteria: Section 6644 and 6659 of the Transportation Development Act requires the Commission to advise all prospective claimants of the amounts of all area apportionments prior to March 1 of the preceding fiscal year and to convey allocation instructions to the County auditor by written memorandum of its executive director accompanied by a certified copy of the resolution authorizing the action.

Condition: Claimants were allocated funds after the March 1 deadline and no allocation instructions were provided to the County auditor.

Effect: The Commission was not in compliance with Sections 6644 and 6659 of the Transportation Development Act requiring the Commission to advise all prospective claimants of the amounts of all area apportionments and allocations to be submitted to the County auditor along with a resolution approving the revised allocation.

Cause: The Commission passed the resolution of allocations on October 17, 2022 and did not submit a memorandum of allocations accompanied by certified resolution to the County auditor for the final allocation amounts.

Recommendation: We recommend the Commission ensure that all claimants be advised of the amounts of all area apportionments prior to March 1 and that the Commission ensure a written memorandum be submitted to the County auditor prior to the fiscal year accompanied by the supporting resolution for the allocation instructions. If there are subsequent revisions to the allocation instructions, the Commission needs to pass an additional resolution and submit new allocation instructions to the County auditor.

LASSEN COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2023

PRIOR YEAR FINDINGS

Finding 2022-001 – Material Weakness

Condition: The Commission's internal records of allocations are not reconciled to the amounts recorded in the general ledger maintained by the County of Lassen for allocations payable to claimants and reserves for pedestrian/bicycle. In addition, accrual entries to reflect allocations to claimants for the year are not being made.

Current Status: See finding 2023-001 as a continuation of this finding.

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John L. Clerici, Executive Secretary

Staff Report

Date: May 8, 2024

AGENDA ITEM 4.12

To: Lassen County Transportation Commission

From: John L Clerici, Executive Secretary 

Subject: Fiscal Year 2024/25 Overall Work Program and Budget

REQUESTED ACTION: BY MOTION, adopt Resolution 24-02 approving the FY 2024/25 Overall Work Program and Budget.

PAST ACTION

Each year the Commission prepares a Draft Overall Work Program and Budget and submits it to Caltrans. Following Caltrans comments, the Commission adopts an Overall Work Program and Budget in May for the upcoming fiscal year.

At your March 11, 2024 Regular Meeting, staff presented a draft of the FY 24/25 OWP and Budget for review and comment. Since then, staff received a letter from Caltrans District 2 outlining changes needed in the draft document. Those changes have been made to the district’s satisfaction.

DISCUSSION

The Overall Work Program (OWP) and Budget is the primary management tool for the Commission and its staff. The OWP contains a description of the activities to be undertaken by the Commission in the coming fiscal year along with detailed budget information. Primary funding for core staff work comes from two sources:

- Article 2 Planning Funding is derived from TDA funds, and can be used by staff for specific TDA administrative purposes. The amount of Article 2 funds claimed by the LCTC can vary from year to year depending on OWP needs.
- Rural Planning Assistance funds are received directly from Caltrans by the LCTC and are intended to support staff work on the OWP. The current allocation of RPA funds to local agencies is \$230,000.

This OWP and budget has evolved from its previous versions, and more accurately reflects the transportation/mobility needs of the region, the interaction between Commission, City and County staff, the Susanville Indian Rancheria, collaboration with neighboring RTPA’s, and our on-going partnership with Caltrans, Washoe County and the State of Nevada. It also contains the core work described in the staff services contract with Clerici Consulting in the amount of approximately \$485,500, with additional work provided for in the expanded scope of work of approximately \$106,000.

The remaining costs include specialized planning and grant funding. The expanded scope of work includes:

- Regional transportation planning and data collection – with enhanced assistance to the City and County for pavement management, traffic counts, assessment of safety needs, etc
- Active Transportation Program execution – grant writing, program updates
- US 395 Coalition support and coordination
- Compliance with the recently adopted SB 125 funds for transit and EV infrastructure
- Assistance with the Lassen County GIS update effort for which the LCTC received a grant from Caltrans (\$129,829)
- Management and public outreach for the US 395 Wildlife Crossing evaluation for which the LCTC received a grant from the Wildlife Conservation Board (\$5.3 million)
- Supporting consultant work for the state mandated Triennial Performance Audits for the LCTC and the LTSA

The work being performed under the expanded scope is primarily work that would have been given to consultants, but that falls under the skill set of LCTC staff. In addition, much of the expanded scope of work is covered by grants procured or continued by LCTC staff (approx. \$5.5 Million).

Another important note for this OWP and budget, is that for the first time in three years the budget does not include an installment payment to Lassen County for unfunded pension benefits associated for the period when Lassen County provided staffing services to the LCTC.

As always, I want to acknowledge Caltrans District 2 staff who have provided critical support in our efforts to create this OWP as well as Steve Borroum and his team who work on our budget issues.

The work elements in the OWP include on-going operations and grant-funded projects. The primary funding source is Rural Planning Assistance (RPA) from the State, and Planning, Programming and Monitoring funds from the State Transportation Improvement Program.

ALTERNATIVES

Provide direction to staff.

Attachments (2)

LASSEN COUNTY TRANSPORTATION COMMISSION
Resolution 24-02

Resolution Approving Fiscal Year 2024/25 Overall Work Program and Budget

WHEREAS, pursuant to California Government Code, the Lassen County Transportation Commission (LCTC) was created as a local planning agency to provide regional transportation planning for the area of Lassen County; and

WHEREAS, the Fiscal Year (FY) 2024/2025 Overall Work Program, Budget and Goals and Objectives (OWP) is the primary management tool for the Lassen County Transportation Commission, identifies the activities and a schedule of work for regional transportation planning in Lassen County, and is a requirement of the agreement between the Lassen County Transportation Commission and Caltrans; and

WHEREAS, the Draft OWP was presented at the March 11, 2024 Regular Commission meeting and staff has been working with Caltrans to address comments received; and

WHEREAS, LCTC staff anticipates using \$160,900 of Transportation Development Act funds to perform work detailed in the OWP; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Lassen County Transportation Commission hereby approves the FY 2024/2025 Final Overall Work Program and Budget and authorizes the Executive Secretary, Chairperson, and Legal Counsel to execute all applications, certifications and assurances, and other related documents.

The foregoing resolution was adopted by the Lassen County Transportation Commission at its May 13, 2024, meeting by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Aaron Albaugh, Chairman
Lassen County Transportation Commission

The foregoing instrument is a correct copy of the original on file in the office of the Executive Secretary of the Lassen County Transportation Commission.


John L. Clerici, Executive Secretary

May 13, 2024



John L. Clerici, Executive Secretary

Staff Report

To: Lassen County Transportation Commission
Date: May8, 2024
From: John L Clerici, Executive Secretary 
Subject: Date change for June 17, 2024 Regular Meeting

AGENDA ITEM 4.13

REQUESTED ACTION

By Motion, direct staff to change the date of the of the LCTC’s June 17, 2024, Regular Meeting to June 10, 2024.

BACKGROUND AND DISSCUSSION

At your June 19, 2023, Regular Meeting the Commission adopted its schedule for Fiscal Year 2023/24. In that action the June meeting was scheduled to fall on the 17th. The Executive Secretary has requested a change in the date to accommodate a potential conflict.

Staff is requesting that the meeting date from June 17 to June 10. Staff has confirmed with LTSA staff on this, and they agree with the change. The venue and time will remain the same.

ALTERNATIVES

Provide direction to staff.




John L. Clerici, Executive Secretary

Staff Report

To: Lassen County Transportation Commission **AGENDA ITEM 4.14**

Date: May 8, 2024

From: John L. Clerici, Executive Secretary 

Subject: Fiscal Year 2024/25 Transportation Development Act Apportionment and Allocation for Local Transportation Fund (LTF) and State Transit Assistance (STA)

REQUESTED ACTIONS

BY MOTION: Adopt Resolution 24-03 approving the Final Fiscal Year 2024/25 Transportation Development Act Allocations for the estimates of Local Transportation Fund (LTF) and State Transit Assistance (STA) funds, and authorizing staff to approve claims consistent with the allocations.

PAST ACTION

Each year the Commission approved final allocations for the upcoming fiscal year receipts of Local Transportation Funds and State Transit Assistance funds. In previous years the Commission would have taken action on these allocations in June as part of the OWP and Budget process.

BACKGROUND

The Transportation Development Act (TDA) provides two funding sources:

1. Local Transportation Fund (LTF) from a quarter cent of the general sales tax collected statewide.
2. State Transit Assistance (STA) fund from the statewide sales tax on diesel fuel.

The State Board of Equalization, based on sales tax collected in each county, returns the general sales tax revenues to each county's LTF. The State Controller's Office (SCO) allocates the STA, by formula, to planning agencies and other eligible agencies. Statute requires that 50% of STA funds be allocated according to population and 50% be allocated according to operator revenues from the prior fiscal year.

The Lassen County Transportation Commission is the Regional Transportation Planning Agency (RTPA) responsible for apportioning and administering these funds for this region. The attached Findings of Allocation summarizes the estimates for FY 2024/2025. The LTF allocation purposes, in order of priorities, as identified by law, are as follows:

1. Article 1 - Transportation Development Act fund administration (by LCTC and the County Auditor) and;
2. Article 2 - Planning and programming undertaken by LCTC and;

3. Article 3 - Pedestrian and bicycle projects (optional, up to 2% of the funds remaining, after administration and planning) and;
4. Article 4 - Public transportation operations (including new transit services that have been identified by the Commission as "unmet transit needs" that are "reasonable to meet"); and,
5. Articles 8 - Other transportation purposes (including additional transit and bicycle facilities, and streets and roads). The Commission may only apportion (and subsequently may only approve claims for) "other transportation purposes" when all other uses of the funds, to the limits described above, have been exhausted.

LCTC allocates LTF funds, as determined by population, for the entirety of Lassen County. For FY 2024/25 the County Auditor (with assistance from LCTC Staff) estimates LCTC’s share of LTF revenues for apportionment available to program is \$900,000.

ADMINISTRATION, PLANNING AND PROGRAMMING (Articles 1 and 2)

The County Auditor has estimated \$2,000 for overhead from the estimated FY 2024/25 LTF revenue total.

The LCTC FY 2024/25 Overall Work Program and Budget includes administration, planning, and programming for a total of \$160,900. LCTC LTF funds are used throughout the work program to support planning and at times as a required local match for state and federal grant funds.

Non-Motorized – Pedestrian and Bicycle Facilities (Article 3)

State law offers LCTC an option to apportion up to 2% of the LTF (after administration and planning) to the City and County for facilities provided for the exclusive use of pedestrians and bicycles. The Commission primarily suggests that these non-motorized funds provide matching funds for federal and state grants Active Transportation Program (ATP) and Clean California grants. The 2024/25 allocation totals \$14,800.

Public Transportation – Transit (Article 4)

The Lassen Transit Services Agency notified the Commission staff that their claim for FY 2023/24 LTF funds will be \$724,300 for operating expenses.

Other Transportation (Article 8)

No LTF funds remain available for Article 8 – Other Transportation purposes. If LTF funds were available for the fiscal year, the funds would be apportioned to the City of Susanville and Lassen County by population for all purposes necessary and convenient to the development and operation of the public transportation system, including road rehabilitation, maintenance, and repair.

State Transit Assistance Funds

The estimated FY 2023/24 STA funds available for the Lassen Transit Services Agency is \$353,393.

DISCUSSION

As with previous years we have approximations of the funds available to the Commission. These estimates are based on an accounting of what funds are available and the pre-existing restraints or restriction on these funds. The findings are attached.

The Commission’s income has been steady over recent years, with a general upward trend, except for a slight dip during the pandemic. For this fiscal year income would appear to be flat, with a slight decline, generally

in line with overall economic activity in the state. As prudence would suggest, the County Auditor's estimate of this year's income is likely conservative. We are required to make our allocations based on this estimate.

In sum, the amount of TDA and STA funds to be allocated for FY 2024/25 appears to be adequate to fund transit purposes and other beneficial uses this fiscal year.

RECOMMENDATION

Staff recommends that the Commission allocate the noted FY 24/25 allocations based on the TDA and STA estimates provided in the staff report.

ALTERNATIVES

Commission to provide direction to staff.

Attachments (4)

LASSEN COUNTY TRANSPORTATION COMMISSION
Resolution 24-03

Resolution Approving the Transportation Development Act Fiscal Year 2024/25 Transportation Development Act
Allocation of Local Transportation Funds and State Transit Assistance Funds

WHEREAS, pursuant to California Government Code, Title 7.95, Section 67950, the Lassen County Transportation Commission (LCTC) was created as a local planning agency to provide regional transportation planning for the area of Lassen County; and

WHEREAS, California Government Code Section 29532.1(g) identifies LCTC as the designated Regional Transportation Planning Agency (RTPA) for Lassen County, and is responsible for the planning, allocating and/or programming of funds and administration of the Transportation Development Act of 1971 (TDA), as amended thereafter; and

WHEREAS, the County of Lassen, the City of Susanville, and the Lassen Transit Services are each required to file annual transportation claims for the funds, if any, from the Local Transportation Fund (LTF), the State Transit Assistance Fund (STA); and

WHEREAS, it is the responsibility of the LCTC, under the provisions of the TDA, to review the annual transportation claims and to make allocations of monies from the LTF and STA, based on the estimated revenue upon approving said claim; and

WHEREAS, the Auditor of said County is instructed to pay monies in the fund to the claimants pursuant to allocation instructions received from the LCTC; and

WHEREAS, the Lassen County Auditor issued a report of estimated revenues for LTF for Fiscal Year (FY) 2024/25 and the State Controller's Office issued a report of estimated revenues for STA Funds for the same fiscal year; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, Lassen County Transportation Commission shall review the claims as they are received, approve same for the FY 2024/25 funds estimated to be available in the LTF and STA funds, and make the following allocations:

1. To the Lassen County for administrative costs in the amount of \$2,000, per Section 99233.1.
2. To the Lassen County Transportation Commission for TDA administration and for planning and programming in the amount of \$160,900, per Section 99233.1 and 99233.2.
3. To be reserved by the Lassen County Auditor's Office for future reimbursements to the City and County for pedestrian and bicycle facilities as programmed and claimed in the amount of \$14,800, per Sections 99233.3 and 99234
4. To the Lassen Transit Services Agency for Article 4 purposes, the total amount available of \$724,300, per Sections 99233.8, 99260(a), and 99262.
5. State Transit Assistance Funds – To the Lassen Transit Services Agency for State Transit Assistance Funds in the estimated amount of \$353,393 plus interest, for capital improvements, per Section 99314.6.

This allocation is to be paid out by the County Auditor as FY 2024/25 revenues are received and available for payment.

BE IT FURTHER RESOLVED, the Lassen County Transportation Commission has requested that approved claims be paid in full, provided the funds are available.

BE IT FURTHER RESOLVED, that allocation instructions shall be prepared for each claimant in accordance with the above. The Executive Secretary, appointed by the Commission, is authorized to sign the allocation instructions and to issue the instructions to the County Auditor to pay the claimants in accordance with the above allocations.

BE IT FURTHER RESOLVED, that the claimants are to be notified by the Lassen County Transportation Commission of action on their claims.

The foregoing resolution was passed and adopted by the Lassen County Transportation Commission at its May 13, 2024 regular meeting by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Aaron Albaugh, Chairman
Lassen County Transportation Commission

The foregoing instrument is a correct copy of the original on file in the office of the Executive Secretary of the Lassen County Transportation Commission.

John L. Clerici, Executive Secretary

May 13, 2024