Shasta Regional Transportation Agency

Basic Financial Statements

For the year ended June 30, 2024

Independent Auditor's Report

To the Board of Directors
Shasta Regional Transportation Agency
Redding, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Shasta Regional Transportation Agency (Agency), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*. 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 City 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.

Correction of Error

As discussed in Note 15 to the financial statements, the Agency has corrected for an error in unearned revenues , for the year ended June 30, 2024. Accordingly, a restatement has been made to the governmental activities net position and general fund balance as of July 1, 2023, to restate beginning net position and general fund fund balance. Our opinions are not modified with respect to this matter.

eidebailly.com
2150 River Plaza Dr., Ste. 150 | Sacramento, CA 95833-4131 | 916.570.1880 | F 916.570.1875 | EOE

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the Agency's proportionate share of the net pension liability/(asset), schedule of the Agency's pension contributions, schedule of the changes in the net other postemployment benefits (OPEB) liability and related ratios, schedule of OPEB contributions, and budgetary comparison schedules 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The schedules of allocations and disbursements, schedule of cost allocation plan reconciliation and indirect cost rate carryover, and the schedule of cost allocation plan reconciliation and indirect cost allocation carryover are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information as noted in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2026 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Eide Bailly LLP

Sacramento, California
February 13, 2026

As management of the Agency, we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented herein, in conjunction with the rest of this report.

Financial Highlights

The assets and deferred outflows of resources of the Agency exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $15,118,666 (net position). Of this amount, approximately $11,647,706 represents amounts restricted for transportation projects and programs.

The Agency's total net position increased by $700,274 during the fiscal year ended June 30, 2024. Although total expenses exceeded total revenues by $1,933,478, the overall increase resulted from a $2,633,752 restatement of beginning net position.

At the close of the fiscal year, the Agency's combined fund balances had increased to $13,500,163 in comparison with the prior year amount of $12,947,646.

At the end of the current fiscal year, unassigned fund balance for the general fund was $1,852,457

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements consist of three components: 1) government wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business. The statement of net position presents financial information on all of the Agency's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating. The statement of activities presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods. Both of the government wide financial statements can be found on pages 8-10 of this report.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Agency maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures.

- Local Planning Fund – The Planning Fund is the general operating fund of the Agency and accounts for the revenues collected to provide services and finance the fundamental operations of the Agency. The major revenue sources for this fund are local transportation funds and federal and state planning grants. Expenditures are made for administration, as well as local and regional planning projects.
- The Local Transportation Fund is used to account for Transportation Development Act revenues, which may be claimed by regional and/or local agencies, as applicable, for the administration of TDA, planning and programming activities, transit services, bicycle and pedestrian facilities, passenger rail service, and streets and roads.
- The State Transit Assistance Fund is used to account for Transportation Development Act revenues, which are claimed by local agencies only for eligible transit capital and operating activities.

The Agency adopts an annual appropriated budget for all its funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 11–15 of this report.

At June 30, 2024, the Agency's governmental funds reported total fund balance of $13,500,163 which included an decrease of $2,081,235 due to operations as well as a decrease of $2,633,752 due to a correction of an error in comparison with the prior fiscal year's total ending fund balance.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 16 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Agency's budgetary comparison schedules, the schedule of the proportionate share of the net pension liability, the schedule of pension contributions, the schedule of the other postemployment benefits (OPEB) and related ratios, and the schedule of OPEB contributions. Required supplementary information can be found on pages 49-52 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the Agency, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $15,118,666 for the fiscal year 2023-2024.

	Governmental Activities		Change	
	2024	2023 (Restated)	$	%
Current and other assets	$ 23,496,791	$ 20,130,159	$ 3,366,632	16.7%
Capital assets	2,230,969	2,147,868	83,101	3.9%
Total assets	25,727,760	22,278,027	3,449,733	15.5%
Deferred outflows of resources	456,444	523,732	(67,288)	-12.8%
Long-term liabilities	923,040	1,029,204	(106,164)	-10.3%
Other liabilities	9,611,118	6,793,097	2,818,021	41.5%
Total liabilities	10,534,158	7,822,301	2,711,857	34.7%
Deferred inflows of resources	531,380	561,066	(29,686)	-5.3%
Net position:				
Net investment in capital assets	1,746,961	1,559,817	187,144	12.0%
Restricted	11,647,706	10,872,537	775,169	7.1%
Unrestricted	1,723,999	1,986,038	(262,039)	-13.2%
Total net position	$ 15,118,666	$ 14,418,392	$ 700,274	4.9%

Overall, capital assets experienced an increase of $83,101 from the prior fiscal year, primarily due to the increase in CIP.
This During the fiscal year, the Agency's increase in net position was $700,274. This increase is due to posting the SBITA activity, and recognizing and adjusting accounts from State of Good Repair (SGR) and Low Carbon Transit Operating Program (LCTOP) funds for close-out.

The following table demonstrates the changes in Agency's net position for the year ended June 30, 2023 and 2024:

	Governmental Activities		Change	
	2024	2023 (Restated)	$	%
Revenues:				
Program revenues:				
Operating grants and contributions	$ 15,983,485	$ 19,378,671	$ (3,395,186)	-17.5%
General revenue:				
Investment earnings	240,672	117,970	122,702	104.0%
Total revenues	16,224,157	19,496,641	(3,272,484)	-16.8%
Expenses:				
Transportation planning & administration	3,834,060	5,206,823	(1,372,763)	-26.4%
Local transportation assistance	14,306,364	14,580,414	(274,050)	-1.9%
Interest expense	17,211	20,951	(3,740)	-17.9%
Total expenses	18,157,635	19,808,188	(1,650,553)	-8.3%
Increase (decrease) in net position	(1,933,478)	(311,547)	(1,621,931)	520.6%
Net position - beginning of year, restated	17,052,144	14,729,939	2,322,205	15.8%
Net position - end of year	$ 15,118,666	$ 14,418,392	$ 700,274	4.9%

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Agency's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Agency's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of Agency's net resources available for spending at the end of the fiscal year.

During the current fiscal year, the Agency's Local Planning Fund (General) balance decreased by $2,856,403
The decrease in net position is primarily due to a $2.67 million reduction in revenue from local transportation assistance and a $0.65 million decline in transportation planning and administration. Additionally, there was a decrease in payments made to cities and counties, which dropped by $2.4 million.

General Planning Fund Budgetary Highlights
There were several adjustments in the Local Planning Fund budget due to grants. Adopted appropriations were sufficient to cover all general fund operations during the fiscal year.

Capital Assets and Long-Term Obligations

Capital assets and long-term debt are shown in the tables below.

The Agency’s capital assets as of June 30, 2024, amounts to $2,230,969, net of accumulated depreciation.
Capital assets includes land, building, improvements, equipment, furniture, and software.

	Governmental Activities		Change	
	2024	2023	$	%
Land	$ 235,000	$ 235,000	$ -	0.0%
Construction in Progress	216,264	-	216,264	0.0%
Building	1,752,189	1,841,238	(89,049)	-4.8%
Improvements	893	1,359	(466)	-34.3%
Equipment and furniture	19,095	63,358	(44,263)	-69.9%
SBITA's	7,528	6,914	614	8.9%
Total capital assets	$ 2,230,969	$ 2,147,869	$ 83,100	3.87%

As of June 30, 2024, the agency’s debt totaled $484,008, reflecting a decrease of $104,044 from the prior year. This reduction was due to a payment made on the financing for Building purchase & amortization related to the SBIT.

	Governmental Activities		Change	
	2024	2023	$	%
Financed Purchases	$ 469,862	$ 529,444	(59,582)	-11.3%
SBITA'S	14,146	58,607	(44,461)	-75.9%
Total long-term debt	$ 484,008	$ 588,051	$ (104,043)	-17.7%

Economic Factors and Next Fiscal Year’s Budgets and Rates

The revenue and expenditure projections incorporated into the fiscal year 2024-25 budget are based upon historical data with inflationary increases; revenue estimates for grants and sales tax revenues provided by outside agencies such as the State Department of Transportation and the County Auditor’s Office; and adjustments to expenditures to reflect the various stages of ongoing and new projects that the Agency will undertake in the coming year.

A priority of the Agency is to continue its longstanding policies of prudent fiscal management while ensuring long-term financial stability.

Requests for Information

This financial report is designed to provide a general overview of the Agency’s finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Agency’s Chief Fiscal Officer at 1255 East Street, Suite 202, Redding, California 96001, sent by email to finance@srta.ca.gov, or inquired by phone at (530) 262-6190.

		Governmental Activities
Assets		
Current assets		
Cash	$	17,825,948
Accounts receivable		650,642
Due from other governments		4,507,483
Leases receivable		508,290
Other assets		4,428
Total current assets		23,496,791
Noncurrent assets		
Capital assets not being depreciated		451,264
Capital assets, net of depreciation		1,772,177
Right to use subscription IT assets, net of accumulated amortization		7,528
Total noncurrent assets		2,230,969
Total assets		25,727,760
Deferred Outflows of Resources		
Deferred outflows related to pensions		263,653
Deferred outflows related to other postemployment benefits		192,791
Total deferred outflows of resources		456,444
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities		1,547,932
Deposits		5,500
Unearned revenues		7,936,317
Interest payable		4,375
Compensated absences, current portion		41,491
SBITA liability, current portion		14,146
Direct financing purchase, current portion		61,357
Total current liabilities		9,611,118

	Governmental Activities
Noncurrent liabilities	
Compensated absences, net of current portion	$ 96,813
Direct financing purchase, net of current portion	408,505
Net other postemployment benefits liability	246,755
Net Pension Liability	170,967
Total noncurrent liabilities	923,040
Total liabilities	10,534,158
Deferred Inflows of Resources	
Deferred inflows related to leases receivable	506,880
Deferred inflows related to pensions	7,430
Deferred inflows related to other postemployment benefits	17,070
Total deferred inflows of resources	531,380
Net Position	
Net investment in capital assets	1,746,961
Restricted for transportation projects and programs	11,647,706
Unrestricted net position	1,723,999
Total net position	$ 15,118,666

See Notes to Financial Statements

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Total Program Revenues	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Governmental Activities:				
Transportation planning and administration	$ 3,834,060	$ 3,910,404	$ 3,910,404	$ 76,344
Local transportation assistance	14,306,364	12,073,081	12,073,081	(2,233,283)
Interest expense	17,211	-	-	(17,211)
Total governmental activities	$ 18,157,635	$ 15,983,485	$ 15,983,485	$ (2,174,150)

General Revenues:	
General revenues	
Use of money and property	240,672
Total general revenues	240,672
Change in Net Position	(1,933,478)
Net Position at Beginning of Year, as pervious year reported	14,418,392
Adjustments	2,633,752
Net Position at Beginning of Year, as restated	17,052,144
Net Position at End of Year	$ 15,118,666

See Notes to Financial Statements

	Local Planning Fund (General Fund)	Special Revenue Funds: Local Transportation Fund	Special Revenue Funds: State Transit Assistance Fund	Total Governmental Funds
ASSETS				
Cash	$ 9,831,532	$ 4,367,056	$ 3,627,360	$ 17,825,948
Accounts receivable	609,660	40,976	6	650,642
Due from other governments	205,421	3,706,956	595,106	4,507,483
Due from other funds	-	-	-	-
Lease receivable	508,290	-	-	508,290
Other assets	4,428			4,428
Advances to other funds		171,967	-	171,967
Total assets	$ 11,159,332	$ 8,286,954	$ 4,222,472	$ 23,668,758
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 1,224,340	$ 323,592		$ 1,547,932
Deposits	5,500	-	-	5,500
Unearned revenues	7,398,188	491,689	46,439	7,936,317
Due to other funds	-	-	-	-
Advances from other funds	171,967		-	171,967
Total liabilities	8,799,995	815,281	46,439	9,661,715
Deferred inflows of resources:				
Related to leases receivable	506,880	-	-	506,880
Total deferred inflows of resources	506,880	-	-	506,880
Fund Balances:				
Restricted for highways, transit and non-motorized	-	7,471,673	4,176,033	11,647,706
Unassigned	1,852,457	-	-	1,852,457
Total fund balances	1,852,457	7,471,673	4,176,033	13,500,163
Total liabilities and fund balances	$ 11,159,332	$ 8,286,954	$ 4,222,472	$ 23,668,758

See Notes to Financial Statements

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances of governmental funds			$	13,500,163
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.				2,230,969
Net pension liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures, and therefore, are not reported in the governmental fund financial statements:				
Pension related deferred outflows of resources				263,653
Net pension liability				(170,967)
Pension related deferred inflows of resources				(7,430)
Net other postemployment benefits ("OPEB") liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures, and therefore, are not reported in the governmental fund financial statements:				
OPEB related deferred outflows of resources				192,791
Net OPEB liability				(246,755)
OPEB related deferred inflows of resources				(17,070)
Interest on long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds.				(4,375)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:				
Direct Financing Purchase	$	(469,862)		
SBITA liability		(14,146)		
Compensated absences		(138,304)		(622,313)
Net position of governmental activities			$	15,118,666

See Notes to Financial Statements

	Local Planning Fund (General Fund)	Special Revenue Funds: Local Transportation Fund	Special Revenue Funds: State Transit Assistance Fund	Total Governmental Funds
Revenues:				
Sales tax	$ -	$ 11,031,916	$ -	$ 11,031,916
Intergovernmental:				
Federal Highway Administration	1,066,266	-	-	1,066,266
Federal Transit Administration	167,070	-	-	167,070
RSTP Exchange Funds	780,765			780,765
REAP 2.0 SRTA Admin	67,098	-	-	67,098
Planning, Programming and Monitoring	175,943	-	-	175,943
TDA Administration	59,582	1,041,159	-	1,100,741
SB1	335,231	-	-	335,231
Super Region Fees	4,084			4,084
State Highway Account	-	-	-	-
Low Carbon Transit Operations Program	490,847	-	-	490,847
State of Good Repair	345,889	-	-	345,889
Use of money and property	230,504	9,214	960	240,678
Other revenue	414,852	2,775	-	417,627
Total revenues	4,138,131	12,085,064	960	16,224,155
Expenditures:				
Current:				
Planning and administration	3,739,734	1,383,780	98,145	5,221,659
Transportation programs:				
Street and Roads	-	7,264,875	-	7,264,875
Transit	-	2,769,256	2,131,820	4,901,076
Non-Motorized	-	599,820	-	599,820
Capital outlay	194,391	-	-	194,391
Debt service:				
Principal retirement	106,359	-	-	106,359
Interest	17,211	-	-	17,211
Total expenditures	4,057,695	12,017,731	2,229,965	18,305,390
Excess of revenues over (under) Expenditures	80,437	67,333	(2,229,005)	(2,081,235)

	Local Planning Fund (General Fund)	Special Revenue Funds: Local Transportation Fund	Special Revenue Funds: State Transit Assistance Fund	Total Governmental Funds
Other financing sources (uses):				
Transfers out	$ (2,936,840)	$ -	$ -	$ (2,936,840)
Transfers In	-	441,112	2,495,728	2,936,840
Total other financing sources (uses)	(2,936,840)	441,112	2,495,728	-
Net change in fund balance	(2,856,403)	508,445	266,723	(2,081,235)
Fund Balances:				
Beginning of year, as previously reported	2,075,109	6,963,227	3,909,310	12,947,646
Restatement	2,633,752			2,633,752
Beginning of year, As Restated	4,708,861	6,963,227	3,909,310	15,581,398
End of year	$ 1,852,457	$ 7,471,672	$ 4,176,033	$ 13,500,163

See Notes to Financial Statements

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances of governmental funds	$ (2,081,235)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The net effect of the capital transaction is presented below:	
Capital outlay	194,391
Depreciation	(111,291)
Changes in compensated absences do not use current financial resources and, therefore, are not reported as an expenditure in governmental funds.	29,414
Pension expense, net of reporting contributions made after measurement date.	(96,045)
OPEB Expenses	27,244
Payments on a financed purchases represent use of current financial resource in the governmental funds; therefore, not reported as a expense in the statement of activities.	104,043
Change in net position of governmental activities	$ (1,933,478)

See Notes to Financial Statements

Note 1: Reporting Entity and Significant Accounting Policies

A. Reporting Entity

The Shasta Regional Transportation Agency ("Agency") was designated by the State of California as a Regional Transportation Planning Agency ("RPTA") in 1972, and the Metropolitan Planning Organization ("MPO") by the Governor of California in 1981.

The Agency, the City of Redding, the Redding Area Bus Authority ("RABA"), the City of Anderson, the County of Shasta (the "County"), and Caltrans approved a Memorandum of Understanding outlining legal foundations of the MPO, the planning process, the obligations and responsibilities, the organization makeup, and the funding process. In June 2012, the Agency separated from the County and formerly became the Agency and an independent agency.

The Agency is responsible for the development and adoption of transportation policy; review and coordination of transportation planning; an Overall Work Program; a Regional Transportation Plan; and a Regional and Federal Transportation Improvement Program. These planning activities enable the local jurisdictions within the County of Shasta to qualify for a variety of state and federal funding for transportation projects and facilities.

B. Measurement Focus & Basis of Accounting

The Agency's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board (GASB) is the acknowledged standard-setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

Government-wide statements: The statement of net position and the statement of activities display information about the primary government. These financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Agency's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying statement of net position.

The statement of activities presents the changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of the related cash flows. The statement of activities presents a comparison between direct expenses and program revenues for each function of the Agency's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements: Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances. An accompanying reconciliation explains the differences in net position as presented in these statements to the net position presented in the government-wide financial statements as well as the differences between the changes in fund balance as presented in the fund statements and the changes in net position as presented in the statement of activities.

The governmental funds are accounted for on a "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, current liabilities, and deferred inflows of resources related to unavailable revenues and lease revenues are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except for that revenues subject to accrual (generally 60 days after year-end) are recognized when measurable and available. The primary revenue sources, which have been treated as susceptible to accrual by the Agency, are sales tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Revenues from grants and other contributions are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Agency must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the Agency on a reimbursement basis.

Unavailable revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unavailable and unearned revenues are removed from the balance sheet and revenues are recognized.

The Agency’s major governmental funds are required to be identified and presented separately in the fund financial statements. Major funds are defined as funds that have either assets, liabilities and deferred inflows, revenues or expenditures equal to ten percent of their fund-type total. The general fund is always a major fund. All other funds are reported as special revenue funds. The Agency reported the following major governmental funds in the accompanying financial statements:

Local Planning (General) Fund is the general operating fund of the Agency and accounts for the revenues collected to provide services and finance the fundamental operations of the Agency. The major revenue sources for this fund are local transportation funds and federal and state planning grants. Expenditures are made for administration, as well as local and regional planning projects.

Local Transportation Special Revenue Fund is used to account for Transportation Development Act (TDA) revenues, which may be claimed by regional and/or local agencies, as applicable, for the administration of TDA, planning and programming activities, transit services, bicycle and pedestrian facilities, passenger rail service, and streets and roads.

State Transit Assistance Special Revenue Fund is used to account for TDA revenues, which are claimed by local agencies only for eligible transit capital and operating activities.

C. Cash, Cash Equivalents, and Investments

Cash, cash equivalents, and investments are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition.

D. Capital Assets

Capital assets include general office equipment, furniture and real estate. Capital assets are defined by the Agency as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital asset improvements are recorded as assets.

Capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Office equipment and furniture: 5 years
Building and building improvements: 15-40 years

Right to use subscription IT assets are recognized at the subscription commencement date and Agency's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful lives of the underlying assets using the straight-line method. The amortization period varies from 3 to 5 years.

E. Unearned Revenues

Unearned revenues are reported for resources received before the eligibility requirements are met (excluding time requirements).

F. Compensated Absences

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available resources is reported as an expenditure and related fund liability of the governmental fund responsible for payment. Amounts of vested or accumulated vacation and sick leave and benefits that are not expected to be liquidated with expendable available resources are reported in the non-current portion of the obligations reported in the government-wide statement of net position with corresponding changes in account balances reported as expenses in the statement of activities.
Additionally, a provision for sick time was recognized in the compensated absences liability, which may be overstated. It is more likely than not that this sick leave will not be used in the future, based on historical data and current expectations, and thus may not need to be included in full as a liability.

Vacation accruals for non-management employees may not exceed 78 times the employee’s bi- weekly accrual rate. Management employees may not exceed 104 times the employee’s bi-weekly accrual rate. There is no limit on the accrual of sick leave. Upon termination, other than discharge, an employee shall be entitled to payment of a percentage of accumulated sick leaves based on the number of years of service.

G. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangement outstanding at the end of the fiscal year are referred to as “due from/to other funds” (i.e., current portion of interfund loans) or “advances to/from other funds” (i.e.: long-term in nature). Eliminations have been made in the government-wide financial statements.

H. Pensions

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

I. Other Postemployment Benefits

For purposes of measuring the net other postemployment benefits (“OPEB”) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Agency’s OPEB plan (OPEB Plan) and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the California Employer’s Retiree Benefit Trust (CERBT). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

J. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Agency has two (2) items that qualify for reporting in this category. These items are related to the net pension liability/(asset) and net other postemployment benefits. These amounts are further described in their respective footnotes.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has three (3) items that qualify for reporting in this category in the government-wide financial statements. These items are related to the net pension liability/(asset), net other postemployment benefits, and lease receivable. These amounts are further described in their respective footnotes. The Agency has two items that qualifies for reporting in this category in the fund statements. The amounts related to the lease receivable are also recorded in the fund statements. The other item, unavailable revenues, arises only under a modified accrual basis of accounting, and is the recognition of revenues earned but not received within the period that the amounts become available. The deferred inflow of resources related to leases where the Agency is the lessor are recognized as an inflow of resources (revenue) on the straight-line basis over the terms of the leases.

K. Net Position

Government-wide financial statements utilize a net position presentation. Net position of the Agency is categorized as net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets represent the capitalized cost of capital assets, net of depreciation and amortization, and the related outstanding debt balances.
- Restricted net position represents net position that is constrained by externally imposed requirements of creditors (such as through debt covenants), laws or regulations of other governments or imposed by law, through constitutional provisions or enabling legislation.
- Unrestricted describes the portion of net position which is not restricted as to use.

  When an expense is incurred for purposes for which both restricted and unrestricted net positions are available, it is the Agency's policy is to apply restricted net position first.

L. Fund Balances

In the governmental fund financial statements, fund balances are classified in the following categories:

- Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, and items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.
- Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations

- Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body and that remain binding unless removed in the same manner. The Agency's Board of Directors is considered the highest authority for the Agency.

- Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision.
- Unassigned – This category is for the remaining fund balance.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt service expenditures including principal and interest payments are reported as expenditures.

Subscription liabilities represent the Agency's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments is discounted based on a borrowing rate determined by the Agency.

N. Lease Receivables

Lease receivables are recorded by the Agency as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the Agency charges the lessee.

O. Use of Estimates

The preparation of financial statements in conformity 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 and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

P. Use of Estimates

Effective in Future Fiscal Years

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement is effective for reporting periods beginning after December 15, 2023. The Agency is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 102 – GASB Statement No. 102 – In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement is effective for fiscal periods beginning after June 15, 2024.The implementation of GASB Statement No. 102 is expected to have a significant impact by requiring governments to disclose risks associated with certain concentrations or constraints that make them vulnerable to financial or operational challenges. These disclosures will improve the transparency of financial reporting and help users understand the potential risks that could affect the government's financial stability. The statement will necessitate changes in how governments assess and report their risk exposure, particularly in relation to specific concentrations that could lead to vulnerabilities.Although the statement is effective for fiscal periods beginning after June 15, 2024, the Agency has yet to determine the specific effect it will have on its financial statements. The Agency will need to evaluate how these new disclosure requirements will be implemented and assess their impact on future reporting.

GASB Statement No. 103 – In April 2024, the GASB issued Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement also addresses certain application issues. The Statement is effective for fiscal periods beginning after June 15, 2025. The Agency has not determined the effect on the financial statements.

Note 2 – Cash, Cash Equivalents, and Investments

Cash, cash equivalents, and investments are classified in the financial statements as shown below:

Statement of Net Position:		
Governmental Activities	$	17,825,948
Petty cash	$	100
Deposits with financial institution		13,343,620
Cash Pooled with Shasta County Treasury		4,482,228
Total cash	$	17,825,948

A. Demand Deposits

At June 30, 2024, the carrying amount of the Agency's deposits was $13,343,620, and the LGIP balance was $4,482,228. The total bank balance is covered by federal depository insurance or collateral held by the Agency's agent in the Agency's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure Agency's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in Agency's name.

The market value of pledged securities must equal at least 110% of the Agency's cash deposits. California law also allows institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the Agency's total cash deposits. Agency may waive collateral requirements for cash deposits, which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation ("FDIC"). Agency has waived the collateralization requirements for deposits insured by FDIC.

B. Cash Pooled with Shasta County Treasury

The Agency maintains its State Transit Assistance and Local Transportation Funds cash in the amount of $4,482,228 in the Shasta County Treasury (County Pool). The County pools these funds with those of other entities in the County and invests the cash. These pooled funds are carried at amortized cost. Interest earned is deposited quarterly into participating funds. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County of Shasta's financial statements may be obtained by contacting the County of Shasta Auditor-Controller's office at 1450 Court Street, Room 238, Redding, California 96001. The investment pool is not registered within the Securities and Exchange Commission ("SEC"), and a treasury oversight committee provides oversight to ensure that investments comply with the approved County investment policy. At June 30, 2023, the weighted average maturity for the Shasta County Treasury is less than one year. The Shasta County Treasury is not rated by a rating agency. At the year end, the Shasta County Treasury was not exposed to custodial credit risk.

C. Fair Value Measurements

The Agency categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the Agency has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the Agency's own data.

The fair value of the Agency's investment in the County Pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by the County Pool for the entire Pool portfolio (in relation to the amortized cost of that portfolio).

Deposits and withdrawals in the County Pool are made on the basis of $1 and not fair value. Accordingly, the Agency's proportionate share of investments in those funds at June 30, 2024, is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

Note 3 - Due from other governments

Due from other governments in the General Fund consists mainly of amounts due from State of California Department of Transportation in the amount of $205,421 for various grant reimbursements. Amounts recorded in the Local Transportation Special Revenue Fund of $3,706,956 and those is the State Transit Assistance Special Revenue Fund of $595,106 are due from the State of California for sales tax revenues received in July and August. Management believes these amounts to be fully collectible and, accordingly, no allowance for doubtful accounts is required.

Note 4 - Interfund Transactions

A. Interfund Transfers

The General Fund transferred $2,936,840 to the State Transit Assistance Fund and Local Transportation Fund to remit to other agencies for transportation related projects.

B. Advances to and From Other Funds

The Agency purchased a building at 1255 East Street in Redding, California. The Local Transportation Special Revenue Fund (Loan Fund) advanced $401,349 for the 40% of the square footage of the building that is leased. The General Fund is expected, with annual Board approval, to annually return the advances to the Local Transportation Special Revenue Fund with no interest over a seven-year period from net rental income.

At June 30, 2024, the advances from the Local Transportation Special Revenue Fund are in the amount of $171,967.

Note 5 - Capital Assets

A summary of changes in capital assets for the governmental activities for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities:				
Capital Assets, not being depreciated				
Land	$ 235,000	$ -	$ -	$ 235,000
Construction in Progress		216,264	-	216,264
Total not depreciable assets	235,000	216,264	-	451,264
Depreciable assets:				
Building	2,481,676	24,904	-	2,506,580
Improvements	9,686	-	-	9,686
Equipment and furniture	362,997	-	-	362,997
Total depreciable assets	2,854,359	24,904	-	2,879,263
Less: accumulated depreciation				
Building	(640,438)	(113,953)	-	(754,391)
Improvements	(8,327)	(466)	-	(8,793)
Equipment and furniture	(299,639)	(44,263)	-	(343,902)
Total accumulated depreciation	(948,404)	(158,682)	-	(1,107,086)
Total depreciable assets, net	1,905,955	(133,778)	-	1,772,177
Governmental activities capital assets, net	$ 2,140,955	$ 82,486	$ -	$ 2,223,441

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities:				
Right to use Subscription IT Assets being amortized	$ 54,305	$ -	$ (46,777)	$ 7,528
Less Accumulated Amortization	(47,391)	-	47,391	-
Governmental activities right to use subscription IT assets, net	$ 6,914	$ -	$ 614	$ 7,528

Depreciation and amortization expense in the amount of $111,291 for the year ended June 30, 2024, was charged to transportation planning and administrative function for governmental activities.

Note 6 - Long-Term Debt

A summary of changes in governmental activities long-term debt for the year ended June 30, 2024, is noted below:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due in One Year	Due in More Than One Year
Governmental Activities:						
Direct Financing -						
Financed Purchases	$ 529,444	$ -	$ (59,582)	$ 469,862	$ 61,357	$ 408,505
SBITA's	58,607	-	(44,461)	14,146	14,146	-
Compensated absences	167,718		(29,414)	138,304	41,491	96,813
	$ 755,769	$ -	$ (133,457)	$ 622,312	$ 116,994	$ 505,318

Financed Purchases

In April 2016 the Agency financed the purchase of a building to use for an office. The Agency entered into a financing agreement with Umpqua Bank in the amount of $923,000. The agreement stipulates biannual payments of principal and interest in April and October. Interest on the financing is at 2.98%. The Agency holds title to the property. The Agency may prepay the liability up to 10% of the outstanding principal component of the liability payments without a prepayment premium.

Future debt service under the agreement are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ 61,357.00	$ 13,088.00	$ 74,445.00
2026	63,186	11,232	74,418
2027	65,068	9,321	74,389
2028	67,008	7,353	74,361
2029-2032	213,243	9,656	222,899
Total debt service	$ 469,862	$ 50,650	$ 520,512

Subscription-Based Information Technology Arrangements (SBITAs)

The Agency entered into SBITAs for the use of software and other technology arrangements. The total liability at June 30, 2024 was reduced to $14,146 after $44,461 was amortized during the year.

Year Ended June 30,	Principal	Interest	Total
2025	$ 14,146.00	$ 10,745.00	$ 24,891.00
Total debt service	$ 14,146	$ 10,745	$ 24,891

Note 7 - Pension Plan

The Agency contributes to the California Public Employees' Retirement System ("CalPERS"), a cost-sharing multiple- employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of- living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. All qualified permanent and probationary employees are eligible to participate in the Agency's Miscellaneous Employee Pension Plan, a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS.

Benefit provisions and all other requirements are established by State statute and city contracts with employee bargaining groups. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members who are public employees and beneficiaries. Benefits are based on years of credited service, equivalent to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 or 52, depending on hire date, with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit includes either the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments are applied as specified by the Public Employees' Retirement Law.

The Plan provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Miscellaneous	
	Tier I	Tier II (PEPRA)
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Minimum retirement age	50	52
Benefits, as a % of annual salary	2.0%	2.0%
Required employee contribution rates	6.920%	7.25%
Required employer contribution rates	13.26%	8.00%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. All employees in the Tier I plan are required to contribute 7% of their annual covered salary, based on Agency policy. However, employees that are considered PEPRA employees are required to contribute the annual actuarially-determined percentage of the covered salary. For the year ended June 30, 2024, contributions to the Plan were $75,196.

Pension Liability, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2024, the Agency reported net pension liability for its proportionate share of the net pension liability in the amount of $192,456

Proportionate share of net pension liability

	Net Pension Liability	Proportionate Share
June 30, 2023	$ 113,834	0.00243%
June 30, 2024	192,456	0.00385%
Change - Increase (Decrease)	$ 78,622	0.00142%

For the year ended June 30, 2024, the Agency recognized pension expense in the amount of $96,045. On June 30, 2024, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	$ 75,196	$ -
Change of Assumptions	11,619	-
Differences Between Expected and Actual Experience	9,832	1,525
Differences Between Projected and Actual Investment Earnings	31,160	-
Differences between Employer's Contributions and Proportionate Share of Contributions	9,309	5,905
Changes in Employer's Proportionate Share of the Net Pension Liability	126,563	-
	$ 263,679	$ 7,430

Reported as deferred outflows of resources related to contributions subsequent to the measurement date is $75,196, which will be recognized as a reduction in pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30,		
2025	$	97,316
2026		51,942
2027		30,875
2028		920
Total	$	181,053

Actuarial Assumptions

The total pension liabilities in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions for the Miscellaneous CalPERS plan:

Valuation Date		June 30, 2022
Measurement Date		June 30, 2023
Actuarial Cost Method		Entry Age Normal Cost Method
Actuarial Assumptions:		
	Discount Rate	6.90%
	Inflation	2.30%
	Payroll Growth [1]	3.3% - 14.2%
	Mortality	Based on CalPERS Experience Study

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021, available on the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS considered both short-term and long-term market return expectations. Using historical returns of all fund asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points (0.10%).

Asset Class	Target	Real Return
Global equity - cap-weighted	30%	4.54%
Global equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
	100%	

(1) An expected inflation of 2.30% used for this period
(2) Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Agency's proportionate share of the net pension liability at the current discount rate, as well as what the Agency's proportionate share would be if calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	5.90%	6.90%	7.90%
Net Pension Liability / (Asset)	$ 512,570	$ 192,456	$ (71,026)

Note 8 - Deferred Compensation Plan

The Agency offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Service (IRS) Code Section 457. Amounts deferred by employees and the related income are held in trust by the plan provider for the exclusive benefit of the participants and their beneficiaries. The amounts are not owned by the Agency nor are they available to the Agency's creditors.

The Plan allows employees to make voluntary contributions to the Plan up to the limits prescribed by the IRS.

The Agency does not participate in Social Security. All part-time, seasonal, and temporary employees participate in a FICA Alternative Plan which requires a 12.4% contribution split between employee and employer for part time employees. The Agency contributes 6.2% of qualifying payroll to the Plan that the Agency would otherwise pay towards employees' Social Security benefits. Part-time employees are required to participate in CalPERS membership after being employed by the Agency for more than 1,000 hours annually and FICA requirements are then met by required payroll contributions by employee and employer into CalPERS.

In accordance with U.S. GAAP, the Agency is not required to report the value of the plan assets since the assets are held in trust for the exclusive benefit of the participants and their beneficiaries. Consequently, the value of the plan assets and any related liability to plan participants have been excluded from the Agency's financial statements.

Note 9 - Other Postemployment Benefits (OPEB)

A. Plan Description

Plan Description. Agency's postemployment healthcare plan ("OPEB") provides medical benefits to eligible retired the Agency employees and their beneficiaries pursuant to California Government Code Section 31694 et. Seq. The Agency's OPEB Plan is administered by the CalPERS. Members of the OPEB Plan include retirees of the Agency and of other employer plan sponsors, as well as their eligible dependents. The Agency is considered a plan sponsor.

Benefits provided. Retiree medical benefits are also offered to employees eligible for medical insurance as determined by the board of directors and consistent with CalPERS requirements under the state Public Employees' Medical and Hospital Care Act (PEMHCA). The Agency is legally required only to pay the PEMHCA minimum in medical premiums for active and retired employees. However, the Agency has elected to pay amounts above the PEMHCA minimum for full-time employees, administered consistent with PEMHCA standards, as follows:

1. All full-time employees hired prior to July 1, 2012, who retire from the Agency, shall receive up to 100% of the employer-share of medical insurance premiums currently in effect for active employees.
Alternately, effective July 1, 2016, the employee may elect to participate in Number 3 below. Such election shall be in-lieu of the above offer and in effect and irrevocable upon election made in writing. Participation in this option precludes the employee from receiving any Agency retiree premium payment above the required PEMHCA minimum.

2. All full-time employees hired between July 1, 2012, and June 30, 2016, who retire from the Agency, shall receive 25% of the employer-share medical premiums after five years of service. Vesting will continue at 2.5% per year until fifteen years of total service at which time the employee is fully vested at a 50% maximum contribution rate.

Alternatively, effective July 1, 2016, the employee may elect to participate in Number 3 below. Such election shall be in-lieu of the above offer and in effect and irrevocable upon election made in writing. Participation in this option precludes the employee from receiving any Agency retiree premium payment above the required PEMHCA minimum.

3. All other employees who qualify for CalPERS medical insurance under this section may elect to participate in an in-lieu retiree medical plan where the Agency will match up to 3% of an employee's annual compensation to a retirement savings plan on a dollar-for-dollar basis. The employee shall immediately vest in all Agency contributions. Eligible retirement savings plans made available by the Agency include IRS Section 457 and 401(a) plans and may include other plans approved by the board of directors.

4. The health plans can include coverage for an eligible spouse and/or dependents. After a member's death, a surviving spouse is eligible to continue coverage. The maximum subsidy for a surviving spouse is the same as it is for a retiree

5. The Agency will pay 58% of the premium for spousal coverage and 62% of the premium for other dependent coverage.

6. The health plans can include coverage for an eligible spouse and/or dependents. After the member's death, a surviving spouse is eligible to continue health plan coverage. The Agency will pay 58% of the premium for spousal coverage and 62% of the premium for other dependent coverage.

7. If a member is eligible for a disability retirement benefit, the member can receive a monthly health plan subsidy of $187 per month or a $15 per year of service, whichever is greater.

Contributions. The Agency, as a plan sponsor, determines the contributions into CalPERS to fund the OPEB Plan. The Agency has decided to pay the liability on pay-as-you go basis. During fiscal year 2023-24 the Agency made contributions of $44,261 to the plan.

B. Net OPEB Liability

The Agency's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total OPEB liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30,2024
General Inflation	2.50% per annum
Discount Rate	6.25%
Preretirement Mortality- Mortality, Retirement, Disability, Termination	Preretirement Mortality Rates for Public Agency Miscellaneous from CalPERS Experience Study (2000-2019).
Mortality Improvement	Mortality projected fully generational with Scale MP-17 for post-retirement mortality
Salary Increases	Aggregate 2.75%
Postretirement Mortality	Post-retirement Mortality Rates for Public Agency Miscellaneous from CalPERS Experience Study (2000-2019).
Medical Trend	6.00 percent for 2023, 5.50 percent for 2024, 5.25 percent for 2025-
Healthcare participation	50%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Rate of Return
Global Equity	49.0%	4.8%
Fixed Income	23.0%	1.8%
Treasury Inflation Protection Securities	5.0%	1.6%
Real Estate Investment Trusts	20.0%	3.7%
Commodities	3.0%	1.9%

Discount rate. The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that the Agency's contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. Changes in Net OPEB Liability

The changes in the net OPEB liability measured as of June 30, 2024 is as follows:

	Total OPEB Liability	Fiduciary net position	Net OPEB Liability
Balance at June 30, 2022	$ 642,299	$ 325,997	$ 316,302
Service Cost	18,796	-	18,796
Interest	39,956	-	39,956
Employer contributions	-	92,110	(92,110)
Net investment income	-	36,480	(36,480)
Benefit payments	(44,261)	(44,261)	-
Trustee Fees	-	(123)	123
Administrative expenses	-	(168)	168
			-
Net Changes	14,491	84,038	(69,547)
Balance at June 30, 2023	$ 656,790	$ 410,035	$ 246,755

Detailed information about the OPEB plan's fiduciary net position is available in the separate CalPERS ACFR that may be obtained on the CalPERS website.

D. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Agency, as well as what the Agency's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.25%) or 1 percentage point higher (7.25%) than the current discount rate (6.25%):

	1% Decrease (5.25%)	Current Rate (6.25%)	1% Increase (7.25%)
Net OPEB liability (asset)	$ 330,128	$ 246,755	$ 177,094

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability, as

	1% Decrease	Current Rate	1% Increase
Net OPEB liability (asset)	$ 162,041	$ 246,755	$ 352,079

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

For the year ended June 30, 2024, the Agency recognized OPEB expense of $64,866. At June 30, 2024, the Agency reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 68,772	$ -
Changes in assumptions	101,180	-
Differences between projected and actual return investments	5,769	-
Total	$ 175,721	$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB

Fiscal year ending June 30,	Deferred outflows/ (inflows) of resources
2025	25,487
2026	30,008
2027	19,114
2028	18,764
2029	21,901
Thereafter	60,447
Total	$ 175,721

Note 10 - Risk Management

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. These risks are covered by commercial insurance purchased from Alliant Insurance Services, Inc. There have been no reductions in insurance coverage as compared to the previous year, and, for the past three fiscal years, no settlement amounts have occurred that exceeded the Agency's coverage. The Agency's insurance coverage with Alliant Insurance Services, Inc. is as follows:

Insurance	Amount
Personal Injury	$ 2,000,000
Public Officials Errors and Omissions	2,000,000
Products/Completed Operations	2,000,000
Employment Practices	2,000,000
Crime	1,000,000
Property	25,000,000
Workers' Compensation	1,000,000

Note 11 - Commitments and Contingencies

The Agency is subject to litigation arising in the normal course of business. In the opinion of the Agency's Attorney, there is no pending litigation which is likely to have a material adverse effect on the financial position of the Agency.

The Agency received federal and state financial assistance from the California Department of Transportation ("Caltrans"). This financial assistance is provided to the Agency as a reimbursement of expenditures incurred in the administration of certain programs. Federal and state financial assistance is recognized as revenue at the time related expenditures are incurred, not when the funds are actually received. Although the Agency's financial assistance programs have been audited through June 30, 2023, in accordance with the provisions of Uniform Guidance, these programs may be subject to further financial and compliance audits by the reimbursing agencies.

As of June 30, 2024, the Agency has no significant outstanding commitments over $10,000.

Note 12 - Lease Receivables

As of June 30, 2024, the Agency has accrued a receivable for two office space leases. The remaining receivable for these leases was $508,290. Deferred inflows related to these leases were $506,880 as of June 30, 2024. Interest revenue recognized on these leases for the year ended June 30, 2024, was $16,943. Principal receipts related to these leases were $54,160 during the fiscal year. The interest rate on the leases is 3.00%.

Note 13 - Adoption of New Accounting Standard and Correction of Error

The agency also made corrections to errors in the recognition of unearned revenues from the previous year, addressing the issue as follows:

	Governmental Activities
Net Position at July 1, 2023, as previously reported	$ 12,947,646
Unearned revenues	2,633,752
Net Position at July 1, 2023, as adjusted	$ 15,581,398

	General Fund	Local Transportation Fund	State Transit Assitance Fund
Fund Balance at July 1, 2023, as previously reported	$ 2,075,109	$ 6,963,227	$ 3,909,310
Unearned revenues	2,633,752		
Fund Balance at July 1, 2023, as adjusted	$ 4,708,861	$ 6,963,227	$ 3,909,310

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Proportion of the net pension liability	0.00019%	-0.00040%	0.00022%	0.00030%	0.00022%
Proportionate share of the net pension liability/(asset)	$ 11,798	$ (2,960)	$ 7,870	$ 30,218	$ 21,512
Covered payroll	$ 495,433	$ 577,751	$ 646,302	$ 714,715	$ 746,858
Proportionate share of the net pension liability as percentage of covered payroll	2.38%	-0.51%	1.22%	4.23%	2.88%
Plan's proportionate share of the fiduciary net position as a percentage of the total pension liability	81.00%	78.30%	74.10%	73.30%	75.30%

1 Historical information is presented only for measurement periods for which GASB 68 is available for 10 periods after GASB 68 implementation.

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Measurement Date	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Proportion of the net pension liability	0.00011%	0.00103%	-0.00894%	0.00243%	0.00385%
Proportionate share of the net pension liability/(asset)	$ 11,025	$ 43,253	$ (169,765)	$ 113,834	$ 192,456
Covered payroll	$ 843,236	$ 866,425	$ 960,058	$ 1,281,007	$ 1,123,086
Proportionate share of the net pension liability as percentage of covered payroll	1.31%	4.99%	-17.68%	8.89%	17.14%
Plan's proportionate share of the fiduciary net position as a percentage of the total pension liability	75.30%	75.10%	75.10%	75.10%	75.10%

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

	2014-15	2015-16	2016-17	2017-18
Actuarially determined contribution	$ 64,257	$ 56,173	$ 62,807	$ 65,698
Contributions in relation to the actuarially determined contributions	(64,257)	(56,173)	(62,819)	(65,698)
Contribution deficiency (excess)	$ -	$ -	$ (12)	$ -
Covered payroll	$ 577,751	$ 646,302	$ 714,715	$ 746,858
Contributions as a percentage of covered payroll	11.12%	8.69%	8.79%	8.80%

Notes to Schedule:

Benefit Changes: There were no changes to the benefit terms.

Changes of Assumptions: In 2022, the discount rate was reduced from 7.15% to 6.90% and the inflation rate was reduced from 2.50% to 2.30%. In 2018, demographic assumptions and inflation rate were changed in accodance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017.
In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.
In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan (administrative expense).

In 2014, amounts reported were based on the 7.5 percent discount rate.

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Actuarially determined contribution	$ 111,204	$ 79,928	$ 103,172	$ 104,811	$ 82,382	$ 75,196
Contributions in relation to the actuarially determined contributions	(111,204)	(79,928)	(103,172)	(104,811)	(82,382)	(75,196)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 843,236	$ 866,425	$ 960,058	$ 1,281,007	$ 1,123,086	$ 1,111,393
Contributions as a percentage of covered payroll	13.19%	9.23%	10.75%	8.18%	7.34%	6.77%

Last Ten Fiscal Years

Other Postemployment Benefits (OPEB)

Measurement Date	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Total OPEB liability								
Service cost	$ 5,991	$ 6,156	$ 6,325	$ -	$ 16,449	$ 22,958	$ 21,239	18,796
Interest	15,440	16,483	17,498	-	28,619	36,695	38,966	39,956
Benefit payments	(5,558)	(8,103)	(11,623)	-	(19,228)	(9,999)	(41,505)	(44,261)
Difference between expected and actual experience	-	-	-	-	44,322	-	36,946	-
Changes in assumptions and other inputs	-	-	-	-	34,152	-	30,835	-
Other	-	256	17,850	-	-	-	-	-
Net change in total OPEB liability	15,873	14,792	128,755	-	104,314	49,654	86,481	14,491
Total OPEB liability - beginning	220,441	236,314	251,106	-	401,850	506,164	555,818	642,299
Total OPEB liability - ending (a)	$ 236,314	$ 251,106	$ 379,861	$ -	$ 506,164	$ 555,818	$ 642,299	656,790
OPEB fiduciary net position								
Employer contributions	$ 33,235	$ 256	$ 47,059	$ -	$ 67,707	$ 48,322	$ 80,842	92,110
Other adjustments	-	-	-	-	-	10,083	-	
Net investment income	8,161	9,161	9,080	-	52,888	(35,583)	17,707	36,480
Administrative expense	(43)	(213)	(32)	-	-	(224)	(233)	(168)
Trustee Fees								(123)
Benefit payments	(5,558)	(8,103)	(11,623)	-	(19,228)	(9,999)	(41,505)	(44,261)
Net change in plan fiduciary net position	35,795	1,101	44,484	-	101,367	12,599	56,811	84,038
Plan fiduciary net position - beginning	79,262	115,057	116,518	-	155,220	256,587	269,186	325,997
Plan fiduciary net position - ending (b)	$ 115,057	$ 116,158	$ 160,642	$ -	$ 256,587	$ 269,186	$ 325,997	$ 410,035
Plan net OPEB liability - ending (a) - (b)	$ 121,257	$ 134,948	$ 219,219	$ -	$ 249,577	$ 286,632	$ 316,302	$ 246,755
Plan fiduciary net position as a percentage of the total OPEB liability	48.69%	46.26%	42.29%	0.00%	50.69%	48.43%	50.75%	62.43%
Covered payroll	$ 717,265	$ 746,858	$ 843,236	$ -	$ 866,425	$ 1,281,007	$ 1,123,086	$ 1,111,393
Plan net OPEB liability as a percentage of covered payroll	16.91%	18.07%	26.00%	0.00%	28.81%	22.38%	28.16%	22.20%

[1] Historical information is presented only for measurement periods for which GASB 75 is available for periods after GASB 75 implementation in 2016-17.

[2] During FY 2021, the Agency adjusted the measurement date to coincide with the financial reporting date.

Notes to Schedule:
Benefit Changes: There were no changes to the benefit terms.
Change in Assumptions: No change noted

Last Ten Fiscal Years

Other Postemployment Benefits (OPEB)

	2016-17[1]	2017-18	2018-19	2019-20	2020-21[3]	2021-22	2022-23	2023-24
Actuarially determined contribution[2]	$ 23,235	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the actuarially determined contributions	(33,235)	(49,363)	(47,059)	(23,116)	(67,707)	(38,323)	(39,337)	(46,568)
Contribution deficiency (excess)	$ (10,000)	$ (49,363)	$ (47,059)	$ (23,116)	$ (67,707)	$ (38,323)	$ (39,337)	$ (46,568)
Covered payroll	$ 717,265	$ 746,858	$ 843,236	$ -	$ 866,425	$ 1,281,007	$ 1,123,086	$ 1,111,393
Contributions as a percentage of covered employee payroll	4.63%	6.61%	5.58%	0.00%	7.81%	2.99%	3.50%	4.19%

[1] Historical information is presented only for measurement periods for which GASB 75 is available for periods after GASB 75 implementation in 2016-17.

[2] The June 30, 2015 actuarial valuation provided the actuarially determined contributions for the fiscal year ended June 30, 2017. There is no actuarially determined contribution for the fiscal years ended June 30, 2018, 2019, 2020, and 2021. SRTA contributed on pay-as-you go basis.

[3] Includes credit towards implicit subsidy

Notes to Schedule:

Valuation date:	June 30, 2024

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Actuarial Cost Method
Discount rate	6.25%
Service requirement	100% at 5 Years of Service
Increase in CalPERS minimum	3.50%
Healthcare cost trend rates	5.50%
Payroll increases	2.75%

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental:				
Federal Highway Administration	$ 1,324,395	$ 1,178,236	$ 1,066,266	$ (111,970)
Federal Transit Administration	126,006	95,147	167,070	71,923
Planning, Programming and Monitoring	465,925	402,309	175,943	(226,366)
REAP 2.0 SRTA Admin	2,580,000	2,292,252	67,098	(2,225,154)
RSTP exchange fund	-	-	780,765	780,765
TDA Administration	1,112,562	925,150	59,582	(865,568)
SB1	1,660,744	468,800	335,231	(133,569)
Super Region Fees			4,084	
State Highway Account	129,327	129,327	-	(129,327)
Strategic Partnerships	248,374	253,212	-	(253,212)
Caltrans Sustainable	648,824	777,496	-	(777,496)
Transit and Intercity Rail and Capital Program (TIRCP)	-	-	-	-
Low Carbon Transit Operations Program	1,067,996	326,572	490,847	164,275
State of Good Repair	1,107,501	574,583	345,889	(228,694)
Interest income	-	-	230,504	230,504
Other revenue	-	-	414,852	414,852
	10,471,654	7,423,084	4,138,131	(3,289,037)
Expenditures:				
Current:				
Planning and administration	5,977,754	5,015,978	3,739,734	1,276,244
Capital outlay	-	-	194,391	(194,391)
Debt service:				
Payments on capital lease	59,582	59,582	123,570	(63,988)
Interest	-	-		-
	6,037,336	5,075,560	4,057,695	1,017,865
Excess of revenues over (under) expenditures	4,434,318	2,347,524	80,437	(2,271,172)
Other Financing Sources:				
Transfers out	-	-	(2,936,840)	(2,936,840)
Total Financing Sources	-	-	(2,936,840)	(2,936,840)
Net change in fund balance	$ 4,434,318	$ 2,347,524	$ (2,856,403)	$ (5,203,927)
Fund Balance:				
Beginning of Year (restated)			4,708,861	
End of Year			$ 1,852,457	

	Budgeted Amounts		Actual	Variance Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Sales tax	$ 10,058,218	$ 10,058,219	$ 11,031,916	$ 973,697
Federal Highway Administration	-	-	-	-
TDA Administration	1,112,562	925,150	1,041,159	116,009
Interest income	-	-	9,214	9,214
Other revenue	-	-	2,775	2,775
Total revenues	11,170,780	10,983,369	12,085,064	1,101,695
Expenditures:				
Current:				
Planning and administration	1,112,562	925,150	1,383,780	(458,630)
Transportation Programs:				
Street and roads	7,264,872	7,264,872	7,264,875	(3)
Transit	2,193,527	2,193,527	2,769,256	(575,729)
Bike & Pedestrian	-	-	599,820	(599,820)
Non-Motorized	599,819	599,820	-	599,820
Total expenditures	11,170,780	10,983,369	12,017,731	(1,034,362)
Excess of revenues over (under) expenditures	-	-	67,333	67,333
Other Financing Use:				
Transfers In	-	-	441,112	441,112
Total other financing uses	-	-	441,112	441,112
Net change in fund balance	$ -	$ -	$ 508,445	$ 508,445
Fund Balance:				
Beginning of Year (restated)			6,963,227	
End of Year			$ 7,471,672	

Budgetary Comparison Schedule - State Transit Assistance Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance Variance With Final Budget Positive (Negative)
Revenues:				
Sales tax	$ 2,610,562	$ 2,334,569	$ -	$ (2,334,569)
Interest income	-	-	$ 960	960
Total revenues	2,610,562	2,334,569	960	(2,333,609)
Expenditures:				
Current:				
Planning and administration	-	-	98,145	(98,145)
Transportation programs:				
Transit	-	-	2,131,820	(2,131,820)
Total expenditures	-	-	2,229,965	(2,229,965)
Excess of revenues over (under) expenditures	2,610,562	2,334,569	(2,229,005)	(4,563,574)
Other Financing Use:				
Transfers In	-	-	2,495,728	2,495,728
Total other financing uses	-	-	2,495,728	2,495,728
Net change in fund balance	$ 2,610,562	$ 2,334,569	$ 266,723	$ (2,067,846)
Fund Balance:				
Beginning of Year (restated)			3,909,310	
End of Year			$ 4,176,033	

Budget Information

The operating budget for the Agency is prepared on a basis consistent with generally accepted accounting principles and is adopted as a part of the Overall Work Program for the Agency. The executive director is authorized to transfer budget amounts between accounts within any element of the Overall Work Program. Any revisions which alter the total expenditures of any element require approval by the Board of Directors and Caltrans.

Budgets are adopted annually on the accrual basis for all governmental funds. Amendments to the adopted budget requires an approval by the Board of Directors. Reported budget amounts are as originally adopted and subsequently amended. Annual appropriations lapse at fiscal year-end.

Expenditures over Appropriation

During the year ended June 30, 2023, the Agency had expenditures over appropriations for the following:

Fund	Amount in excess of Appropriations
Local Planning Fund:	
Capital Outlay	$ (194,391)
Principal	(63,988)
Local Transportation Special Revenue Fund:	
Planning and administration	(458,630)
Street & Roads	(3)
Transit	(575,729)
Bike & Pedestrian	(599,820)
State Transit Assistance Special Revenue Fund:	
Planning and administration	(98,145)
Transit	(2,131,820)

	Allocations and Disbursements Under Public Utilities Code Sections				
	99233.1	99260	99275	99400 (a) (c) & (d)	Totals
Allocations:					
County of Shasta	$ -	$ -	$ -	$ 3,404,646	$ 3,404,646
City of Redding	-	-	-	2,816,886	2,816,886
City of Anderson	-	-	-	560,085	560,085
City of Shasta Lake	-	-	-	483,258	483,258
Redding Area Bus Authority	-	1,734,876	-	-	1,734,876
Shasta Regional Transportation Agency	1,574,385	-	-	-	1,574,385
SRTA (CTSA)	-	-	458,649	-	458,649
Total allocations	$ 1,574,385	$ 1,734,876	$ 458,649	$ 7,264,875	$ 11,032,785
Disbursements:					
County of Shasta	$ -	$ -	$ -	$ 3,404,646	$ 3,404,646
City of Redding	-	-	-	2,816,886	2,816,886
City of Anderson	-	-	-	560,085	560,085
City of Shasta Lake	-	-	-	483,258	483,258
Redding Area Bus Authority	-	1,734,876	-	-	1,734,876
Shasta Regional Transportation Agency	1,574,385	-	-	-	1,574,385
SRTA (CTSA)	-	-	458,649	-	458,649
Total disbursements	$ 1,574,385	$ 1,734,876	$ 458,649	$ 7,264,875	$ 11,032,785

	California Administrative Code Section 6730(a)
Allocations:	
City of Redding	$ 2,545,126
City of Anderson	-
City of Shasta Lake	-
County of Shasta	-
Regional Transit Reserve	230,136
Total allocations	$ 2,775,262
Disbursements:	
City of Redding	$ 1,874,720
City of Anderson	134,034
City of Shasta Lake	123,066
County of Shasta	-
Regional Transit Reserve	-
Total disbursements	$ 2,131,820

Direct Salaries for the year ended June 30, 2024	$ 724,810
Approved Indirect cost rate for June 30, 2024	201.99%
Total allocable indirect expenses at June 30, 2024	1,464,044
Actual indirect expenses at June 30, 2024	1,142,020
Under (over) recovery of indirect expenses at June 30, 2024	(322,025)
Less: Depreciation taken grant funded capital assets	-
Under (over) recovered indirect expenses at June 30, 2024	$ (322,025)

Shasta Regional Transportation Agency
Schedule of Cost Allocation Plan Reconciliation
and Indirect Cost Allocation Carryover
For the Year Ended June 30, 2024

	Actual Expense	Direct Expense	Indirect Expense
Direct expenses:			
Salaries	$ 864,609	$ 560,874	$ 303,736
PTO	67,339	-	67,339
Employee benefits	516,931	163,937	352,994
Total salaries and employee benefits	1,448,879	724,810	724,068
Building Occupancy:			
Depreciation - Building	113,953	-	113,953
Interest	14,895	7,370	7,525
Insurance	47,923	-	47,923
Repairs & Maintenance	11,563	1,172	10,392
Janitorial	8,108	1,561	6,548
Communication - Elevator	2,018	422	1,596
Landscape	5,265	2,667	2,598
Taxes	131	-	131
Security	10,270	4,249	6,020
Utilities	13,973	3,313	10,659
Advertising	12,012	12,012	-
Bank Charges	495	20	475
Copier	4,053	-	4,053
Communication	11,578	523	11,055
Depreciation - Other	44,729	(0)	44,729
Books and Educational Materials	-	-	-
Office Supplies	8,664	4,072	4,591
Taxes - Filing Services	45	-	45
Computer Support	34,828	1,522	33,306
Dues/Subscriptions/Memberships	10,860	4,179	6,681
Postage	7,468	7,440	28
Education/Training	2,093	479	1,614
Interest Expense - Other	2,316	-	2,316
Software	18,582	12,495	6,087
Public Notice	3,508	2,769	739
Travel	19,552	1,259	18,293
Licenses	12,906	12,906	-
Management Expense	111	-	111
Meetings	2,614	2,297	317
Insurance	130	10	120
Audit/Actuarial Services	42,688	9,348	33,340
Legal Services	15,407	3,743	11,664
Personnel Services (HR, FSA Admin, Drug Testing)	36,139	13,980	22,159
Small Office Equipment	3,705	-	3,705
Conferences	5,178	-	5,178
Total expenses	$ 1,976,638	$ 834,618	$ 1,142,020

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*

To the Board of Directors
Shasta Regional Transportation Agency
Redding, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund information of the Shasta Regional Transportation Agency (Agency), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated February 13, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2024-001 and 2024-002 that we consider to be material weaknesses.

eidebailly.com
2150 River Plaza Dr., Ste. 150 | Sacramento, CA 95833-4131 | 916.570.1880 | F 916.570.1875 | EOE

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Agency's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Agency's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The Agency's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Sacramento, California
February 13, 2026

2024-001 FINANCIAL REPORTING

Criteria:

Management is responsible for taking responsibility for the preparation and fair presentation of the financial statements. Management is responsible for ensuring that all financial records and related information is reliable and properly recorded.

Condition Found:

Material Weakness – Management identified and corrected misstatements related to the recognition of unearned revenues that resulted in a prior period adjustment. We also noted several audit adjustments were required to be made.

Context:

The Agency's financial statements required a material audit adjustment to comply with generally accepted accounting principles.

Repeat Finding from Prior Year(s):

Yes. See finding 2023-001.

Effect:

The result of the condition above resulted in a misstatement of governmental activities and the fund financial statements.

Cause:

Management did not review the accounting treatment for specific funding sources to ensure that the appropriate accounting principles are applied.

Recommendation:

We recommend that the Agency ensure that the financial records of the Agency are complete and accurate prior to the audit process and contain all necessary adjustments.

Views of Responsible Officials and Planned Corrective Actions:

Agency management agrees with the finding. The Agency has updated policies and procedures to ensure appropriate accounting principles are applied. The prior period adjustments were required to reconcile closing program funding years and reconciling other program activities from FY 2023/24 that were not able to be addressed prior to fiscal year-end. Additional staff positions were added to Agency classifications in June 2024 to potentially recruit staff to further remediate the financial reporting weaknesses.

2024-002 SEGREGATION OF DUTIES

Criteria:

Internal controls should be established to ensure segregation of duties between the initiation and approval functions over journal entries.

Condition Found:

Material Weakness – We identified instances in which journal entries were initiated and approved by the same individual.

Context:

During our audit, we identified that the Chief Fiscal Officer both prepares and approves all journal entries that are entered into the Agency's finance system.

Repeat Finding from Prior Year(s):

Yes. See finding 2023-002.

Effect:

There is an increased risk of error or fraud if the journal entries are initiated and reviewed by the same individuals.

Cause:

The journal entry process did not have proper segregation of duties.

Recommendation:

We recommend that management implement policies and procedures within the Agency to disallow an individual from creating, approving, and posting the same entry or implement a period review of these journal entries by a separate individual.

Views of Responsible Officials and Planned Corrective Actions:

Agency management agrees with the finding. The Agency has updated policies and procedures to ensure appropriate accounting principles are applied. The prior period adjustments were required to reconcile closing program funding years and reconciling other program activities from FY 2022/23 that were not able to be addressed prior to fiscal year-end. Additional staff positions were added to Agency classifications in June 2024 to potentially recruit staff to further remediate the financial reporting weaknesses.

Federal Awards Reports in Accordance with the Uniform Guidance
June 30, 2024

Shasta Regional Transportation Agency

eidebailly.com

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

Board of Directors
Shasta Regional Transportation Agency
Redding, 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 Shasta Regional Transportation Agency (Agency) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated February 27, 2026. Our report contains an emphasis of matter paragraph regarding the correction of an error.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal controls, described in the accompanying schedule of findings and responses as item 2024-001 through 2024-002 that we consider to be material weaknesses.

eidebailly.com
2150 River Plaza Dr., Ste. 150 • Sacramento, CA 95833-4131 • 916.570.1880 • F 916.570.1875 • EOE

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including Section 6666 of Title 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or Section 6666 of Title 21 of the California Code of Regulations.

Agency's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Agency's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The Agency's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

Eide Bailly LLP

Sacramento, California
February 27, 2026

Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Directors
Shasta Regional Transportation Agency
Redding, California

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Shasta Regional Transportation Agency's (Agency) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Agency's major federal program for the year ended June 30, 2024. The Agency's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

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

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities and each major fund of the Agency as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements. We issued our report thereon dated February 27, 2026, which contained unmodified opinions on those financial statements. Our report contains an emphasis of matter paragraph regarding the correction of an error. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Eide Bailly LLP

Sacramento, California
February 27, 2026

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal	Pass-through Entity Identifying Number	Expenditures
U.S Department of Transportation			
Passed through the California Department of Transportation			
Metropolitan Planning and Research			
Federal Highway Administration - Metropolitan Planning	20.505	74A0821	$ 744,710
Federal Transit Administration - Metropolitan Planning	20.505	74A0821	95,146
Federal Transit Administration - State Planning & Research, Part I	20.505	74A0821	414,852
Federal Transit Administration - Section 5304	20.505	74A0821	71,924
Total Metropolitan Planning and Research			1,326,632
Total U.S Department of Transportation			1,326,632
Total Federal Financial Assistance			$ 1,326,632

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Shasta Regional Transportation Agency (the Agency) under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net position or fund balance of the Agency.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the *(modified accrual)* basis of accounting When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

The Agency has not elected to use the 10% de minimis cost rate.

Section I – Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued on whether the financial statements audtied were prepaid in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major federal programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

Name of Federal Program	Federal Financial Assistance Listing Number
Metropolitan Planning and Research	20.505

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

2024-001 FINANCIAL REPORTING

Criteria:

Management is responsible for taking responsibility for the preparation and fair presentation of the financial statements. Management is responsible for ensuring that all financial records and related information is reliable and properly recorded.

Condition Found:

Material Weakness – Management identified and corrected misstatements related to the recognition of intergovernmental revenues and unearned revenues that resulted in a prior period adjustment. We also noted several audit adjustments were required to be made.

Context:

The Agency's financial statements required a material audit adjustment to comply with generally accepted accounting principles.

Repeat Finding from Prior Year(s):

Yes. See finding 2023-001.

Effect:

The result of the condition above resulted in a misstatement of governmental activities and the fund financial statements.

Cause:

Management did not review the accounting treatment for specific funding sources to ensure that the appropriate accounting principles are applied.

Recommendation:

We recommend that the Agency ensure that the financial records of the Agency are complete and accurate prior to the audit process and contain all necessary adjustments.

Views of Responsible Officials and Planned Corrective Actions:

See corrective action plan.

2024-002 SEGREGATION OF DUTIES

Criteria:

Internal controls should be established to ensure segregation of duties between the initiation and approval functions over journal entries.

Condition Found:

Material Weakness – We identified instances in which journal entries were initiated and approved by the same individual.

Context:

During our audit, we identified that the Chief Fiscal Officer both prepares and approves all journal entries that are entered into the Agency's finance system.

Repeat Finding from Prior Year(s):

Yes. See finding 2023-002.

Effect:

There is an increased risk of error or fraud if the journal entries are initiated and reviewed by the same individuals.

Cause:

The journal entry process did not have proper segregation of duties.

Recommendation:

We recommend that management implement policies and procedures within the Agency to disallow an individual from creating, approving, and posting the same entry or implement a period review of these journal entries by a separate individual.

Views of Responsible Officials and Planned Corrective Actions:

See corrective action plan.

Section III – Federal Award Findings and Questioned Costs

None noted.

Finding No.	Finding or Program/Cluster	Assistance Listing No.	Compliance Requirement	Status
2023-001	Financial Reporting	Not Applicable	Not Applicable	Partially implemented. See finding 2024-001
2023-002	Segregation of Duties	Not Applicable	Not Applicable	Partially implemented. See finding 2024-002
2023-003	Bank Reconciliation	Not Applicable	Not Applicable	Implemented.