YEAR END - 6/30/2023

Livermore Amador Valley
TRANSIT AUTHORITY

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Annual Comprehensive Financial Report

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LIVERMORE AMADOR VALLEY
TRANSIT AUTHORITY
LIVERMORE, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

PREPARED BY THE FINANCE DEPARTMENT

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Introduction Section

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LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2023

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Livermore Amador Valley
TRANSIT AUTHORITY

November 7, 2023

**The Board of Directors and the Citizens Served by the
Livermore Amador Valley Transit Authority**

We are pleased to present the Comprehensive Annual Financial Report of the Livermore Amador Valley Transit Authority (the Authority) for the fiscal year July 1, 2022, through June 30, 2023.

This report has been prepared by the Finance Department following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA) and is in conformance with generally accepted accounting principles for state and local governmental entities established by the Governmental Accounting Standards Board (GASB). Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Authority's MD&A can be found immediately following the report of the independent auditors. Responsibility for the accuracy, completeness and fairness of the presented data and the clarity of presentation, including all disclosures, rests with the management of the Authority.

In accordance with the above-mentioned guidelines, the accompanying report consists of four sections:

1. The *Introductory Section* contains this letter of transmittal, a discussion of the Authority's operations, accomplishments and future goals and projects, a list of principal officials and the Authority's organization chart.

2. The *Financial Section* begins with the Independent Auditors' Reports and Financial Statements. The notes, an integral part of the Financial Statements, are intended to further enhance an understanding of the Authority's current financial status.

3. The *Statistical Section* provides information that is useful for understanding the Authority's financial condition and depicting the past 10 years of history and financial and operational trends of the Authority.

4. The *Compliance Section* includes the Auditors' reports required under the federal Single Audit Act, State Transportation Development Act, Measure B, and Measure BB and it provides assurance of the Authority's compliance with those laws and related regulations.

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BACKGROUND INFORMATION

History

In 1985, the County of Alameda joined with the Cities of Livermore, Pleasanton, and Dublin to execute a Joint Powers Agreement (JPA), pursuant to Government Code 6500 et. seq., creating the Livermore Amador Valley Transit Authority. Under the JPA, the Authority's charter was to provide public transit service in the Livermore Amador Valley without the imposition of any new local taxes.

The existing Wheels system is an outgrowth of the transit services previously operated in Livermore (City of Livermore-RIDEO) and Pleasanton/Dublin. The services in the three cities were consolidated under the Authority in 1987.

The Authority has come a long way over the years. In early 1990 the fixed route fleet was upgraded with the delivery of 34 new Gillig buses. That year almost 680,000 passengers were transported at a rate of 10.3 passengers per hour. Today, the Authority's fixed route fleet has 66 Gillig buses, which includes vehicles for both local fixed route and bus rapid transit (BRT) service. In 2022/2023 the Authority transported over 1.15 million passengers, which is still lower than the pre-pandemic ridership but is 36% higher than FY22.

The Authority

The Authority's reporting entity includes only the Authority; it is legally separate and financially independent as defined in the Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity." The Authority provides financial oversight and assistance to the the Tri-Valley – San Joaquin Valley Regional Rail Authority. No other entity exists for which the Authority exercises oversight responsibility or has a special financing arrangement.

The Authority operates under the name WHEELS and serves residents located in the Cities of Livermore, Dublin and Pleasanton, and some unincorporated areas of Alameda County (Tri-Valley Area). The mission of the Livermore Amador Valley Transit Authority is to provide equal access to a variety of safe, customer oriented, reliable, and affordable public transportation choices, increasing the mobility and improving the quality of life of those who live or work in and visit the Tri-Valley area.

As a Joint Powers Authority, a seven-member Board of Directors governs the agency. Two elected officials are appointed from each city's City Council, and the County Board of Supervisors appoints one member. Directors meet once a month to determine overall policy for the Authority. Monthly committee meetings provide oversight in two areas: finance and administration; and projects and services. Additional input to the Board comes from a nine-member Tri-Valley Accessibility Advisory Committee representing the interests of the elderly and disabled.

The Executive Director oversees the general operations of the transit system in accordance with the policy direction prescribed by the Board of Directors. During the 2023 fiscal year a Director of Planning and Marketing, Director of Finance, Director of Operations, Senior Transit Planner, Senior Fleet & Technology Management Specialist, Paratransit Planner, Senior Grants and Management Specialist, Operations Specialist, Executive Assistant, Accounting Analyst, Customer Service Supervisor, and two Customer Service Representatives supported the Executive Director.

Since its formation, the Authority has contracted with private companies for the day-to-day operation of its services. Fixed route and vehicle maintenance were provided under contract with MV Transportation, Inc. Paratransit services were provided under contract with County Connection and their Subcontractor Transdev.

The Authority's Strategic Plan outlines the Goals, Objectives, and Performance Standards and establishes a strategic process to implement and monitor the programs and policies of the Authority. The Strategic Plan also provides the basis for the operating budget and ten-year capital improvement program. With a new Executive Director starting in December 2022, as well as recognizing the impacts that the Pandemic has had on travel patterns and transit ridership, the Agency will be undertaking an update to the Strategic Plan in FY24.

Services

The Livermore Amador Valley Transit Authority provides local public transit services to the cities of Dublin, Livermore, and Pleasanton and to the adjacent unincorporated areas of Alameda County. The service area covers approximately 40 square miles and has approximately 252,774 residents. The service area is divided into two sub-areas: Pleasanton/Dublin and Livermore.

The Authority provides the following transportation services: Fixed Route (WHEELS) Service, Bus Rapid Transit (Rapid) Service, Demand Responsive Paratransit Service (Dial-A-Ride) to senior and disabled persons and on-demand services throughout the service area through a partnership with Transportation Network Companies (TNC).

The Wheels Fixed Route system consists of the following services:

Wheels	Local and sub-regional fixed route system.
Rapid	Local and sub-regional bus rapid transit system.
Shuttles	Local shuttles serving the ACE Rail and BART stations.

Wheels fixed route service runs 365 days a year. On an average weekday, in FY 23 the Authority's fixed route fleet carried an average of 2,992 passengers. After several years of ridership decline, in FY 2019 ridership increased by 7.2%; however, while ridership was up for the first three quarters of FY20 the COVID 19 pandemic had a large impact on ridership and the year ended with a decrease over the prior year of 15.3%. FY23 saw an increase in ridership of 26.5% over FY22.

LAVTA's Rapid service, launched in January 2011, featured 15-minute service on major arterials throughout the Tri-Valley, offering a connection to every BART Train. The primary goal of the service is to connect major Tri-Valley employment, retail, medical, and civic locations with fast, frequent bus service, including the BART system. The Rapid featured limited bus stops, transit signal priority, improved bus stop amenities including real-time arrival signs, hybrid technology buses, and unique branding.

The August 2016 *Wheels Forward* bus system redesign shifted unproductive fixed route resources away from low-ridership areas and boosted frequency in order to capture BART riders who may not be able to find a parking spot and created A second Rapid route operating every 15-minutes to BART. The realignment in service left places in the Wheels service area without fixed route service. In order to continue to provide residents with a transportation option, LAVTA staff engaged in a partnership with Transportation Network Companies (Uber, and Lyft) to provide discounted service in the City of Dublin that was named GoDublin. In FY20, due to the COVID-related reduction in fixed route service, GoDubin was expanded to include all areas of the Tri-Valley and rebranded as Go Tri-Valley.

With the pandemic-related decrease in ridership, many of LAVTA's fixed route services were reduced or suspended beginning in FY20. As of the end of FY23, nearly 90% of LAVTA's services have been restored, and fixed route ridership is approximately 70% of pre-Pandemic levels. Now that ridership patterns have somewhat normalized in a post-COVID reality, Wheels is undergoing an outreach effort in late Summer 2023 to connect with the Community in order to determine the appropriate coverage, service span, and frequency of Wheels bus service given post-Pandemic travel patterns. The end result of this effort will be a recommended new fixed route network to take effect in early 2024.

The Authority's fixed route service is supplemented by Dial-A-Ride paratransit service, which transported 26,892 customers in FY2023 approved vehicles provided by the contracted paratransit provider, which represents an 11% increase from FY2022. While the number of paratransit passengers decreased during the period from FY09 to FY12, the number of passengers increased significantly between FY13-FY16. To manage the demand, the Authority has focused on improved information and education on transportation options, including the fixed route system, parataxi, Go Tri-Valley programs, as well as productivity and eligibility policies. As anticipated, there was a decrease in trips between FY16 and 17, and another decrease between FY17 and FY18, and a further decrease in both FY18 and again in FY19. FY20, and FY21 saw a significant decrease but primarily due to the COVID-19 Pandemic and the demand for essential trips only. FY22 saw the trend reversing and ridership going back up to just under 50% of pre-pandemic levels, and FY23 saw that trend continue, with ridership climbing to 56% of pre-pandemic levels.

In July 2021, the Livermore Amador Valley Transit Authority (LAVTA) took a significant step towards improving transportation services in the East Bay by collaborating with other transit operators in the region to introduce the Regional One Seat Ride (OSR) Pilot Program. This innovative initiative aimed to revolutionize the way residents and commuters in the area accessed public transportation by offering seamless, transfer-free rides that extended beyond the traditional service-area boundaries of individual transit operators.

The primary objective of the OSR pilot program was to streamline the transit experience, with a particular focus on serving those with mobility challenges who rely on ADA paratransit services. Since its inception, the OSR pilot program has made remarkable strides, with a total of 4,751 trips taken by customers. This figure underscores the growing demand for a transfer-free, streamlined transportation solution in the East Bay region.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The Authority is accounted for as a single enterprise fund using the accrual method of accounting. In developing and evaluating the accounting system, emphasis is placed on the adequacy of internal accounting controls.

Internal Accounting Controls

Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

1. The safeguarding of assets against loss from unauthorized use or disposition; and
2. The reliability of financial records used in preparing financial statements and accounting for assets.

The concept of reasonable assurance recognizes that:

1. The cost of control should not exceed the benefits likely to be derived; and
2. The evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the Authority's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Cash Management

The Authority investment objectives are to minimize market risks while maintaining a competitive yield on its portfolio. The Authority's practice is to limit its investments to the State of California Local Agency Investment Fund (LAIF).

All cash deposits are either insured by the Federal Depository Insurance Corporation or collateralized by U.S. Government Securities. The depositories are required by State law to maintain a collateral pool of securities with market value in excess of 110% of the amount of the deposit.

Budgetary Controls

Although not legally required to do so, the Authority adopts an annual operating and capital budget. The Board of Directors has unlimited authority to approve or amend the adopted budget. The budget is based on Authority goals and objectives adopted annually by the Board of Directors as part of the budget process as well as the Strategic Plan originally adopted December 2005 and reviewed annually. The balanced budget, with adequate reserves to cover excess expenses over revenues, is adopted by resolution in May.

Budgetary control is maintained at the department level for each operating department and at the project level for each capital project. The Executive Director must authorize overruns within a department. Any overruns of the Authority as a whole require a budget revision and must be authorized by the Board of Directors.

Risk Management

On May 1, 2000, the Authority became a member of the California Transit Insurance Pool (CalTIP), a joint powers authority that provides annual general liability and physical damage coverage up to $10,000,000 in the aggregate. The authority has a $25,000 deductible for general liability claims and has a $5,000 deductible for physical damage claims on vehicles valued over $50,000 or operated by the Operations contractor, and $2,500 on staff vehicles with a value of less than $50,000. As a member of CalTIP the Authority has a seat on the governing board. The Board of Directors consists of representatives from all the member organizations.

In addition to the coverage provided through CalTIP, the Authority has commercial insurance coverage for property damage, boiler and machinery loss, and workers' compensation. Below is a summary of the Authority's current insurance program and related coverage.

Insurance	**Liability Limit**
Property	$350,000,000
Inland Marine (valuable papers)	No-sublimit for Valuable Papers
Boiler and Machinery	$25,000,000 per occurrence
Underground Storage Tank	$1,000,000 Occurrence/$1,000,000 Aggregate

The Authority's deductible amounts are $10,000 or less.

Independent Audit

State law requires that independent auditors, selected by the Board of Directors, audit the financial statements of the Authority. The fiscal year ended June 30, 2023 audit was conducted by Maze & Associates and their report is included in the Financial Section. Maze & Associates has also audited the Authority's compliance with the Transportation Development Act, a state law governing the expenditure of Local Transportation Funds; and State Transit Assistance, the Single Audit Act and regulations, the law, rules and regulations governing expenditures of federal awards; Measure BB funds, and State of Good Repair (SGR) funds. The Auditors' reports on compliance are presented in the Compliance Section of this report. In all cases the Auditor's reports are "unmodified" meaning there were no compliance exceptions.

FISCAL YEAR IN REVIEW

LAVTA's FY23 Budget was $2 4,243,016 which was 14.35% higher than FY22. LAVTA was able to comply with the Board's policy to maintain reserves equivalent to 3-6 months of operating costs. While the budget itself was adjusted with the assumption that COVID19 conditions would subside, LAVTA discovered that the difficulty in hiring and retaining bus operators continues and thus was not able to reestablish all of the pre-pandemic service.

In August 2016, a major service redesign was implemented following the Wheels Forward/Comprehensive Operational Analysis. In FY23, LAVTA staff used data from this study, as well as from what the agency was experiencing to determine when and where to increase service or decrease service on the routes to accommodate demand. On-Time performance during FY23 was 88%.

The capital program had three major area of focus: Improvements to bus stops and shelters, revamping the plans for the Atlantis Facility to accommodate the growing system, and landscaping improvements at the Transit Center.

Fiscal Year 2023 Accomplishments

While the previous section summarizes the financial situation last year, this section describes the work accomplished in FY23. In addition to the on-going workload of the agency, staff was busy this year on the following issues and projects.

Fixed Route Service/Planning –adjusted reduced service plans in response to ridership changes resulting from COVID-19. Assisted the Fixed Route Contractor with recruitment of drivers needed to increase service. Adjusted service to match new school bell times.

Paratransit Service – Worked with County Connection to select a new subcontractor for the joint paratransit service. Implemented new One Seat Ride Pilot Program.

Capital Projects –demolished the landscaping at the Transit Center and replaced with all new plants and mulch. Worked in partnership with Alameda County General Services Agency for the Dublin Parking Garage, remodeled the maintenance breakroom, and revamped planning efforts for the Atlantis Facility.

Audits/Reviews - completed the FY23 Financial Audit (ACFR) and an audit on RM2 funds.

Financial Management - received GFOA's Award of Excellence for Financial Reporting for FY22 ACFR;

FUTURE OUTLOOK

LAVTA's FY24 adopted Budget is $24, 619,185 which is 1.55% higher than FY23. The budget assumes LAVTA will provide 137,616 fixed route service hours. The Budget for FY24 continues to comply with the Board's policy to maintain reserves equivalent to 3-6 months of operating costs.

FY24's major highlight will be a fixed route service redesign based on feedback from the community and design to accommodate changes in transit needs and travel patterns.

LAVTA's capital program's largest projects this year will be the conversion of some of the Bus Bays at the Rutan location in order to accommodate repairs to LAVTA's future Hydrogen bus fleet.

Fiscal Year 2024 Goals

The Wheels Strategic Plan establishes an overall vision and mission for Wheels and contains a series of goals and strategies to guide the future development of services and projects. An update of the Strategic Plan will kickoff in FY24; however, until a new Strategic Plan is established, below are the goals and strategies and associated projects for FY24:

Goal: Service Development

Strategies:

1. Complete Wheels in Motion outreach campaign
2. Implement the new Wheels network in 2024
3. Improve connectivity with regional transit systems and participate in all Valley Link-related studies and plans.
4. Prepare for the opening of Emerald High School
5. Optimize existing routes/services to increase productivity and response to MTC projects and studies.

Projects:

1. Complete review of fixed routes and create next Long-Range Transit Plans
2. Renegotiate the Hacienda Pass
3. Monitor Go Tri-Valley Program and make recommendations for program modifications.
4. Prepare service plan for opening of Emerald High School

Goal: Marketing and Public Awareness

Strategies:

1. Focus ridership-based marketing efforts along two Rapid routes, as well as to areas seeing new service in 2024
2. Continue to work with area middle schools and high schools to increase ridership and enforce rider code of conduct.
3. Coordinate with Las Positas College to encourage student ridership
4. Build social media presence

Projects:

1. Use targeted digital marketing in key locations to bring awareness to new Wheels network in 2024.
2. With Middle and High Schools coordinate with Student Transit Pass Program, engage students through interactive social media, and encourage student pass usage for non-school related trips.
3. Restart robust community outreach program.

Goal: Regional Leadership

Strategies:

1. Advocate for local regional, state, and federal policies that support mission of WHEELS
2. Support staff involvement in leadership roles representing regional, state and federal forums
3. Promote transit priority initiatives with member agencies, local jurisdictions and MTC
4. Support regional initiatives that support transit funding priority and mobility options.

Projects:

1. Advocate for positions taken by LAVTA on FY24 Legislative Plan
2. Continue support of Tri-Valley – San Joaquin Valley Regional Rail Authority/Valley Link
3. Assist County of Alameda with the completion of the Dublin Parking Garage

Goal: Organizational Effectiveness

Strategies:

1. Engage in executive coaching and teambuilding activities
2. Promote system wide continuous quality improvement
3. Continue to expand the partnership with contract staff
4. Enhance and improve organizational structures, processes and procedures

Projects:

1. Monitor the performance of WHEELS bus system improvements through ITS tools
2. Continue to improve contract management process/oversight for fixed route operator, paratransit operator and bus stop repair and cleaning contractors.
3. Continue to emphasize and support training of employees to improve their technical and customer service expertise.
4. Continue planning of Atlantis
5. Pursue all funding opportunities for Atlantis

Goal: Financial Management

Strategies:

1. Develop budget in accordance with strategic plan
2. Explore and develop revenue generating opportunities
3. Maintain fiscally responsible long-range capital and operating plans

Projects:

1. Approve FY25 budget with emphasis on growing system ridership
2. Achieve continuing recognition for financial management excellence

ECONOMIC CONDITION AND OUTLOOK

The Livermore Amador Valley, also called the Tri-Valley, is located on the eastern edge of Alameda County, the seventh largest county in California. The cities of Livermore, Dublin and Pleasanton surpassed 200,000 total residents according to 2010 Census data. According to the Metropolitan Transportation Commission's (MTC) 2040 Plan Bay Area Transportation Plan released in 2017, the number of households in Alameda County is expected to grow by 35% between 2010 and 2040. Employment is projected to grow by 35%. [1]

The Tri-Valley cities have a lower unemployment rate than other cities in Alameda County, the state, and the nation. Statistics for 2022 show that unemployment rates in Tri-Valley is lower than the rest of Alameda County.

At the end of FY 2009, in the face of the economic recession and declining revenues, the Authority reduced service by 25% and immediately saw a decrease in ridership of approximately the same percentage. Since then the Agency has made efforts to gradually restore service hours and has conducted a comprehensive operations analysis resulting in changes in service during FY17. These changes increased ridership in FY18, again in FY19, and during the first three quarters of FY20. Unfortunately, ridership declined the last quarter of FY20 due to the Shelter in Place order brought on by the COVID-19 Pandemic, and ridership continued to decline during FY21, however, the ridership for FY22 was double that of FY21.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Livermore Amador Valley Transit Authority for its comprehensive annual financial report for the fiscal year ended June 30, 2022. This was the twenty-sixth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This Report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report required the dedicated efforts of the Authority's staff. We also gratefully recognize Maze & Associates for their timely audit and expertise on the preparation of this Comprehensive Annual Financial Report. Finally, we would like to thank the Board of Directors for its commitment and support in the development of a strong financial system.

Executive Director	Director of Finance
Christy Wegener	Tamara Edwards

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

PRINCIPAL OFFICIALS

June 30, 2023

Board of Directors

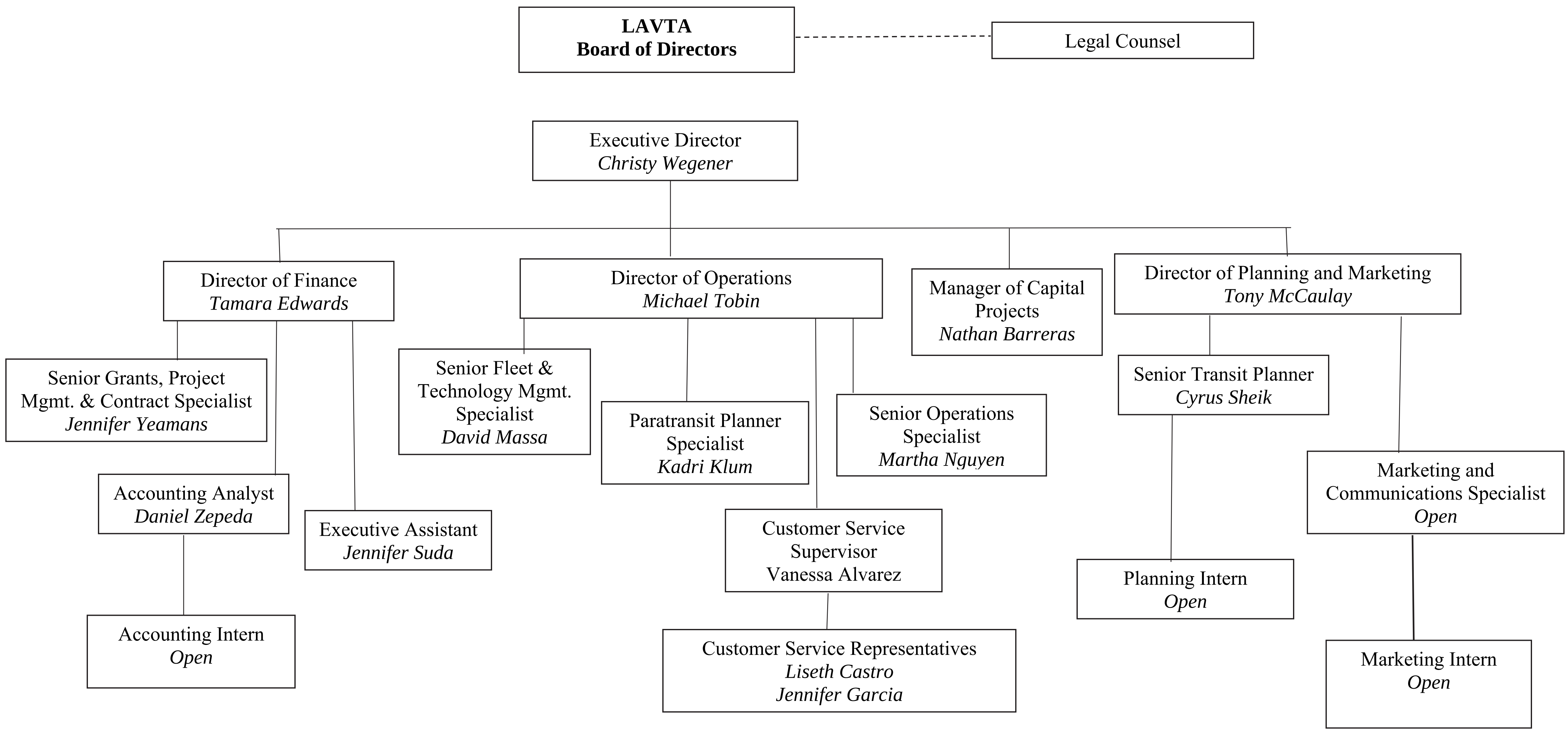
Chair	David Haubert, Supervisor, Alameda County
Vice Chair	Melissa Hernandez, Mayor, City of Dublin
Member	Brittni Kiick, Councilmember, City of Livermore
Member	Julie Testa, Councilmember, City of Pleasanton
Member	Jean Josey, Councilmember, City of Dublin
Member	Karla Brown, Mayor, City of Pleasanton
Member	Evan Branning, Councilmember, City of Livermore

Staff

Executive Director	Christy Wegener
Director of Planning & Marketing	Tony McCauley
Director of Finance	Tamara Edwards
Director of Operations	Michael Tobin
Senior Transit Planner	Cyrus Sheik
Senior Fleet and Technology	
Management Specialist	David Massa
Paratransit Planner	Kadri Kulm
Senior Grants & Management Specialist	Jennifer Yeamans
Operations Assistant	Martha Nguyen
Accounting Analyst	Daniel Zepeda
Executive Assistant	Jennifer Suda
Customer Service Supervisor	Vanessa Moreno
Customer Service Representative	Liseth Castro
Customer Service Representative	Jennifer Garcia

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Livermore Amador Valley Transit Authority
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

Financial Section

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Directors
Livermore Amador Valley Transit Authority
Livermore, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund of the Livermore Amador Valley Transit Authority, California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the each major fund of the Authority as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management's for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Authority'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.

Accountancy Corporation
3478 Buskirk Avenue, Suite 217
Pleasant Hill, CA 94523

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 Authority'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.

Report on Summarized Comparative Information

We have previously audited the Authority's June 30, 2022 financial statements, and expressed unmodified audit opinions on those audited financial statements in our report dated November 1, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with audited financial statements form which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information 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 Authority's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis 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 Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exits, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
November 6, 2023

MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023

The Livermore/Amador Valley Transit Authority is required to prepare financial statements in accordance with Government Accounting Standards Board Statement Number 34 (GASB 34) beginning with the fiscal year ended June 30, 2004. GASB 34 required changes to the traditional financial statements and disclosures and required the preparation of a Management Discussion and Analysis (MD&A)– a narrative overview and analysis of the financial activities of the Authority for each fiscal year. This MD&A is for the fiscal year ended June 30, 2023.

GASB 34 requires the format of Authority-wide financial statements, which are contained in the Financial Section of the accompanying report. These Authority-wide statements include a Statement of Net Position and a Statement of Revenues, Expenses and Changes in Net Position. The Statement of Net Position presents information on all of the Authority's assets and liabilities with the difference of the assets minus the liabilities being the Authority's Net Position. The Statement of Revenues, Expenses and Changes in Net Position summarizes how the Authority's Net Position have changed over the fiscal year.

Page references are to the attached fiscal year ended June 30, 2023 basic financial statements.

Background and Overview of the Presentation of the Financial Statements

The Authority's basic financial statements are comprised of four parts:

1. The Independent Auditor's Report
2. The Management Discussion and Analysis
3. The Basic Financial Statements
4. The Notes to the Financial Statements

1. *The Independent Auditor's Report*. This is an annual report prepared by the auditor to accompany the financial statements.

2. *Management Discussion and Analysis (MD&A).* This report accompanies the GASB34 compliant financial statements. The MD&A must include:

    - A brief explanation of the presentation that makes up the basic financial statements and the relationship of one statement to another.
    - Condensed financial information, allowing comparison of current and prior fiscal periods.
    - Analysis of the Authority's overall financial position (Statement of Net Position), and results of operations (Statement of Revenues, Expenses and Changes in Net Position).
    - Analysis of balances and transactions of major individual funds.
    - Significant capital asset and long-term debt activity.

- Any facts, decisions, or conditions known at the close of audit fieldwork that is expected to have a significant effect on the financial position or results of operations.

3. *Basic Financial Statements.* The basic Authority-wide financial statements are prepared under a set of rules referred to by their regulatory identifier, GASB 34. The Authority-wide financial statements are designed to provide a broader overview of the Authority's financial position, using an accounting basis similar to the model used in prior years.

   The Statement of Net Position summarizes the Authority's assets and liabilities, with the difference of the two reported as Net Position (rather than equity). The Statement of Net Position is designed to provide information about the financial position of the Authority as a whole, including all of its capital assets and long-term liabilities, on a full accrual basis of accounting, similar to the accounting model used by private sector firms. Over time, increases or decreases in Net Position could serve as an indication of whether the overall financial position of the Authority is stable.

   The following table summarizes the Net Position of governmental activities as of June 30, 2023 and June 30, 2022:

Table 1

Statement of Net Position	Year Ending 6/30/2023	Year Ending 6/30/2022
Assets:		
Current Assets		
Cash and investments	$26,478,138	$19,656,376
Restricted investments	204,032	88,326
Receivables		
Accounts	4,017,047	3,895,937
Capital Grants	6,476,016	1,330,590
Due from other funds	87,273	284,653
Prepaid expenses	736,546	453,189
Total Current Assets	37,999,052	25,709,701
Noncurrent Assets		
Net OPEB asset	0	347,188
Capital assets (net)	76,889,135	54,183,932
Total Noncurrent Assets	76,889,135	54,531,120
Total assets	114,888,187	80,240,191
Deferred Outflows		
Deferred Outflows	1,584,942	733,335

Liabilities:		
Current Liabilities		
Due to other funds	87,273	284,653
Accounts payable	7,173,329	2,431,636
Claims payable	36,344	48,236
Total Current Liabilities	7,296,946	2,764,525
Noncurrent Liabilities		
Unearned revenues	471,621	1,030,484
Due to LTF	30,522,176	22,189,472
Long Term Liabilities		
Net Pension Liability	1,658,554	605,181
Net OPEB liability	300,685	0
Total noncurrent liabilities	32,953,036	23,825,137
Total Liabilities	40,249,982	26,589,662
Deferred Inflows		
Deferred inflows	$272,705	$1,138,625
Net Position:		
Net investments in capital assets	76,889,135	54,183,932
Restricted for:		
Pension Trust	204,032	88,326
Net OPEB asset		347,188
Unrestricted	(1,142,725)	(1,374,207)
Total Net Position	75,950,442	53,245,239

Assets and Deferred Outflows

Total assets and deferred outflows amounted to $116,473,129 consisting of $37,999,052 in current assets such as cash and accounts receivable, $76,889,135 in capital assets primarily vehicles and facilities including furnishings and equipment, and $1,584,942 in pension and OPEB related deferred outflows. Notes 2, 3, 8, and 10 further describe Cash and Investments, Capital Assets and Pension and OPEB related expenses, liabilities, and deferred inflows/outflows of resources related to pensions. In the fiscal year ended June 30, 2023 the capital projects below were ongoing:

Doolan Tower Upgrade

LAVTA's communications system is housed in a tower on Doolan Road. This tower is subject to power outages which California has seen an increase in over the last few years. The Authority is adding a generator to this tower so that when there is a power outage the Authority's communications system will not go down.

Atlantis Maintenance and Operations Facility
The Authority has purchased land and built the first phase (parking lot) and a second phase (fuel and wash facility) and is currently designing another portion of the facility to house maintenance and operations functions. Additionally, a Hydrogen Fueling Station will be added. This is expected to be a significant multi-year project.

Liabilities and Deferred Inflows

Liabilities and deferred inflows totaled $39,824,057 consisting primarily of accounts payable and money due to the LTF. Local Transportation Funds are held at the county and are available to the Authority for future capital and operating needs. The legislated requirement that all Local Transportation Funds be held at the county on behalf of the Authority causes the agency's financial position to look weaker than it would if those reserves were included in the agency's assets. At fiscal year end the agency had an estimated $14,991,573 in reserves.

Net Position

Change of Net Position was $23,403,833 this increase in Net Position is due to the addition of capital assets being greater than the depreciation on existing capital.

The Statement of Revenues, Expenses and Change in Net Position provides information about the Authority's revenues and expenses on the full accrual basis, with an emphasis on measuring the net revenues or expenses for each of the Authority's main activities. The Statement of Revenues, Expenses and Change in Net Position explains in detail the change in Net Position for a given year. The amounts in the Statement of Revenues, Expenses and Change in Net Position represent four programs: fixed route and paratransit bus services, and WHEELS on Demand. The Basic Financial Statements divide all revenues and expenses by program. The analysis in this discussion applies to all programs.

The following table summarizes the Statement of Revenues, Expenses and Change in Net Position, or the change in Net Position of governmental activities, for the year ended June 30, 2023 and June 30, 2022:

Table 2
Statement of Revenues, Expenses and Change in Net Position

	Year Ending 6/30/2023	Year Ending 6/30/2022
EXPENSES		
Expenses, non-capital		
Board of Directors	$16,917	$17,400
Executive Director	275,145	506,257
Finance	2,781,353	1,344,662
Planning	440,153	428,231
Marketing	399,599	428,934

Operations	15,561,623	13,476,763
Total Expenses, non-capital	19,474,790	16,202,247
Expenses, capital (non-operating)		
Depreciation	3,736,541	3,955,850
Total Expenses, capital	3,736,541	3,955,850
Total expenses	23,211,331	20,158,097
Program Operating Losses	(20,753,813)	(18,324,165)
REVENUES		
Program operating revenues:		
Fare revenues	$1,455,713	$1,000,996
Special contract revenues	793,710	625,963
Advertising and ticket concessions	208,095	206,973
Total operating revenues	2,457,518	1,833,932
Non-operating revenues, non-capital:		
Interest and Miscellaneous	364,938	31,171
Local Transportation Funds 4.0	2,434,237	5,475,462
Local Transportation Funds 4.5	98,833	160,244
State Transit Assistance	2,649,435	3,033,985
Local Operating Assistance	272,445	136,134
FTA Operating Assistance	6,505,849	2,273,383
Local Sales Tax/Measure B and BB funds:		
Measure B grants	0	1,095,020
Measure BB grants	2,848,783	1,719,603
Measure BB-Gap grants	30,245	20,819
Measure BB-City of Pleasanton	77,410	0
Bridge tolls	1,036,467	409,489
Transit and Intercity Rail Capital Program	0	6,894
LCTOP	698,630	206,113
Total non-capital revenues	17,017,272	14,568,317
Net Loss Before Capital Contributions	3,759,346	3,787,429
Non-operating revenues, capital		
Gain (Loss) on Disposal of Equipment	(22,805)	(31,581)
Total Gain (Loss)	(22,805)	(31,581)
Net non-operating revenues before capital contributions (grants)	19,451,985	16,370,668
Capital grants, net		
Total capital grants, net	26,464,549	2,214,221
Total revenues	$43,459,016	$16,750,957
Net income	22,705,203	(1,573,208)

CHANGE IN NET POSITION	22,705,203	(1,573,208)
Net Position, beginning	53,245,239	54,818,447
Net Position, ending	75,950,442	53,245,239

Expenses

Total expenses including depreciation (which was $3,736,541) were $23,211,331in the fiscal year ending June 30, 2023. Adjusting for depreciation this was a 16.8% increase over the prior year. The increase in expenses was driven by a number of factors, but primarily actions taken to increase service as the agency comes out of the pandemic.

Expenses, excluding depreciation, are sorted by department. A brief description of each department's function is as follows:

- *Board of Directors* All the costs associated with the Board of Directors including their stipends and professional development expenses are charged to this department.

- *Executive Director* The Executive Director is responsible for the general supervision of the administration of the transit system. All costs associated with this position are accounted for in this cost center. The majority of the expenses charged to this department are the Executive Director's salary and benefits.

- *Finance* Specific department responsibilities include: preparation of operating and capital budgets; financial reporting and analysis; oversight of all financial and compliance audits and preparation of the Comprehensive Annual Financial Report (ACFR); human resources management; procurement oversight; administration of federal, state, and local operating and capital grants; securing federal, state and local grants, monitoring of Authority's comprehensive insurance program; capital asset management; facilities maintenance; fare and revenue collection; and general office administration. Significant costs charged to this department are salary and benefits for the five accounting, grants, and administrative positions, as well as utilities and facility maintenance expenses.

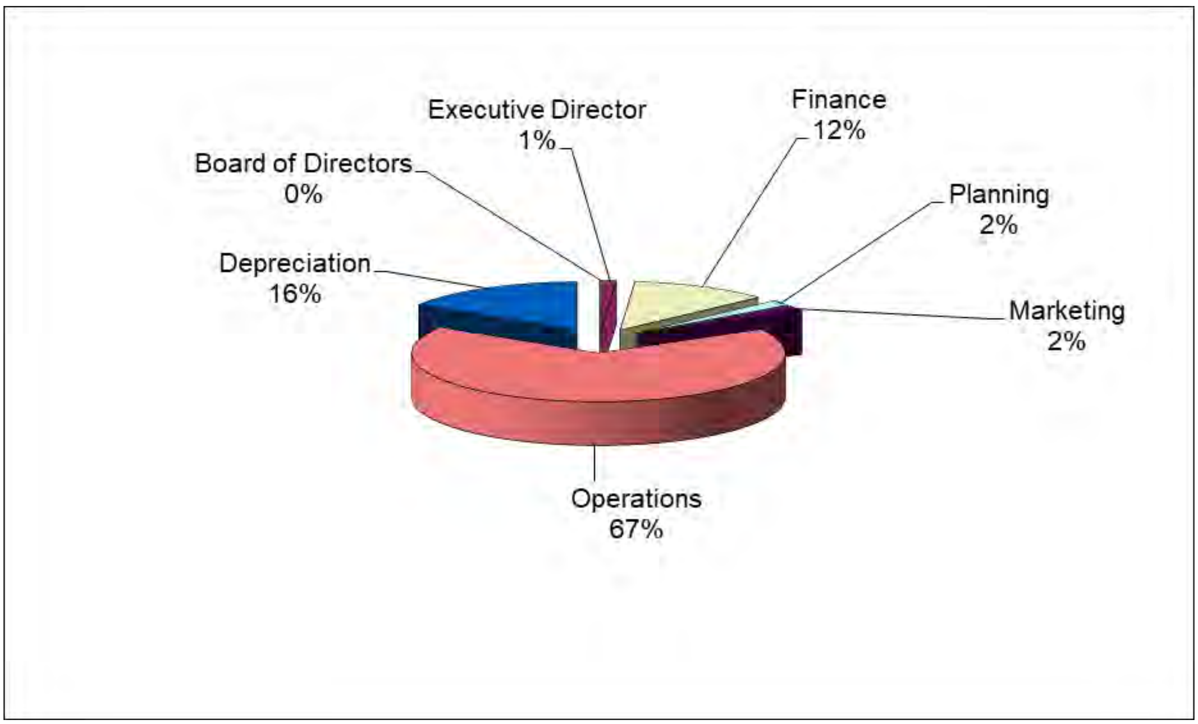
- *Planning* This department plans, organizes, directs, and implements the Authority's short and long-range planning programs. This department is also responsible for transit development functions including capital improvement programs, route planning and scheduling, collection and evaluation of operations data, oversight of information technology support, implementation and monitoring of ADA services. Primary costs in this department are for salary and benefits for four positions.

- *Marketing* The Marketing Department is responsible for planning, organizing, directing, and implementing the Authority's marketing and community outreach programs. In addition to salary and benefits for two employees all printing, advertising, and outside marketing services are charged to this department.

- *Operations* This department is responsible for operating and maintaining fixed route, and Dial-A-Ride paratransit service. Fixed Route services are currently provided under contract by MV Transportation, Inc., and Dial-a-Ride is provided under contract the Central Contra Costa Transportation Authority (CCCTA). In addition to the cost of purchased transportation, liability insurance, and fuel are significant costs attributed to this department.

- *Depreciation* is the final category of expenses. This is the current year depreciation on existing capital assets calculated on a straight-line basis.

A historical comparison of expenses by department is also included in the statistical section of this report. Below are the percentages by department for the fiscal year ending June 2023.

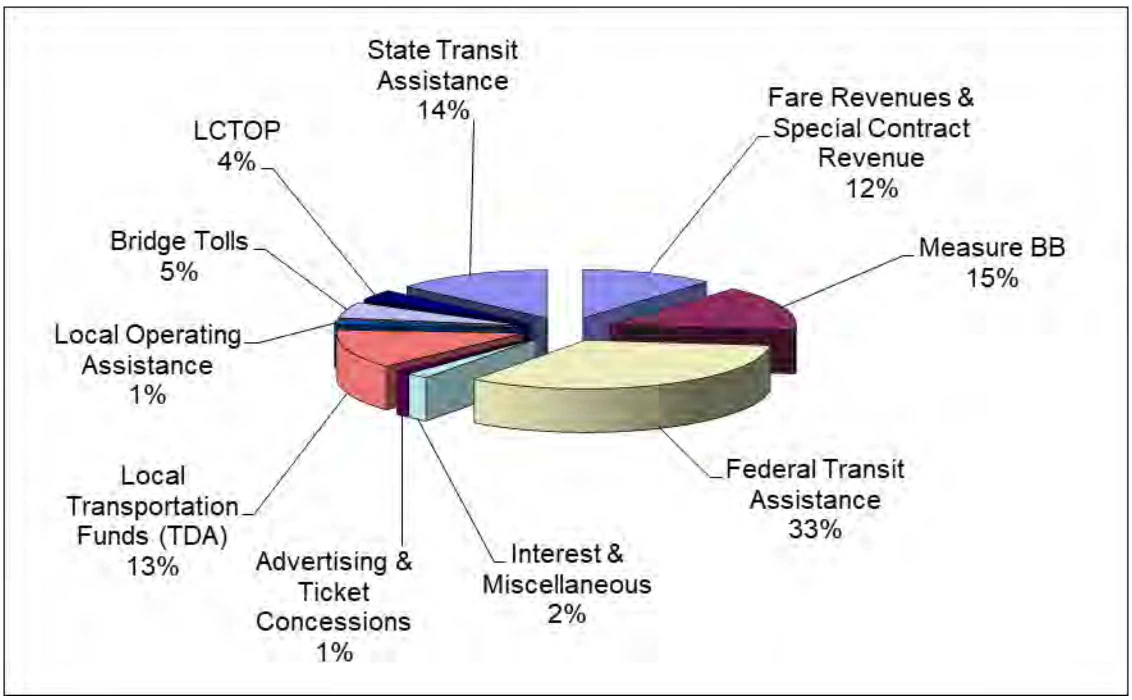


Revenues

In most years the Authority's primary source of operating revenue is Transportation Development Act (TDA) Article 4.0 and 4.5 funds. In FY23, TDA accounted for 13% of total operating revenue. The rest of the revenue is comprised of Federal Transit Assistance, Passenger Fares, State Transit Assistance, LCTOP, Measure BB, Bridge Tolls, Advertising and Ticket Concessions, and Interest. In FY23 FTA funds were the largest revenue source for LAVTA due to one time funds made available due to the pandemic.

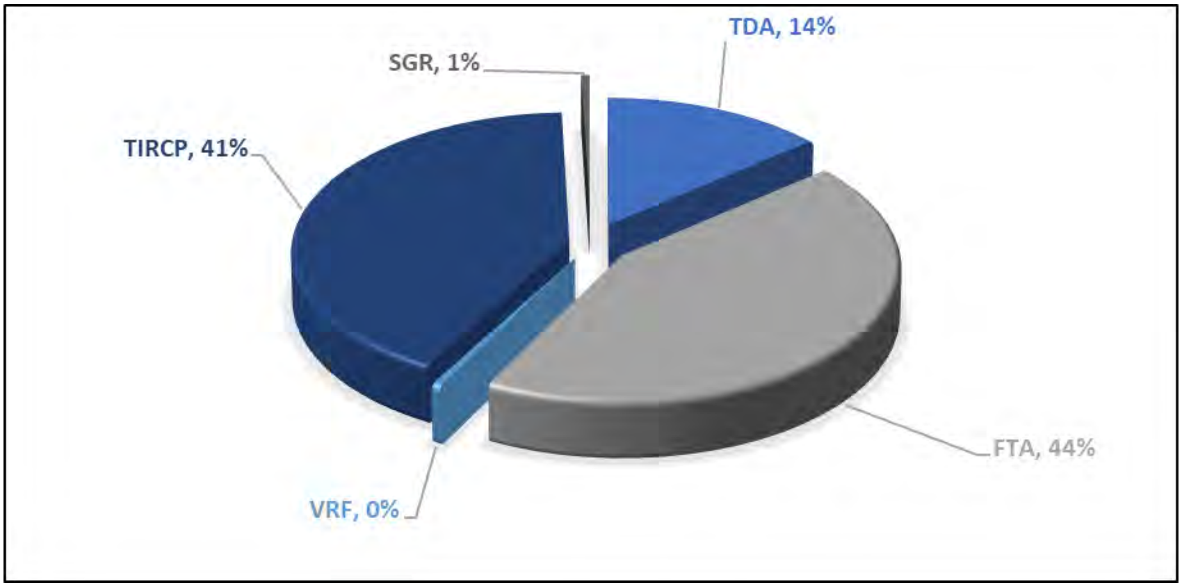
Revenue generated from operations (farebox, contract, and advertising revenues) increase from the prior year as LAVTA saw an increase in ridership as the region began to come out of the pandemic.

The statistical section of this report presents all the revenue sources by year for the previous ten years. Below are percentages by funding source for the fiscal year ending June 2023.



Capital Contributions

Capital contributions in the fiscal year ending June 2023 were $26,464,549 which is an increase over the capital contributions for the fiscal year ending June 30, 2022 of $22,705,203. The increase in capital contributions is attributed to a large bus purchase and a parking garage project that the Authority is working on with the County of Alameda. Below are percentages by capital funding source for the fiscal year ending June 2023.



4.Notes to the Financial Statements
The notes provide additional information that is important to a full understanding of the data provided in the Authority-wide, and the traditional fund-based, financial statements.

Finally, there were no facts, decisions, or conditions known at the close of fieldwork that are expected to have a significant effect on the financial position or results of operations.

<u>Contacting Authority Management</u>

These Basic Financial Statements are intended to provide citizens, taxpayers, investors, and creditors with a general overview of the Authority's finances. Questions about this Report should be directed to the Authority, at Livermore Amador Valley Transit Authority, 1362 Rutan Court, Suite 100, Livermore, CA 94551.

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2023
WITH SUMMARIZED TOTALS AS OF JUNE 30, 2022

	2023				
	Fixed Route Program	Paratransit Program	WHEELS on Demand	Totals	2022 Totals
ASSETS					
Current Assets					
Cash and investments (Note 2)	$26,370,562		$107,576	$26,478,138	$19,656,376
Restricted investments (Note 2)	204,032			204,032	88,326
Receivables:					
Accounts	3,129,509	$816,840	70,698	4,017,047	3,895,937
Capital grants	6,476,016			6,476,016	1,330,590
Due from other funds (Note 1I)	87,273			87,273	284,653
Prepaid expenses	636,070	100,476		736,546	453,189
Total current assets	36,903,462	917,316	178,274	37,999,052	25,709,071
Noncurrent Assets					
Net OPEB asset (Note 10)					347,188
Capital Assets (Note 3):					
Land and construction in progress	29,777,862			29,777,862	31,473,465
Depreciable assets	95,551,303	123,324		95,674,627	67,750,482
Subtotal capital assets	125,329,165	123,324		125,452,489	99,223,947
Less: accumulated depreciation	(48,453,489)	(109,865)		(48,563,354)	(45,040,015)
Capital assets, net	76,875,676	13,459		76,889,135	54,183,932
Total noncurrent assets	76,875,676	13,459		76,889,135	54,531,120
Total Assets	113,779,138	930,775	178,274	114,888,187	80,240,191
DEFERRED OUTFLOWS OF RESOURCES					
Pension related (Note 8)	873,906			873,906	413,278
OPEB related (Note 10)	711,036			711,036	320,057
Total Deferred Outflows of Resources	1,584,942			1,584,942	733,335
LIABILITIES					
Current Liabilities					
Due to other funds (Note 1I)		87,273		87,273	284,653
Accounts payable and accrued liabilities	6,649,686	501,828	21,815	7,173,329	2,431,636
Claims payable (Note 1E)	36,344			36,344	48,236
Total current liabilities	6,686,030	589,101	21,815	7,296,946	2,764,525
Noncurrent Liabilities					
Unearned revenues (Note 6)	312,231		159,390	471,621	1,030,484
Due to LTF Operating (Note 4)	30,522,176			30,522,176	22,189,472
Net pension liability (Note 8)	1,658,554			1,658,554	605,181
Net OPEB liability (Note 10)	300,685			300,685	
Total noncurrent liabilities	32,793,646		159,390	32,953,036	23,825,137
Total Liabilities	39,479,676	589,101	181,205	40,249,982	26,589,662
DEFERRED INFLOWS OF RESOURCES					
Pension related (Note 8)	74,719			74,719	560,993
OPEB related (Note 10)	197,986			197,986	577,632
Total Deferred Inflows of Resources	272,705			272,705	1,138,625
NET POSITION					
Net investment in capital assets (Note 7)	76,875,676	13,459		76,889,135	54,183,932
Restricted for:					
Pension trust	204,032			204,032	88,326
Net OPEB asset					347,188
Unrestricted (Note 7)	(1,468,009)	328,215	(2,931)	(1,142,725)	(1,374,207)
Total Net Position	$75,611,699	$341,674	($2,931)	$75,950,442	$53,245,239

See accompanying notes to basic financial statements

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	2023				
	Fixed Route Program	Paratransit Program	WHEELS on Demand	Totals	2022 Totals
PROGRAM OPERATING REVENUES					
Fare revenues	$1,350,412	$105,301		$1,455,713	$1,000,996
Special contract revenue	758,477	35,233		793,710	625,963
Advertising and ticket concessions	208,095			208,095	206,973
Total program operating revenues	2,316,984	140,534		2,457,518	1,833,932
PROGRAM OPERATING EXPENSES					
Board of Directors	14,265	2,340	$312	16,917	17,400
Executive Director	257,027	9,059	9,059	275,145	506,257
Finance	2,746,048	24,922	10,383	2,781,353	1,344,662
Planning	414,320	25,833		440,153	428,231
Marketing	399,599			399,599	428,934
Operations	13,386,800	1,770,986	403,837	15,561,623	13,476,763
Depreciation (Note 3)	3,719,966	16,575		3,736,541	3,955,850
Total program operating expenses	20,938,025	1,849,715	423,591	23,211,331	20,158,097
PROGRAM OPERATING LOSSES	(18,621,041)	(1,709,181)	(423,591)	(20,753,813)	(18,324,165)
NON-OPERATING REVENUES (EXPENSES)					
Interest and miscellaneous	364,938			364,938	31,171
Local Transportation Funds 4.0	2,218,181		216,056	2,434,237	5,475,462
Local Transportation Funds 4.5		98,833		98,833	160,244
State Transit Assistance	2,649,435			2,649,435	3,033,985
Local Operating Assistance	187,250		85,195	272,445	136,134
FTA operating assistance	5,836,525	546,984	122,340	6,505,849	2,273,383
Local Sales Tax/Measure B and BB funds:					
Measure B grants					1,095,020
Measure BB grants	1,898,188	950,595		2,848,783	1,719,603
Measure BB - GAP Grants	11,461	18,784		30,245	20,819
Measure BB - City of Pleasanton		77,410		77,410	
Bridge tolls	1,036,467			1,036,467	409,489
Transit and Intercity Rail Capital Program					6,894
LCTOP	698,630			698,630	206,113
Gain (Loss) on disposal of equipment	(22,805)			(22,805)	(31,581)
Net non-operating revenues, before capital contributions (grants)	14,878,270	1,692,606	423,591	16,994,467	14,536,736
Capital contributions (grants) (Note 6):					
FTA capital assistance	11,587,268			11,587,268	
Local Transportation Funds 4.0	3,664,159			3,664,159	765,756
Vehicle Registration Funds	130,343			130,343	410,657
State Bond Fund - State of Good Repair	138,317			138,317	112,782
Transit and Intercity Rail Capital Program	10,944,462			10,944,462	925,026
Total capital contributions (grants)	26,464,549			26,464,549	2,214,221
Net non-operating revenues and contributions	41,342,819	1,692,606	423,591	43,459,016	16,750,957
Change in net position	22,721,778	(16,575)		22,705,203	(1,573,208)
NET POSITION,					
Beginning of Year	52,889,921	358,249	(2,931)	53,245,239	54,818,447
End of Year	$75,611,699	$341,674	($2,931)	$75,950,442	$53,245,239

See accompanying notes to basic financial statements

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	2023				
	Fixed Route Program	Paratransit Program	WHEELS on Demand	Totals	2022 Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$2,391,368	$14,907		$2,406,275	$2,000,927
Payments to vendors	(10,644,183)	(1,335,867)	($388,062)	(12,368,112)	(14,151,654)
Payments to and on behalf of employees	(2,476,252)	(174,266)	(25,997)	(2,676,515)	(2,132,628)
Net cash provided (used) by operating activities	(10,729,067)	(1,495,226)	(414,059)	(12,638,352)	(14,283,355)
CASH FLOWS FROM INVESTING ACTIVITIES					
Contributions to Section 115 Trust	(115,706)			(115,706)	(88,326)
Interest on investments	364,938			364,938	31,171
Net cash provided by investing activities	249,232			249,232	(57,155)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Local Transportation Funds 4.0	10,550,885		203,752	10,754,637	682,002
Local Transportation Funds 4.5		98,833		98,833	160,244
State Transit Assistance	2,649,435			2,649,435	3,033,985
Local Operating Assistance	187,250			187,250	129,500
FTA operating assistance	5,836,525	546,984	52,473	6,435,982	2,273,383
Local sales tax/Measure B and BB funds	1,909,649	969,379		2,879,028	2,835,442
Proposition 1B					
Bridge tolls	1,036,467			1,036,467	409,489
Transit and Intercity Rail Capital Program					6,894
LCTOP	698,630			698,630	206,113
Interfund payments	197,380	(284,653)		(87,273)	(284,653)
Intergovernmental receipts		87,273		87,273	2,147,202
Net cash provided by noncapital and financing activities	23,066,221	1,417,816	256,225	24,740,262	11,599,601
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(26,464,549)			(26,464,549)	(2,214,221)
Capital grants received:					
FTA capital assistance	9,014,555			9,014,555	981,870
Local Transportation Funds 4.0	1,091,446			1,091,446	753,814
State Bond Fund - State of Good Repair	(37,826)			(37,826)	14,226
Vehicle Registration Funds	130,343			130,343	410,657
City of Pleasanton		77,410		77,410	
Bay Area Air Quality Management District	10,628,880			10,628,880	925,026
State Bond Fund - Prop 1B	30,361			30,361	110,499
Net cash provided (used) by capital and related financing activities	(5,606,790)	77,410		(5,529,380)	981,871
NET CASH FLOWS	6,979,596		(157,834)	6,821,762	(1,759,038)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	19,390,966		265,410	19,656,376	21,415,414
CASH AND CASH EQUIVALENTS AT END OF YEAR	$26,370,562		$107,576	$26,478,138	$19,656,376
Reconciliation of operating loss to net cash provided (used) by operating activities:					
Operating losses	($18,621,041)	($1,709,181)	($423,591)	($20,753,813)	($18,324,165)
Adjustments to reconcile operating loss to net cash provided by operating activities:					
Depreciation	3,719,966	16,575		3,736,541	3,955,850
Increase (decrease) in:					
Accounts receivable	74,384	(125,627)		(51,243)	166,995
Prepaid expenses	(284,619)	1,262		(283,357)	(296,712)
Net OPEB liability, related deferred inflows, net of deferred outflows	(122,752)			(122,752)	(231,005)
Accounts payable	4,410,416	321,745	9,532	4,741,693	645,934
Claims payable	(11,892)			(11,892)	7,067
Net pension liability, related deferred inflows, net of deferred outflows	106,471			106,471	(207,319)
Net cash provided (used) by operating activities	($10,729,067)	($1,495,226)	($414,059)	($12,638,352)	($14,283,355)

See accompanying notes to basic financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

Livermore/Amador Valley Transit Authority (Authority), which was established in 1985, is a Joint Powers Agency formed by the County of Alameda, and the Cities of Dublin, Livermore and Pleasanton to provide transportation services within the Cities' limits and portions of the unincorporated County. The Authority is doing business under the name of "Wheels" and operates two transportation programs:

Fixed Route Program – The Authority operates buses, which follow fixed routes and times throughout the Authority's service area and are available to anyone able to pay the fare.

Paratransit Program – The Authority operates a "dial-a-ride" program for disabled persons pursuant to requirements of the Americans With Disability Act (ADA).

WHEELS on Demand – A partnership with the private sector to provide service to low density suburban areas where previously existing Wheels bus service could not be supported. WHEELS on Demand is an extension of a traditional user-side subsidy program which is used by transit systems nationwide to partner with taxicab companies and extends the partnership to Transportation Network Companies (TNC) such as Uber and Lyft. This fund also includes the Shared Autonomous Vehicle (SAV) Project which is currently in the planning and testing phase.

None of these operations generate sufficient fares, special contract, advertising and ticket concessions revenues to cover the operating expenses. Expenses incurred in excess of these revenues, interest and other revenues are reimbursed with grant funds. The programs are subsidized by the Metropolitan Transportation Commission, which is the regional coordinating agency for State of California Transportation Development Act grants and the United States Department of Transportation with Federal Transit Administration Grants.

Capital and planning grants are reimbursement based. Operating grants are advanced quarterly and/or monthly based on reserves; any grant funds received in excess of operating expenses, net of other revenues, must be returned to the grantor.

The following is a summary of significant accounting policies of the Authority, which conform with generally accepted accounting principles applicable to governments in the United States of America.

B. Fund Accounting

The Authority is accounted for as an enterprise fund. This fund is a set of self-balancing accounts, which comprise its assets, liabilities, net position, revenues and expenses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized. The Authority is accounted for using the accrual basis of accounting, under which revenues are recognized when they are earned and expenses are recognized when they are incurred. The Authority follows Governmental Accounting Standards Board Statements.

Non-exchange transactions, in which the Authority gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On an accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

D. Basis of Presentation

The Authority's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

The Authority reports the following major proprietary (enterprise) funds:

Fixed Route Program – The Authority operates buses, which follow fixed routes and times throughout the Authority's service area and are available to anyone able to pay the fare.

Paratransit Program – The Authority operates a "dial-a-ride" program for disabled persons pursuant to requirements of the Americans With Disability Act (ADA).

WHEELS on Demand – A partnership with the private sector to provide service to low density suburban areas where previously existing Wheels bus service could not be supported. Also, includes the Shared Autonomous Vehicle (SAV) Project which has a primary goal of providing "last mile" service options.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Authority are charges to customers for farebox revenues. The Authority's *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the Authority. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Risk Management

The Authority requires its operations contractor to provide general liability coverage and workers compensation coverage for its employees. The Authority also provides unemployment benefits to terminated employees in accordance with state law. The Authority has a commercial insurance policy for workers compensation coverage of its employees. The Authority has no deductible for this coverage.

On May 1, 2000, the Authority became a member of the California Transit Insurance Pool (CALTIP), a joint powers authority that provides annual general liability and physical damage coverage up to $10,000,000.The Authority has a $25,000 deductible for general liability claims, a $5,000 deductible for physical damage claims on vehicles valued over $50,000 and a $2,500 deductible for physical damage claims on vehicles with a value less than $50,000.

CALTIP is governed by a board consisting of representatives from member municipalities. The board controls the operations of CALTIP, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

The Authority's premiums are based upon the following factors: claims history, total payroll, the Authority's exposure, the results of an on-site underwriting inspection, total insurable values, and employee classification ratings. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating which generally occurs in the third year after the completion of the program year.

Claims payable activity is presented below. The outstanding balance is expected to be paid within the next fiscal year. Through the current Fixed Route Operations contract with MV Transportation the contractor reimburses LAVTA for these expenses.

	2022-2023	2021-2022
Balance, July 1	$48,236	$41,169
Net change in liability for claims and claims paid but not reported	454,731	526,293
Claims paid	(466,623)	(519,226)
Balance, June 30	$36,344	$48,236

Settlements have not exceeded insurance coverage in the past three years.

F. Use of Estimates

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Deferred Inflow/Outflow of Resources

In additional to assets, the statement of net position reports a separate section for deferred outflows or resources. This separate financial statement element, deferred *outflows of resources,* represents a consumption of net assets that applies to future period and so will *not* be recognized as an outflow of resources (expenses/expenditure) until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows or resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to future period and so will *not* be recognized as an inflow of resources (revenue) until that time.

H. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

I. Interfund Balances

As of June 30, 2023, the Paratransit Program owes $87,273 to the Fixed Route Program. Current balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year.

J. Prior Year Summarized Comparative Information

The basic financial statements include certain prior-year summarized information in total but not at the level of detail required for a presentation on accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Cash and Cash Equivalents

For the purposes of cash flows, the Authority considers their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2023 consist of the following:

Unrestricted Cash and Investments:	
Local Agency Investment Fund	$11,035,407
Cash in bank	15,442,291
Cash on hand	440
Total Unrestricted Cash and Investments	26,478,138
Restricted Cash and Investments:	
Cash	204,032
Total Restricted Cash and Investments	204,032
Total Cash and Investments	$26,682,170

A. Investments Authorized by the Authority's Investment Policy

The Authority's investment policy only authorizes investment in the local government investment pool administered by the State of California (LAIF). The Authority's investment policy does not contain any specific provisions intended to limit the Authority's exposure to interest rate risk, credit risk, and concentration of credit risk.

B. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates.

The Authority is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Authority reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal on demand is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligation, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2023, these investments matured in an average of 260 days.

NOTE 2 – CASH AND INVESTMENTS (Continued)

The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in interest income for that fiscal year.

C. Credit Risk

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

D. Concentration of Credit Risk

The investment policy of the Authority contains no limitations on the amount that may be invested in any one issuer beyond that stipulated by the California Government Code.

E. Cash Deposits with Financial Institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of June 30, 2023, the Authority's bank balance was $12,404,220 and $11,654,220 of that amount was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging or financial institution's trust department or agent, but not in the Authority's name.

F. Fair Value Hierarchy

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Authority only invests in Local Agency Investment Fund, which is exempt from the fair value leveling, and is valued at amortized cost. The value is based on the fair value factor provided by the Treasurer of the State of California, which is calculated as the fair value divided by the amortized cost of the investment pool.

G. 115 Trust

On October 2021, the Authority Board adopted a resolution approving the adoption of the California Employers' Pension Prefunding Trust (CEPPT) Fund administered by CalPERS. The Trust is an irrevocable trust and qualifies as an Internal Revenue Section 115 trust. This trust will assist the Authority in mitigating the CalPERS contribution rate volatility. Investments of funds held in Trust are governed by the Investment Guideline Document for the investment account and by the agreement for administrative services with CalPERS, rather than the general provisions of the California Government Code or the Authority's investment policy. The Authority elected the CEPPT Strategy 2 option. The assets in the Trust will eventually be used to fund pension plan obligations. As of June 30, 2023, the balance held in the Section 115 trust was $204,032.

NOTE 3 – CAPITAL ASSETS

Capital assets are recorded at cost and depreciated over their estimated useful lives. The Authority's policy is to capitalize all assets when costs exceed $5,000. The purpose of depreciation is to spread the cost of capital assets over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of the capital assets.

Depreciation of capital assets in service is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The Authority has assigned the useful lives as follows: Facilities - 30 years, Vehicles - 2–12 years, and Equipment - 5–10 years.

NOTE 3 – CAPITAL ASSETS (Continued)

Capital assets comprised the following at June 30, 2023:

	Balance June 30, 2022	Additions / Adjustments	Retirements	Transfers	Balance June 30, 2023
Fixed Route:					
Capital assets not being depreciated:					
Land	$3,973,472				$3,973,472
Construction in Progress	27,499,993	$11,422,194		($13,117,797)	25,804,390
Total capital assets not being depreciated	31,473,465	11,422,194		(13,117,797)	29,777,862
Capital assets being depreciated:					
Vehicles	50,061,685	14,387,235			64,448,920
Facilities	9,395,886	300,522	($23,499)	13,084,246	22,757,155
Equipment	8,169,587	354,598	(212,508)	33,551	8,345,228
Total capital assets being depreciated	67,627,158	15,042,355	(236,007)	13,117,797	95,551,303
Less accumulated depreciation for:					
Vehicles	(31,056,253)	(3,020,974)			(34,077,227)
Facilities	(7,480,234)	(128,566)	16,450		(7,592,350)
Equipment	(6,410,238)	(570,426)	196,752		(6,783,912)
Total accumulated depreciation	(44,946,725)	(3,719,966)	213,202		(48,453,489)
Total depreciable assets	22,680,433	11,322,389	(22,805)		47,097,814
Capital assets, net	$54,153,898	$22,744,583	($22,805)		$76,875,676
Paratransit					
Capital assets being depreciated:					
Facilities	$40,452				$40,452
Vehicles	82,872				82,872
Total capital assets being depreciated	123,324				123,324
Less accumulated depreciation for:					
Facilities	(40,452)				(40,452)
Vehicles	(52,838)	($16,575)			(69,413)
Total accumulated depreciation	(93,290)	(16,575)			(109,865)
Total depreciable assets	30,034	(16,575)			13,459
Capital assets, net	$30,034	($16,575)			$13,459
Total					
Land and Construction in Progress	$31,473,465	$11,422,194		($13,117,797)	$29,777,862
Depreciable Assets:					
Cost	67,750,482	15,042,355	($236,007)	13,117,797	95,674,627
Less accumulated depreciation for:	(45,040,015)	(3,736,541)	213,202		(48,563,354)
Net	22,710,467	$11,305,814	($22,805)		47,111,273
All Capital Assets, net	$54,183,932				$76,889,135

During fiscal 2021-22, LAVTA entered into an arrangement with the County of Alameda, whereby LAVTA receives capital grant funds from the Transit and Intercity Rail Capital Program to construct a parking garage adjacent to a BART station. As of June 30, 2023, LAVTA has received $11,869,488 which has been spent on the project, which is reported in Construction In Progress. The Authority anticipate the project will be completed in fiscal 2023-24, and intends to transfer title of the property and garage to the County.

NOTE 4 – OPERATING GRANTS

Under the State Transportation Development Act (the Act), the Metropolitan Transportation Commission (MTC) allocates funds from the County Local Transportation Fund (LTF) based on the Authority's available balance determined at the beginning of each fiscal year and the amount that the Authority requests through an annual claim process. At June 30, 2023, the MTC had unallocated balances not yet granted to the Authority, which are available to fund the Authority's future operating and capital needs. These funds are retained, in accordance with the California Administrative Code, in the LTF at the County of Alameda based on terms and conditions determined by MTC. A summary of these unallocated balances as of June 30, 2023 follows:

Source	Unallocated Balances
Transportation Development Act Funds	$14,479,528
State Transit Assistance Funds:	
Revenue Based Funds	512,045
Total Unallocated Local Transportation Funds	$14,991,573

NOTE 4 – OPERATING GRANTS (Continued)

The Authority's operating needs are determined as set forth below, by adjusting operating losses for certain items and adding back grant funding. MTC allocates State Transit Assistance, Article 4.0 and Article 4.5 funds to cover remaining net operating expenses. Under the Act, Article 4.0 funds may be used to cover Fixed Route Program and Paratransit Program expenses; Article 4.5 funds may only be used to cover Paratransit Program expenses. Unexpended grant funds at June 30, 2023 are calculated as follows:

Fiscal 2023 unexpended funds:	Fixed Route Program	Paratransit Program	Total
Operating loss	($18,621,041)	($1,709,181)	($20,330,222)
Add back:			
Depreciation	3,719,966	16,575	3,736,541
Interest and miscellaneous	364,938		364,938
Net operating expenses reimbursable by grants	(14,536,137)	(1,692,606)	(16,228,743)
Grants:			
Local Operating Assistance	187,250		187,250
County Measure B Grants			
County Measure BB Grants	1,898,188	950,595	2,848,783
Measure BB - City of Pleasanton			
Bridge Tolls	1,036,467		1,036,467
LCTOP	698,630		698,630
Measure BB - GAP Grants	11,461	18,784	30,245
Measure BB - City of Pleasanton		77,410	77,410
Federal Transportation Administration:			
Operating Assistance	5,836,525	546,984	6,383,509
Net Operating Expenses reimbursable by LTF and STA funds	(4,867,616)	(98,833)	(4,966,449)
State Transit Assistance Receipts	2,649,435		2,649,435
LTF Receipts:			
Article 4.0	10,550,885		10,550,885
Article 4.5		98,833	98,833
Due to LTF - fiscal year 2022/2023	8,332,704		8,332,704
Due to LTF - beginning of year	22,189,472		22,189,472
Due to LTF - end of year	$30,522,176		$30,522,176

NOTE 5 – PARATRANSIT OPERATING GRANT LIMITATIONS

A. General

In addition to the calculations discussed in Note 4, two additional calculations for the Paratransit Program are required by MTC to determine eligibility and the amount, if any, that should be paid back to the County. The two calculations consist of a local match requirement of 10% and an eligibility requirement, as set forth below.

B. Local Match Requirement

Transit agencies are normally required to generate local revenues in excess of ten percent of operating expenses excluding depreciation. However, the Transportation Development Act exempts LAVTA from this requirement.

C. Maximum Article 4.5 and Measure B Eligibility

Alameda County Measure B funds and Article 4.5 funds are limited to a maximum eligibility amount, which is calculated as follows:

	2023	2022
Operating expenses excluding depreciation	$1,833,140	$1,519,606
Less:		
Actual passenger fare revenues	(105,301)	(71,931)
Special contract revenue	(35,233)	(29,066)
Article 4.0 LTF revenues		(4,758)
Maximum eligibility	$1,692,606	$1,413,851

The amount, if any, due to Alameda County is computed as follows:

	2023	2022
Maximum eligibility	$1,692,606	$1,413,851
Less:		
Article 4.5 LTF revenues	(98,833)	(160,244)
State Transit Assistance		(82,880)
FTA operating assistance	(546,984)	(422,316)
Local sales tax/Measure B funds		(169,176)
Local sales tax/Measure BB funds	(950,595)	(570,719)
GAP Grants	(18,784)	(8,516)
Measure BB - City of Pleasanton	(77,410)	
Deficit (surplus) of Measure B revenue over maximum eligibility	$0	$0

NOTE 5 – PARATRANSIT OPERATING GRANT LIMITATIONS (Continued)

D. Article 4.5 and STA Funds to be Returned

The amount due to LTF is the difference between maximum eligibility and the total of TDA Article 4.5 revenues, if the total is greater than maximum eligibility.

	2023	2022
Maximum eligibility computed above	$1,692,606	$1,413,851
Total TDA Article 4.5 revenues	$98,833	$160,244
Amount, if any, to be returned to Alameda County	$0	$0

State Transit Assistance received by the Authority amounted to $3,348,065 during fiscal year 2022-2023, which was expended for operating expenses of the Fixed Route Program.

NOTE 6 – CAPITAL GRANTS

A. Summary

The Authority's capital transactions and unexpended grant funds at June 30, 2023 are calculated as follows:

	Fixed Route Program	Paratransit Program	Total
Capital costs:			
Capital asset additions	($26,464,549)		($26,464,549)
Funding sources:			
FTA Capital Assistance	$11,587,268		$11,587,268
Local Transportation Fund 4.0	3,664,159		3,664,159
State Bond Fund - State of Good Repair			
Vehicle Registration Funds	130,343		130,343
Proposition 1B	138,317		138,317
Tri-Valley Transportation Council	10,944,462		10,944,462
Total Funding Sources	$26,464,549		$26,464,549

NOTE 6 – CAPITAL GRANTS (Continued)

B. State of Good Repair (SGR)

As part of the Road Repair and Accountability Act of 2017 established by the California Legislature by Senate Bill (SB) 1, signed by the Governor on April 28, 2018 included a program that provides additional revenue for transit infrastructure repair and service improvements. The Authority was awarded funding from the State of Good Repair (SGR) Program for years ended June 30, 2018 through June 30, 2023 for bus shelter and stop maintenance within the Authority's service area.

A summary of the Authority's outstanding State of Good Repair revenues, including interest earned on unspent funds and expenditures for the year ended June 30, 2023 are as follows and included in the Other Unearned Revenues as noted above:

	Grant	Interest Earned		Expended in Fiscal		Unearned
Project Name	Amount	Prior Years	2022-23	Prior Years	2022-23	Revenue
SGR Programs						
FY 20 Bus Stop and Shelter Improvements	$54,945	$573	$123	$7,374	$48,267	
FY 21 Battery Pack Replacements	60,996	255	870		28,701	$33,420
FY 22 Transit Center Local Match	62,405	67	1,090		61,349	2,213
FY 23 Replacement Bus Purchase	64,628		419			65,047
Total State of Good Repair	$242,974	$895	$2,502	$7,374	$138,317	$100,680
Total Unearned Revenues						$100,680

NOTE 7 – NET POSITION

Net Position is the excess of all the Authority's assets and deferred outflows over all its liabilities and deferred inflows, regardless of fund. Net Position is described as follows:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the Authority's capital assets, less the outstanding balance of any debt issued to finance these assets.

Unrestricted - This component of net position consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. The Authority first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

NOTE 8 – PENSION PLANS

A. *General Information about the Pension Plans*

Plan Descriptions – All qualified regular and probationary employees are eligible to participate in the Authority's Miscellaneous Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Authority resolution. 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 must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous Tier I	**Miscellaneous PEPRA**
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55 - 67+	52 - 67+
Monthly benefits, as a % of eligible compensation	1.426% - 2.418%	1.0% - 2.5%
Required employee contribution rates	7.00%	6.75%
Required employer contribution rates	10.87%	7.47%

NOTE 8 – PENSION PLANS (Continued)

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

For the year ended June 30, 2023, the contributions recognized as part of pension expense for the Plan were as follows:

	Miscellaneous
Contributions - employer	$251,262

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

As of June 30, 2023, the Authority reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	$1,658,554

The Authority's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Authority's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2022 was as follows:

Proportion - June 30, 2021	0.03187%
Proportion - June 30, 2022	0.03545%
Change - Increase (Decrease)	0.00358%

NOTE 8 – PENSION PLANS (Continued)

For the year ended June 30, 2023, the Authority recognized pension expense of $106,471. At June 30, 2023, the Authority 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	$251,262	
Differences between actual and expected experience	33,307	($22,308)
Changes in assumptions	169,954	
Net differences between projected and actual earnings on plan investments	303,803	
Change in proportion and differences between actual contributions and proportionate share of contributions	115,580	(52,411)
Total	$873,906	($74,719)

$251,562 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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	Annual Amortization
2024	$159,439
2025	134,040
2026	68,629
2027	185,817
Total	$547,925

Actuarial Assumptions – The total pension liabilities in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous Plan
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table[1]	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit Increase	The lesser of Contract Cola or 2.30% until Purchasing Power Protection Allowance floor on purchase power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The table includes generational mortality improvements using the Society of Actuaries Scale 80% of scale MP 2020. For more details on this table, please refer to November 2021 experience study report (based on CalPERS demographic data from 2001 to 2019) that can be found on the CalPERS website.

NOTE 8 – PENSION PLANS (Continued)

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation were based on the results of a November 2021 actuarial experience study for the period 2001 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability for the Plan was 6.90%. The projections of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) 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.

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 took into account both short-term and long-term market return expectations. Using historical returns of all the funds' 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.

The expected real rates of return by asset class are as follows:

Asset Class (1)	Assumed Asset Allocation	Real return (1,2)
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100%	

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

NOTE 8 – PENSION PLANS (Continued)

Changes of Assumptions **–** Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower of 1-percentage point higher than the current rate:

	Discount Rate		
	1% Decrease	Current	1% Increase
	5.90%	6.90%	7.90%
Miscellaneous	$2,688,682	$1,658,554	$811,015

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 9 – DEFERRED COMPENSATION PLAN

The Authority employees may defer a portion of their compensation under an Authority sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the Authority's property and are not subject to Authority control, they have been excluded from these financial statements.

NOTE 10 – POST-EMPLOYMENT HEALTH CARE BENEFITS

A. ***Plan Description:*** The only OPEB provided by LAVTA, hereafter referred to as "the Authority" is medical plan coverage, which is administered as an Agent-Multiple Employer Benefit Plan.

Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS: either (a) attainment of age 50 (age 52, if a miscellaneous employee new to PERS on or after January 1, 2013) with 5 years of State or public agency service or (b) an approved disability retirement. The employee must begin his or her pension benefit within 120 days of terminating employment with the Authority to be eligible to continue medical coverage through the Authority and be entitled to the employer subsidy described below. Employees covered by the PEMHCA Vesting Resolution who work at least 20 years for the Authority are not subject to the retirement to begin their pension benefit within 120 days of leaving the Authority's employment.

If an eligible employee is not already enrolled in the medical plan, he or she may enroll within 60 days of retirement or during any future open enrollment period. Coverage may be continued at the retiree's option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage.

B. ***Benefits Provided –*** The Authority has been under contract with CalPERS for medical plan coverage since 1986. As a condition of participation in this program, the Authority is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued. A surviving spouse and other eligible dependents may also continue coverage and receive the Authority's contribution.

The Authority currently maintains two different types of resolutions with CalPERS which apply to those eligible for coverage (as described above}, based on the employee's hire date:

• Retirees hired before July 1, 2010 are covered by an equal contribution resolution. This resolution provides for the Authority to pay the full cost of the selected medical premium for the retiree and any enrolled dependents, up to a maximum of 100% of the employee's medical premiums plus 100% of dependent premiums up to the highest cost HMO plan.

• Retirees hired on or after July 1, 2010 are covered by a PEMHCA 'vesting' resolution. Under this resolution, the Authority's contribution toward retiree medical benefits is determined as the lesser of (a) and (b):

(a) 100% of the medical plan premiums for the retiree and his or her eligible dependents and (b) The maximum monthly benefits (caps) under the vesting formula multiplied by the vesting percent. Cap amounts vary by coverage level and are adjusted annually. In 2019, the caps are $725 (single), $1,377 (two-party) and$1,766 (family). The vesting percent is based on years of CalPERS membership (but at least 5 years with the Authority).

Employees covered by the PEMHCA vesting resolution who qualify for and take an approved disability retirement are automatically 100% vested, regardless of their years of service. Unlike retirees hired prior to July 2010, those covered by the vesting resolution who complete at least 20 years of service with the Authority are entitled to these subsidized medical benefits even if they terminate employment prior to reaching the earliest retirement age permitted under their retirement program.

NOTE 10 – POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

Spousal Coverage: Active employees: 85% of future retirees are assumed to be married and 75% of those married are assumed to elect coverage for their spouse in retirement. Surviving spouses are assumed to continue coverage until their death. Husbands are assumed to be 3 years older than their wives.

Retired participants: Existing elections for spouse coverage are assumed to be continued until the spouse's death. Actual spouse ages are used, where known; if not, husbands are assumed to be 3 years older than their wives.

Years of Qualifying Service	Vested Percent	Years of Qualifying Service	Vested Percent
Less than 10	0%	15	75%
10	50%	16	80%
11	55%	17	85%
12	60%	18	90%
13	65%	19	95%
14	70%	20 or more	100%

For the year ended June 30, 2023, the Authority's contributions to the Plan were $247,271.

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2022:

Active employees	16
Inactive employees or beneficiaries currently receiving benefit payments	12
Inactive employees entitled to but not yet receiving benefit payments	-
Total	28

NOTE 10 – POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

C. Net OPEB Asset

Actuarial Methods and Assumptions – The Authority's net OPEB asset was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2021 that was rolled forward using standard update procedures to determine the net OPEB liability as of June 30, 2022, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Discount Rate	6.15%
Inflation	2.50%
Payroll Growth	3.00%
Investment Rate of Return	6.15%
Mortality Rate	MacLeod Watts Scale 2020 applied generationally from 2015
Asset Valuation Method	Fair Value of Assets
Healthcare Trend Rate	5.6 decreasing to 4% by 2076

The underlying mortality assumptions were based on the Macleod Watts Scale 2020, which is a two-dimensional mortality improvement scale reflecting both age and year of mortality improvement. The underlying base scale is Scale MP-2019 which has two segments - (1) historical improvement rates for the period 1951-2015 and (2) an estimate of future mortality improvement for years 2016-2018 using the Scale MP-2019 methodology but utilizing the assumptions obtained from Scale MP-2015. The Macleod Watts scale then transitions from the 2018 improvement rate to the Social Security Administration (SSA) Intermediate Scale linearly over the 10-year period 2019-2028. After this transition period, the Macleod Watts Scale uses the constant mortality improvement rate from the SSA Intermediate Scale from 2028-2042. The SSA's Intermediate Scale has a final step down in 2043 which is reflected in the Macleod Watts scale for years 2043 and thereafter. Over the ages 95 to 115, the SSA improvement rate is graded to zero.

Scale MP-2019 can be found at the SOA website and the projection scales used in the 2019 Social Security Administrations Trustees Report at the Sociate Security Administration website.

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.

NOTE 10 – POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	49%	4.40%
Fixed Income	23%	-1.00%
Global Real Estate(REITs)	20%	3.00%
Treasury Inflation Protected Securities	5%	-1.80%
Commodities	3%	0.80%
Total	100%	

Discount Rate – The discount rate used to measure the total OPEB liability was 6.15%. The discount rate used at June 30, 2021 measurement date was 6.65%. The projection of cash flows used to determine the discount rate assumed that Authority's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those 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 and beneficiaries. 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.

D. Changes in Net OPEB Liability (Asset)

The changes in the net OPEB liability (asset) follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability/(Asset) (a) - (b)**
Balance at 6/30/2021 (Measurement Date)	$2,539,789	$2,886,977	($347,188)
Changes Recognized for the Measurement Period:			
Service Cost	110,805		110,805
Interest on the total OPEB liability	172,894		172,894
Changes in benefit terms			
Differences between expected and actual experience			
Changes of assumptions	190,682		190,682
Contributions from the employer		234,077	(234,077)
Net investment income		(406,821)	406,821
Administrative expenses		(748)	748
Benefit payments	(101,376)	(101,376)	
Other Expenses			
Net changes	373,005	(274,868)	647,873
Balance at 6/30/2022 (Measurement Date)	$2,912,794	$2,612,109	$300,685

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report. The benefit payments and refunds include implied subsidy benefit payments in the amount of $11,842.

NOTE 10 – POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

E. 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 Authority, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current discount rate:

Net OPEB Liability/(Asset)		
Discount Rate -1% (5.15%)	Discount Rate (6.15%)	Discount Rate +1% (7.15%)
$744,575	$300,685	($62,787)

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

Net OPEB Liability/(Asset)		
1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
($99,347)	$300,685	$801,941

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

For the year ended June 30, 2023, the Authority recognized OPEB expense of $109,558. At June 30, 2023, the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	$247,271	
Differences between actual and expected experience		($171,150)
Changes of assumptions	230,452	(26,836)
Net differences between projected and actual earnings on plan investments	233,313	
Deferred Contributions		
Total	$711,036	($197,986)

NOTE 10 – POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

$247,271 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2024	$38,312
2025	35,286
2026	24,510
2027	127,218
2028	11,029
Thereafter	29,424
Total	$265,779

NOTE 11 – CONTINGENT LIABILITIES

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

The Authority participates in Federal and State grant programs. These programs have been audited by the Authority's independent auditors in accordance with the provisions of the Federal Single Audit Act as amended and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time. The Authority expects such amounts, if any, to be immaterial.

NOTE 12 – MAJOR CONTRACTOR

During fiscal year 2018, the Authority renewed its contract agreement with MV Transportation Inc. to operate and maintain the fixed route program. The term is from July 1, 2018 to June 30, 2021, with an option to extend for up to four additional one-year terms, exercisable at LAVTA's sole discretion, LAVTA exercised the first year option for FY22. MV Transportation Inc. is paid monthly based on a fixed fee plus a fee calculated per service hour. In April 2022 this contract was amended to reflect the need to increase wages for the contractor's personnel in order to provide a competitive wage. Expenses incurred under this contract amounted to $10,363,080 for the fiscal year ended June 30, 2023.

In April 2021 the Board of Directors entered into a contract with Contra Costa County Transportation Authority for share Paratransit services. This contract involves a sub-contractor, Transdev. The contract is paid on a fixed monthly fee plus service hour basis. In fiscal year 2023 the expenses under this contract amounted to $1,567,672.

REQUIRED SUPPLEMENTARY INFORMATION

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
Cost-Sharing Multiple-Employer Defined Pension Plan
As of fiscal year ending June 30, 2023
Last 10 Years*

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Plan's proportion of the Net Pension Liability (Asset)	0.00990%	0.02310%	0.02550%	0.02730%	0.0278994%
Plan's proportion share of the Net Pension Liability (Asset)	$617,185	$634,007	$886,251	$1,075,263	$1,051,448
Plan's Covered Payroll	$1,065,075	$1,055,059	$1,182,687	$1,280,580	$1,318,639
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	57.95%	60.09%	74.94%	83.97%	79.74%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	79.82%	78.40%	74.06%	73.31%	77.69%

Measurement Date	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Plan's proportion of the Net Pension Liability (Asset)	0.0296746%	0.0316032%	0.0318717%	0.0354450%
Plan's proportion share of the Net Pension Liability (Asset)	$1,188,321	$1,333,048	$605,181	$1,658,554
Plan's Covered Payroll	$1,318,697	$1,430,831	$1,580,036	$1,549,607
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	90.11%	93.17%	38.30%	107.03%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	73.37%	73.12%	90.49%	76.68%

* Fiscal year 2015 was the 1st year of implementation. Additional years will be displayed as they become available.

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
Cost-Sharing Multiple-Employer Defined Pension Plan
As of fiscal year ending June 30, 2023
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

Fiscal Year ended June 30:	**2015**	**2016**	**2017**	**2018**	**2019**
Actuarially determined contribution	$107,649	$82,453	$125,806	$128,881	$152,147
Contributions in relation to the actuarially determined contributions	(107,649)	(82,453)	(125,806)	(128,881)	(152,147)
Contribution deficiency (excess)	-	-	-	-	-
Covered payroll	$1,055,059	$1,182,687	$1,280,580	$1,318,639	$1,318,697
Contributions as a percentage of covered payroll	10.20%	6.97%	9.82%	9.77%	11.54%

Fiscal Year ended June 30:	**2020**	**2021**	**2022**	**2023**
Actuarially determined contribution	$183,665	$239,002	$248,864	$251,262
Contributions in relation to the actuarially determined contributions	(183,665)	(239,002)	(248,864)	(251,262)
Contribution deficiency (excess)	-	-	-	-
Covered payroll	$1,430,831	$1,585,156	$1,580,036	$1,549,607
Contributions as a percentage of covered payroll	12.84%	15.08%	15.75%	16.21%

* Fiscal year 2015 was the 1st year of implementation. Additional years will be displayed as they become available.

Notes to Schedule:

	Miscellaneous Plan
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table[1]	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit Increase	The lesser of Contract Cola or 2.30% until Purchasing Power Protection Allowance floor on purchase power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The table includes generational mortality improvements using the Society of Actuaries Scale 80% of scale MP 2020. For more details on this table, please refer to November 2021 experience study report (based on CalPERS demographic data from 2001 to 2019) that can be found on the CalPERS website.

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
Other Post-Employment Benefit Plan
As of fiscal year ended June 30, 2023

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

CALPERS
Last 10 fiscal years*

Measure Date	**6/30/17**	**6/30/18**	**6/30/19**	**6/30/20**	**6/30/21**	**6/30/22**
Total OPEB Liability						
Service Cost	$94,769	$97,849	$101,028	$97,091	$100,004	$110,805
Interest	151,446	159,290	167,222	159,915	169,056	172,894
Changes in benefit terms						
Differences between expected and actual experience			(261,886)		(73,214)	
Changes of assumptions			146,247		(36,962)	190,682
Benefit payments	(123,756)	(150,720)	(143,286)	(122,344)	(122,581)	(101,376)
Net change in total OPEB liability	122,459	106,419	9,325	134,662	36,303	373,005
Total OPEB liability - beginning	2,130,621	2,253,080	2,359,499	2,368,824	2,503,486	2,539,789
Total OPEB liability - ending (a)	$2,253,080	$2,359,499	$2,368,824	$2,503,486	$2,539,789	$2,912,794
Plan fiduciary net position						
Contributions - employer	$244,507	$280,660	$310,474	$248,726	$244,247	$234,077
Contributions - employee						
Net investment income	130,957	114,555	108,365	80,375	604,163	(406,821)
Administrative expense	(656)	(767)	(369)	(967)	(836)	(748)
Benefit payments	(123,756)	(150,720)	(143,286)	(122,344)	(122,581)	(101,376)
Other Expenses		(1,904)				
Net change in plan fiduciary net position	251,052	241,824	275,184	205,790	724,993	(274,868)
Plan fiduciary net position - beginning	1,188,134	1,439,186	1,681,010	1,956,194	2,161,984	2,886,977
Plan fiduciary net position - ending (b)	$1,439,186	$1,681,010	$1,956,194	$2,161,984	$2,886,977	$2,612,109
Net OPEB liability - ending (a)-(b)	$813,894	$678,489	$412,630	$341,502	($347,188)	$300,685
Plan fiduciary net position as a percentage of the total OPEB liability	63.88%	71.24%	82.58%	86.36%	113.67%	89.68%
Covered- employee payroll	$1,320,431	$1,299,760	$1,265,362	$1,406,535	$1,510,348	$1,580,036
Net OPEB liability as a percentage of covered-employee payroll	62.62%	52.20%	32.61%	24.28%	-22.99%	19.03%

Notes to schedule:

* Fiscal year 2018 was the first year of implementation.

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
Other Post-Employment Benefit Plan
As of fiscal year ended June 30, 2023

SCHEDULE OF CONTRIBUTIONS
CALPERS
Last 10 fiscal years*

Fiscal Year Ended June 30,	2018	2019	2020	2021
Actuarially determined contribution	$162,064	$167,188	$172,474	$150,331
Contributions in relation to the actuarially determined contribution	280,660	310,474	248,726	244,247
Contribution deficiency (excess)	($118,596)	($143,286)	($76,252)	($93,916)
Covered employee payroll	$1,299,760	$1,265,362	$1,406,535	$1,510,348
Contributions as a percentage of covered employee payroll	21.59%	24.54%	17.68%	16.17%
Notes to Schedule				
Valuation date:	6/30/2018	6/30/2017	6/30/2019	6/30/2019
Methods and assumptions used to determine contribution rates:				
Valuation Date	6/30/2017	6/30/2017	6/30/2017	6/30/2019
Actuarial Assumptions:				
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level % 30 yr closed	Level % 30 yr closed	Level % 30 yr closed	Level % 30 yr closed
Inflation	2.75%	2.75%	2.75%	2.50%
Payroll Growth	3.25%	3.25%	3.25%	3.00%
Investment Rate of Return	7%	7%	7%	6.65%
Mortality Rate	MacLeod Watts Scale 2017 applied generationally	MacLeod Watts Scale 2017 applied generationally	MacLeod Watts Scale 2017 applied generationally	MacLeod Watts Scale 2018 applied generationally
Healthcare Trend Rate	7.5% decreasing to 5%	7.5% decreasing to 5%	7.5% decreasing to 5%	6.5% decreasing to 4%

Fiscal Year Ended June 30,	2022	2023
Actuarially determined contribution	$91,171	$157,790
Contributions in relation to the actuarially determined contribution	234,077	247,271
Contribution deficiency (excess)	($142,906)	($89,481)
Covered employee payroll	$1,580,036	$1,549,607
Contributions as a percentage of covered employee payroll	14.81%	15.96%
Notes to Schedule		
Valuation date:	6/30/2021	6/30/2022
Methods and assumptions used to determine contribution rates:		
Valuation Date	6/30/2021	6/30/2022
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % 30 yr closed	Level % 30 yr closed
Inflation	2.50%	2.50%
Payroll Growth	3.00%	3.00%
Investment Rate of Return	6.65%	6.15%
Mortality Rate	MacLeod Watts Scale 2020 applied generationally	MacLeod Watts Scale 2020 applied generationally
Healthcare Trend Rate	5.7% decreasing to 4%	5.6% decreasing to 4%

Notes to schedule:

* Fiscal year 2018 was the first year of implementation.

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SUPPLEMENTARY INFORMATION

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
SCHEDULE OF OPERATING REVENUES AND EXPENSES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED TOTALS FOR THE YEAR OF JUNE 30, 2022

	Fixed Route	Paratransit	WHEELS on Demand	Totals 2023	Totals 2022
REVENUES					
Fares	$1,350,412	$105,301		$1,455,713	$1,000,996
Special contract revenue	758,477	35,233		793,710	625,963
Advertising and concessions	208,095			208,095	206,973
Interest and miscellaneous	364,938			364,938	31,171
Local Transportation Funds 4.0	2,218,181		$216,056	2,434,237	5,475,462
Local Transportation Funds 4.5		98,833		98,833	160,244
State Transit Assistance	2,649,435			2,649,435	3,033,985
Local operating assistance	187,250		85,195	272,445	136,134
FTA operating assistance	5,836,525	546,984	122,340	6,505,849	2,273,383
Local sales tax/Measure B funds - allocations					1,095,020
Local sales tax/Measure BB funds	1,898,188	950,595		2,848,783	1,719,603
Measure BB - GAP Grants	11,461	18,784		30,245	20,819
Measure BB - City of Pleasanton		77,410		77,410	
Bridge tolls	1,036,467			1,036,467	409,489
Transit and Intercity Rail Capital Program					6,894
LCTOP	698,630			698,630	206,113
Total Revenues	$17,218,059	$1,833,140	$423,591	$19,474,790	$16,402,249
EXPENSES					
Labor	$1,437,434	$130,882	$20,429	$1,588,745	$1,674,260
Fringe benefits	1,038,818	43,384	5,568	1,087,770	458,368
Services	2,138,582	55,834	287,774	2,482,190	1,554,345
Purchased transportation	10,363,080	1,590,235	109,820	12,063,135	10,507,926
Fuel, parts, supplies and other operation costs	1,322,420	10,088		1,332,508	1,162,004
Insurance	557,600			557,600	520,026
Administration and legal	360,125	2,717		362,842	325,318
Depreciation	3,719,966	16,575		3,736,541	3,955,850
Gain (Loss) on disposal of equipment	22,805			22,805	(31,581)
Total Expenses	$20,960,830	$1,849,715	$423,591	$23,234,136	$20,126,516

Statistical Section

STATISTICAL SECTION

This part of the Authority's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time:

1. Changes in Net Position and Statement of Net Position
2. Operating Revenues by Source
3. Operating Expenses by Function

Revenue Capacity & Demographic and Economic Information

Revenue Capacity -These schedules contain information to help the reader assess the Authority's most significant local revenue source, fare box revenues.

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

Since the Authority analyzes its primary "own source" revenues using demographic data from its ridership, data for the above two sections have been combined for the reader.

1. Fixed Route Service Operating Data
2. Fixed Route Operating Statistics
3. Fixed Route Safety Statistics
4. Paratransit Services-Operating Data
5. Paratransit Operating Statistics
6. Percent of On-time Departures
7. Demographic and Economic Statistics
8. Principal Employers

Debt Capacity

The Authority has not issued any long term debt since its formation.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs:

1. Full-Time Equivalent Authority Employees by Function
2. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

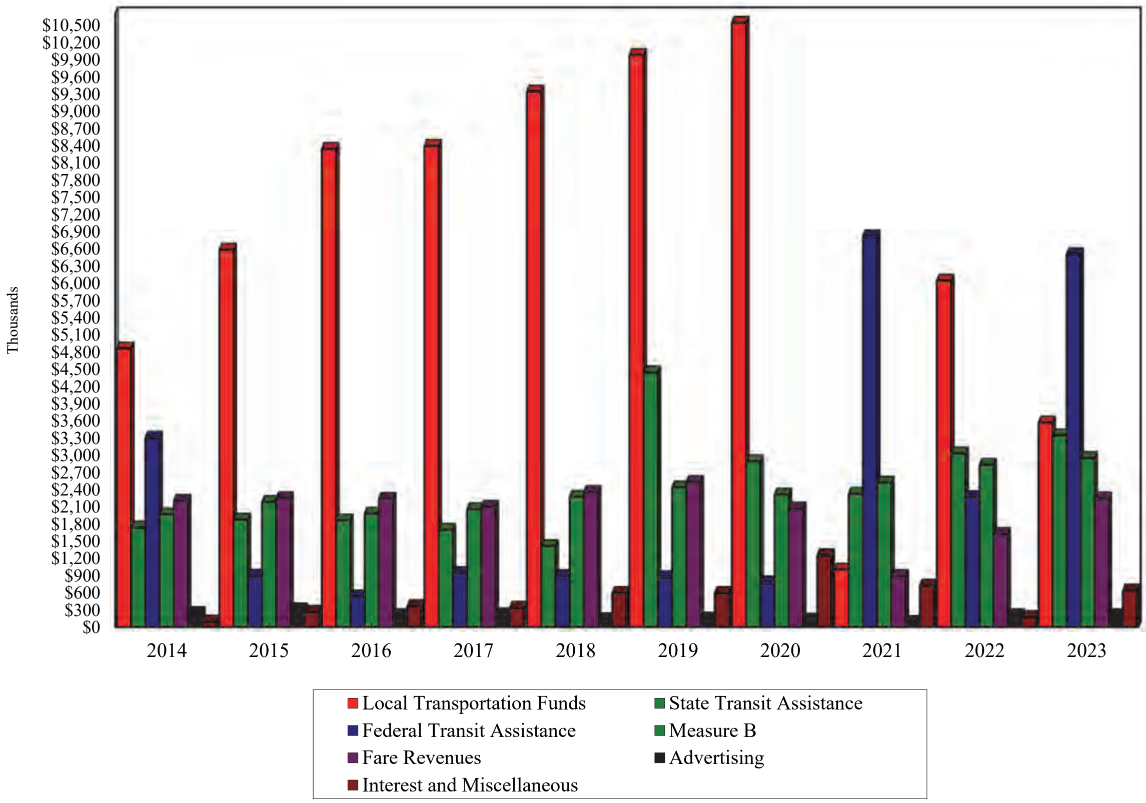
LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
Financial Trends
Changes in Net Position and Statement of Net Position
Last Ten Fiscal Years

	2014	2015	2016	2017
Operating Revenues:				
Fare Revenue & Special Contract Revenue	$2,206,694	$2,253,853	$2,239,549	$2,100,641
Advertising & Ticket Concessions	245,295	307,378	207,674	220,205
Total Operating Revenues	2,451,989	2,561,231	2,447,223	2,320,846
Operating Expenses:				
Board of Directors	15,000	13,900	12,400	14,000
Executive Director	301,175	267,874	286,187	389,213
Finance	1,487,766	1,463,419	1,626,818	1,774,636
Planning	484,615	549,575	872,266	635,082
Marketing	320,775	308,716	380,240	749,882
Operations	11,818,800	11,764,743	12,354,542	12,150,840
Depreciation	3,554,273	3,593,338	2,851,726	2,899,301
Total Operating Expenses	17,982,404	17,961,565	18,384,179	18,612,954
Operating loss	(15,530,415)	(15,400,334)	(15,936,956)	(16,292,108)
Nonoperating Revenues (Expenses):				
Local Transportation Funds	4,134,353	6,001,207	7,760,657	7,719,945
State Transit Assistance	1,742,123	1,876,877	1,862,911	1,697,975
Local Operating Assistance	36,347	176,611	263,750	137,500
Federal Transit Assistance	3,306,883	894,942	536,514	941,565
Measures B & BB	1,969,687	2,185,850	1,981,247	2,058,647
Bridge tolls	727,831	580,836	580,836	671,636
Interest and Miscellaneous	58,918	90,673	99,315	198,014
Transit and Intercity Rail				
LCTOP				
Gain (loss) on disposal of capital assets	(14,718)	(153,065)		54,800
Total Nonoperating Revenues	11,961,424	11,653,931	13,085,230	13,480,082
Add Capital contributions (grants)				
STP/CMAQ Grant				
FTA Capital Assistance	403,473	86,710	62,522	14,004,539
Local Transportation Funds 4.0	731,653	213,514	82,892	3,087,479
Transit and Intercity Rail				
Bridge Tolls	773	37,851	15,020	519,943
Local Sales / Measure B				
State of Good Repair				
State Bond Fund - Prop 1B	537,063	111,868	111,765	862,449
RM2 Viewpoint				
Low Carbon Transit Operations Program				
Tri-Valley Transportation Council				
State Transit Assistance				
STIP				
Contractor Contribution				
Proceeds from Bus Sales				13,312
Total Capital Contributions	1,672,962	449,943	272,199	18,487,722
Change in net position	(1,896,029)	(3,296,460)	(2,579,527)	15,675,696
Net position - beginning of period	7,535,673	5,639,644	2,343,184	(236,343)
Net position - end of period	$5,639,644	$2,343,184	($236,343)	$15,439,353
Statement of Net Position				
Net investment in capital assets	$5,639,644	$2,343,184	($236,343)	$51,240,131
Restricted for Pension trust				
Unrestricted				101,457
Total net position	$5,639,644	$2,343,184	($236,343)	$51,341,588

Source: LAVTA's basic financial statements.

2018	2019	2020	2021	2022	2023
$2,358,653	$2,535,311	$2,070,034	$889,319	$1,626,959	$2,249,423
134,585	146,290	126,872	$88,984	206,973	208,095
2,493,238	2,681,601	2,196,906	978,303	1,833,932	2,457,518
12,600	17,190	13,398	12,650	17,400	16,917
1,595,315	3,848,996	2,643,685	342,877	506,257	275,145
1,435,628	2,046,045	1,941,196	1,745,186	1,344,662	2,781,353
813,384	573,804	724,499	543,962	428,231	440,153
581,771	777,227	681,431	178,649	428,934	399,599
12,582,572	13,745,979	13,978,804	11,556,825	13,476,763	15,561,623
4,381,174	4,354,157	4,502,614	4,430,184	3,955,850	3,736,541
21,402,444	25,363,398	24,485,627	18,810,333	20,158,097	23,211,331
(18,909,206)	(22,681,797)	(22,288,721)	(17,832,030)	(18,324,165)	(20,753,813)
8,250,669	6,455,113	7,622,740	594,510	5,635,706	2,533,070
1,414,435	4,446,481	2,898,635	2,328,173	3,033,985	2,649,435
514,070	162,999	884,121	409,794	136,134	272,445
890,169	870,129	779,525	6,819,121	2,273,383	6,505,849
2,278,736	2,549,883	2,388,665	2,524,565	2,835,442	2,956,438
1,089,005	3,519,961	2,915,325	409,489	409,489	1,036,467
79,987	431,776	212,809	161,891	31,171	364,938
			154,303	6,894	
				206,113	698,630
(33,816)	(52,472)	(21,777)		(31,581)	(22,805)
14,483,255	18,383,870	17,680,043	13,401,846	14,536,736	16,994,467
11,728,464	407,821	330,540	110,022		11,587,268
3,079,866	670,993	764,318	1,809,530	765,756	3,664,159
				925,026	10,944,462
535,578					
			755,939		
		68,221	12,124		
132,519	196,738		112,515	112,782	138,317
			20,505		
256,773					
92,399	37,537	863,729	146,334		
				410,657	130,343
			33,308		
10,960					
15,836,559	1,313,089	2,026,808	3,000,277	2,214,221	26,464,549
11,410,608	(2,984,838)	(2,581,870)	(1,429,907)	(1,573,208)	22,705,203
50,112,398	61,523,006	58,570,492	56,248,354	54,818,447	53,245,239
$61,523,006	$58,538,168	$55,988,622	$54,818,447	$53,245,239	$75,950,442
$62,661,701	$59,709,187	$57,387,049	$55,957,142	$54,183,932	$76,889,135
					204,032
(1,138,695)	(1,138,695)	(1,138,695)	($1,138,695)	(938,693)	(1,142,725)
$61,523,006	$58,570,492	$56,248,354	$54,818,447	$53,245,239	$75,950,442

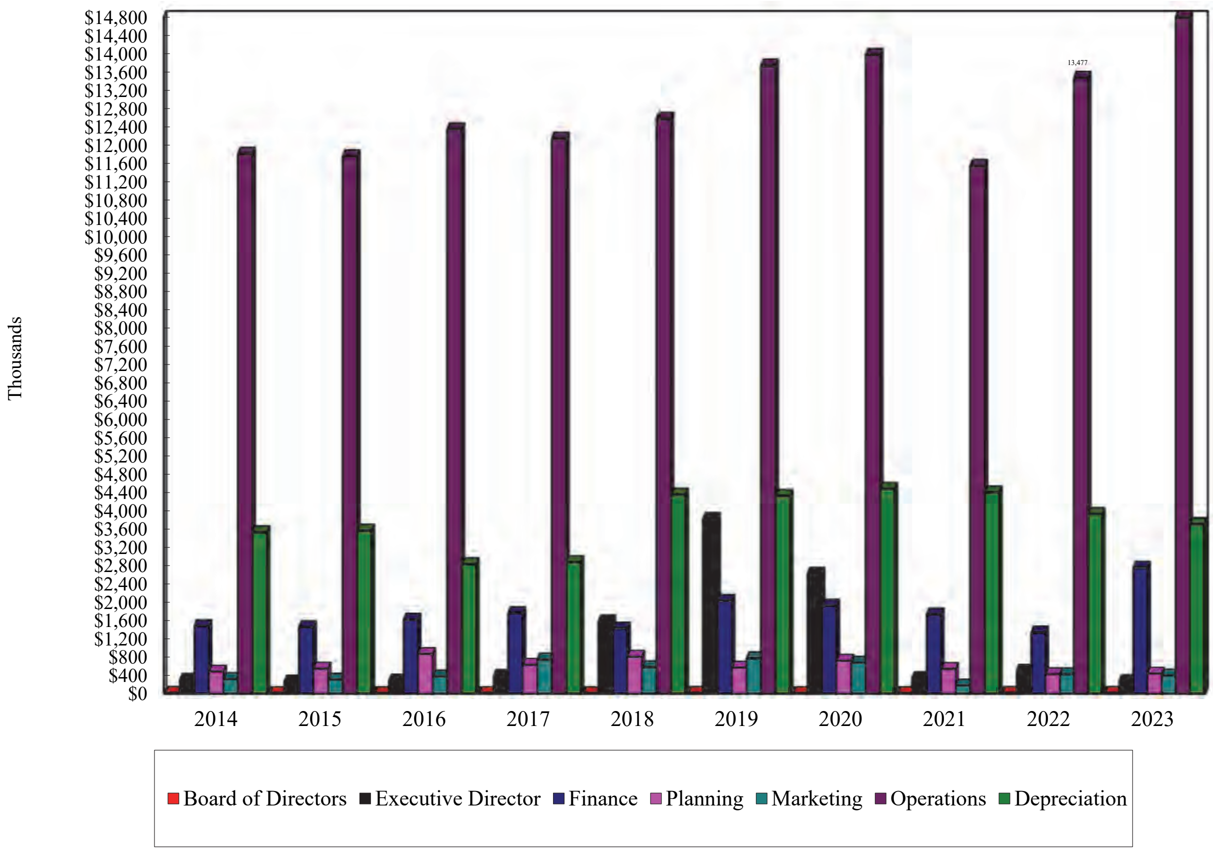
LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
OPERATING AND NON-OPERATING REVENUES BY SOURCE
LAST TEN FISCAL YEARS



Fiscal Year	Local Transportation Funds	State Transit Assistance	Federal Transit Assistance	Measures B & BB	Fare Revenues & Special Contract Revenue	Advertising & Ticket Concessions	Local Operating Assistance, Interest and Miscellaneous	Total
2014	$4,862,184	$1,742,123	$3,306,883	$1,969,687	$2,206,694	$245,295	$95,265	$14,428,131
2015	6,582,043	1,876,877	894,942	2,185,850	2,253,853	307,378	267,284	14,368,227
2016	8,341,493	1,862,911	536,514	1,981,247	2,239,549	207,674	363,065	15,532,453
2017	8,391,581	1,697,975	941,565	2,058,647	2,100,641	220,205	335,514	15,746,128
2018	9,339,674	1,414,435	890,169	2,278,736	2,358,653	134,585	594,057	17,010,309
2019	9,975,074	4,446,481	870,129	2,441,181	2,535,311	146,290	594,775	21,009,241
2020	10,538,065	2,898,635	779,525	2,315,860	2,070,034	126,872	1,254,022	19,983,013
2021	1,003,999	2,328,173	6,819,121	2,524,565	889,319	88,984	725,988	14,380,149
2022	6,045,195	3,033,985	2,273,383	2,835,442	1,626,959	206,973	174,199	16,196,136
2023	3,569,537	3,348,065	6,505,849	2,956,438	2,249,423	208,095	637,383	19,474,790

Source: Livermore Amador Valley Transit Authority Audit Reports

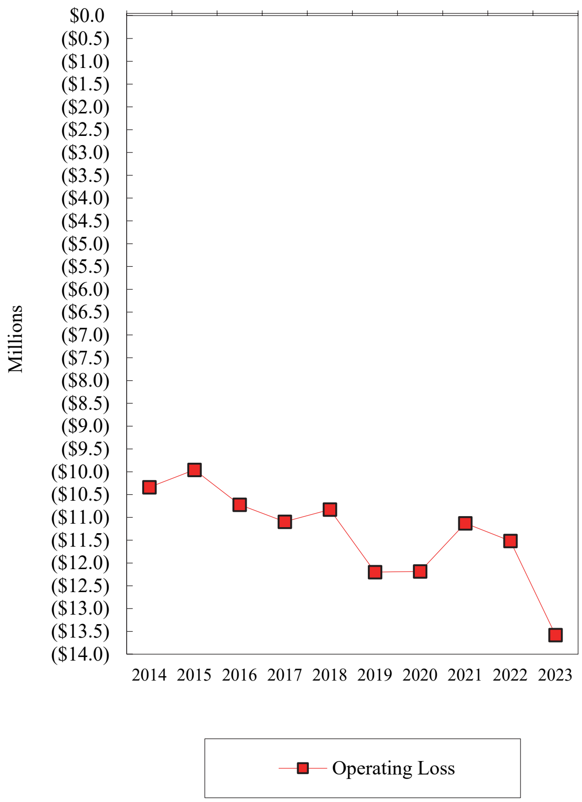
LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
OPERATING EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS

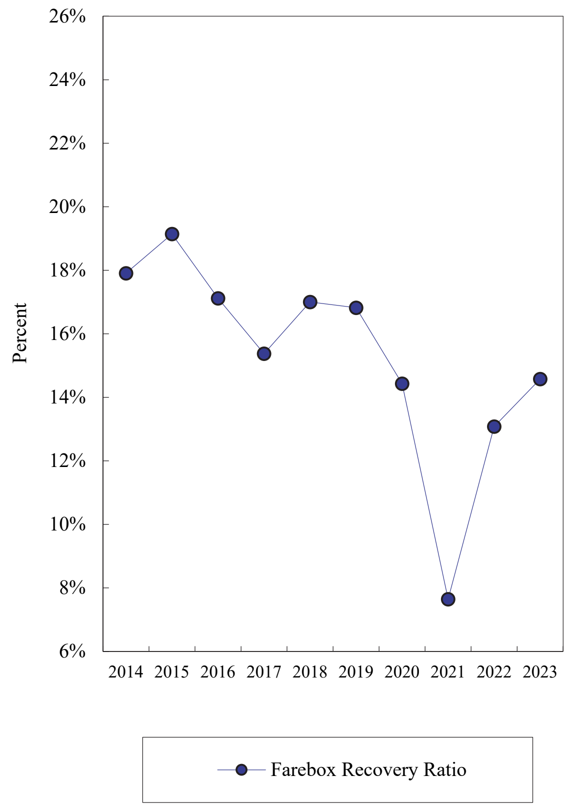


Fiscal Year	Board of Directors	Executive Director	Finance	Planning	Marketing	Operations	Depreciation	Total
2014	$15,000	$301,175	$1,487,766	$484,615	$320,775	$11,818,800	$3,554,273	$17,982,404
2015	13,900	267,874	1,463,419	549,575	308,716	11,764,743	3,593,338	17,961,565
2016	12,400	286,187	1,626,818	872,266	380,240	12,354,542	2,851,726	18,384,179
2017	14,000	389,213	1,774,636	635,082	749,882	12,150,840	2,899,301	18,612,954
2018	12,600	1,595,315	1,435,628	813,384	581,771	12,585,572	4,381,174	21,405,444
2019	17,190	3,848,996	2,046,045	573,804	777,227	13,745,979	4,354,157	25,363,398
2020	13,398	2,643,685	1,941,196	724,499	681,431	13,978,804	4,502,614	24,485,627
2021	12,650	342,877	1,745,186	543,962	178,649	11,556,825	4,430,184	18,810,333
2022	17,400	506,257	1,344,662	428,231	428,934	13,476,763	3,955,850	20,158,097
2023	16,917	275,145	2,781,353	440,153	399,599	15,561,623	3,736,541	23,211,331

Source: Livermore Amador Valley Transit Authority Audit Reports

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
FIXED ROUTE SERVICE-OPERATING DATA
LAST TEN FISCAL YEARS



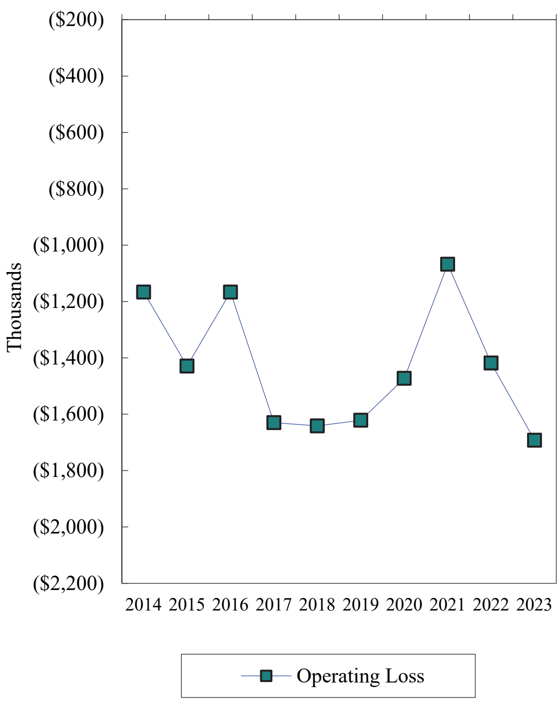


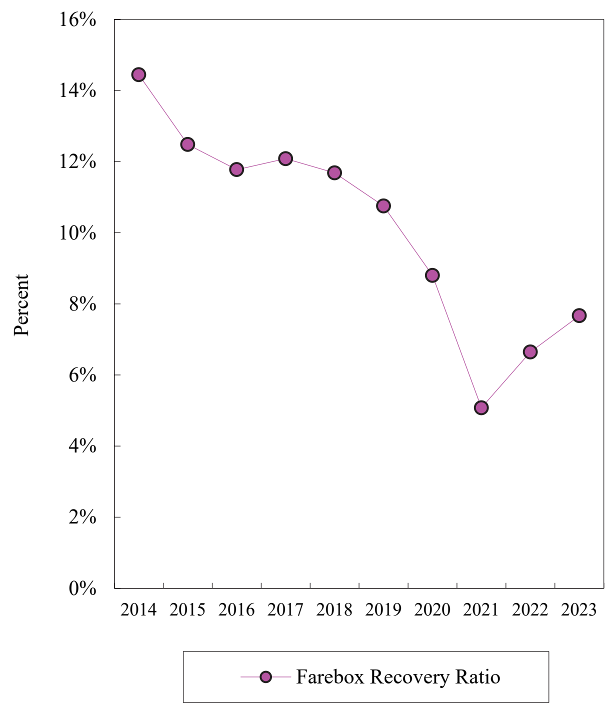
Fiscal Year	Operating Expenses Excluding Insurance and Depreciation	Fare & Auxiliary Transportation Revenues	Operating Loss Before Insurance and Depreciation	Farebox Recovery Ratio
2014	$12,593,085	$2,255,015	($10,338,070)	17.9%
2015	12,315,547	2,357,410	(9,958,137)	19.1%
2016	12,937,607	2,214,697	(10,722,910)	17.1%
2017	13,110,490	2,015,491	(11,094,999)	15.4%
2018	13,046,572	2,218,233	(10,828,339)	17.0%
2019	14,665,989	2,466,812	(12,199,177)	16.8%
2020	14,239,620	2,054,794	(12,184,826)	14.4%
2021	12,050,002	921,193	(11,128,809)	7.6%
2022	13,250,097	1,732,935	(11,517,162)	13.1%
2023	15,895,639	2,316,984	(13,578,655)	14.6%

Source: Livermore Amador Valley Transit Authority Audit Reports

Note: Fare & Auxiliary Transportation Revenues includes Fare Revenues, Special Contract Revenues, Advertising and Ticket Concession Revenues.

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
PARATRANSIT SERVICES-OPERATING DATA
LAST TEN FISCAL YEARS



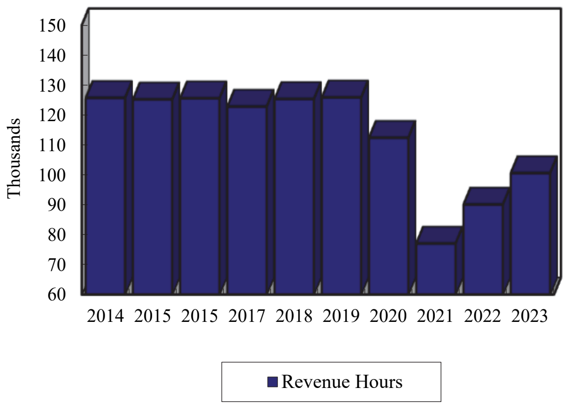


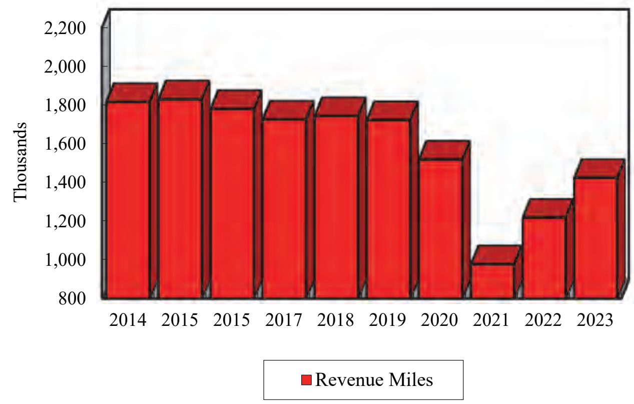
Fiscal Year	Operating Expenses Excluding Insurance and Depreciation	Fare & Auxiliary Transportation Revenues	Operating Loss Before Insurance and Depreciation	Farebox Recovery Ratio
2014	$1,363,619	$196,974	($1,166,645)	14.4%
2015	1,633,002	203,821	(1,429,181)	12.5%
2016	1,974,712	232,526	(1,166,645)	11.8%
2017	1,854,081	224,023	(1,630,058)	12.1%
2018	1,858,729	217,184	(1,641,545)	11.7%
2019	1,816,966	195,367	(1,621,599)	10.8%
2020	1,614,886	142,112	(1,472,774)	8.8%
2021	1,125,031	57,110	(1,067,921)	5.1%
2022	1,519,606	100,997	(1,418,609)	6.6%
2023	1,833,140	140,534	(1,692,606)	7.7%

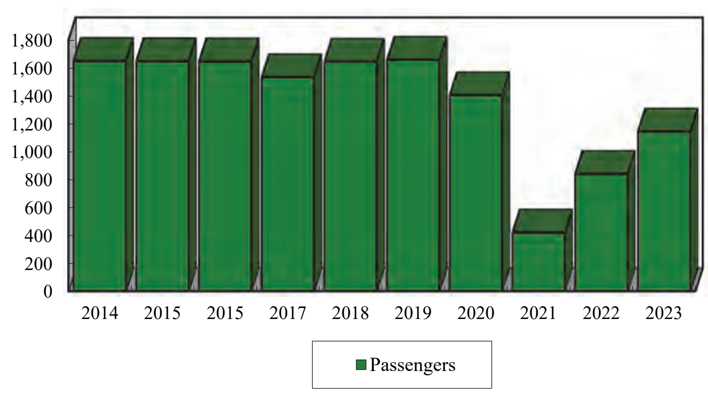
Source: Livermore Amador Valley Transit Authority

Note: Fare & Auxiliary Transportation Revenues includes Fare Revenues, Special Contract Revenues, Advertising and Ticket Concession Revenues

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
FIXED ROUTE OPERATING STATISTICS
LAST TEN FISCAL YEARS



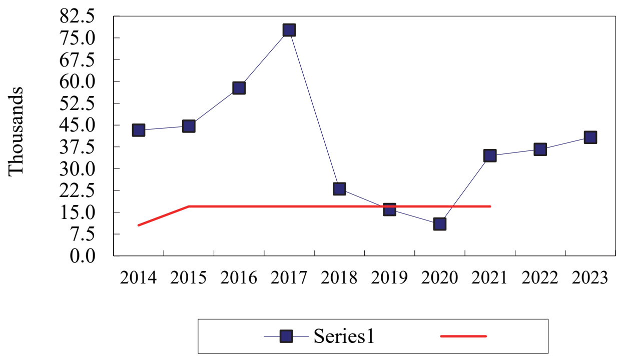


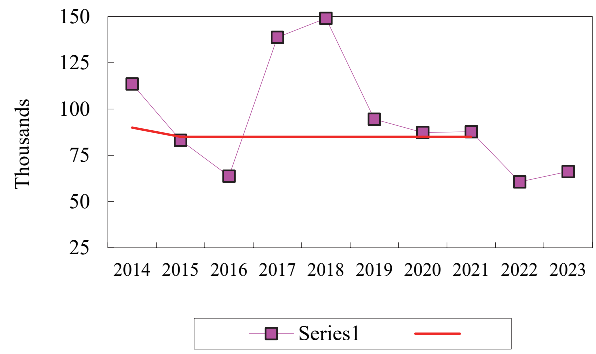


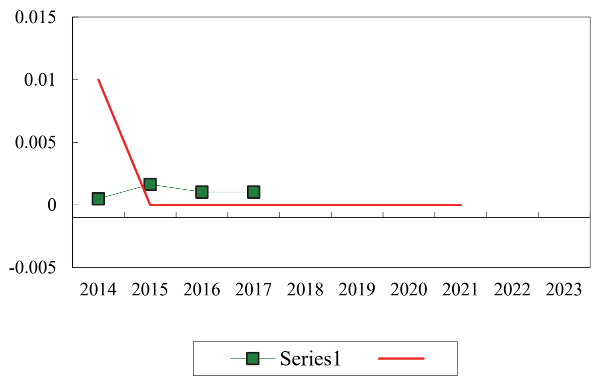
Fiscal Year	Revenue Hours	Revenue Miles	Passengers
2014	125,706	1,816,916	1,652,151
2015	125,201	1,831,125	1,650,388
2015	125,604	1,780,948	1,648,811
2017	122,837	1,726,897	1,536,084
2018	125,334	1,744,881	1,647,003
2019	125,853	1,724,046	1,660,443
2020	112,412	1,520,641	1,406,245
2021	77,053	978,477	420,226
2022	90,069	1,219,740	841,343
2023	100,598	1,425,216	1,145,515

Source: National Transit Database Report (Formerly Section 15)

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
FIXED ROUTE SAFETY STATISTICS
LAST TEN FISCAL YEARS



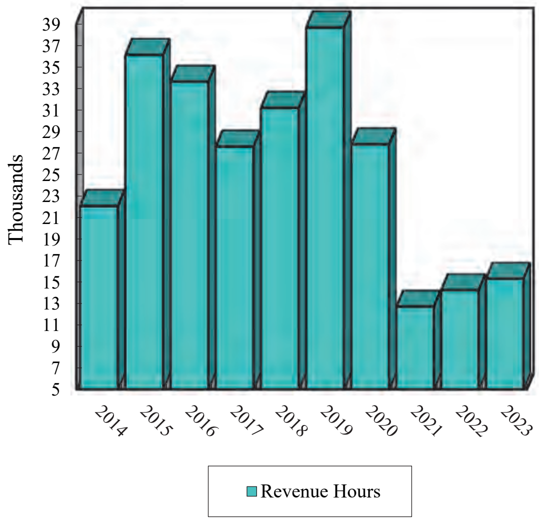


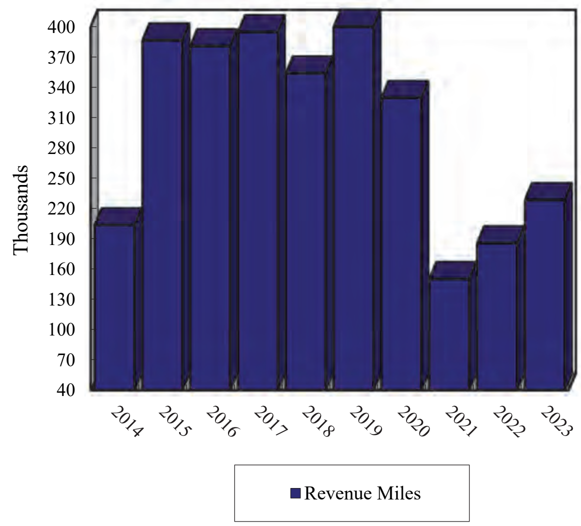


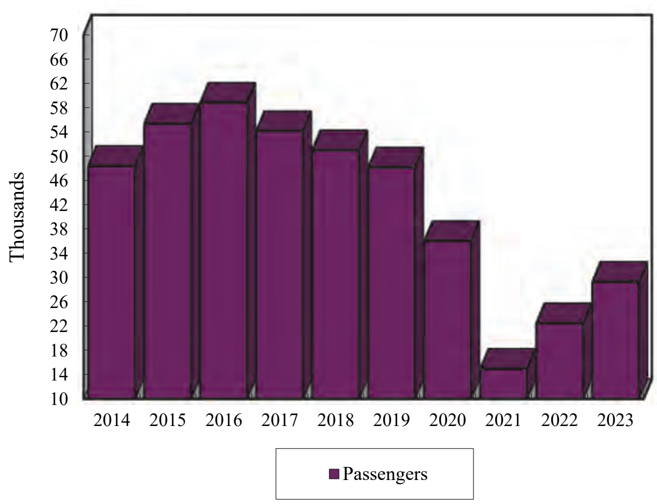
Fiscal Year	Miles Between Road Calls	Goal	Miles Between Accidents	Goal	Injuries/ Boardings	Goal
2014	43,260	17,000-25,000	113,557	100,000	6/1,652,151	N/A
2015	44,620	17,000-25,000	83,156	100,000	7/1,650,388	N/A
2016	57,764	17,000-25,000	63,740	100,000	9/1,648,811	N/A
2017	77,720	17,000-25,000	138,737	100,000	9/1,536,084	N/A
2018	23,052	17,000-25,000	148,993	100,000	9/1,647,003	N/A
2019	15,939	17,000-25,000	94,506	100,000	3/1,660,443	N/A
2020	10,939	17,000-25,000	87,322	100,000	2/1,406,245	N/A
2021	34,484	17,000-25,000	87,760	100,000	3/420,226	N/A
2022	36,636	17,000-25,000	60,679	100,000	8/841,343	N/A
2023	40,780	17,000-25,000	66,267	100,000	2/1,145,515	N/A

Source: Livermore Amador Valley Transit Authority Short Range Transit Plans Contractor Service Quality Standards Index and NTD Safety and Security Report

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
PARATRANSIT OPERATING STATISTICS
LAST TEN FISCAL YEARS



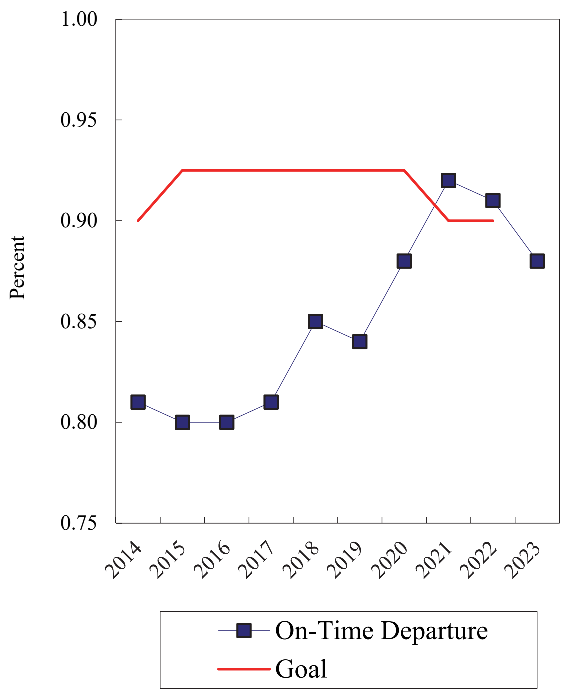


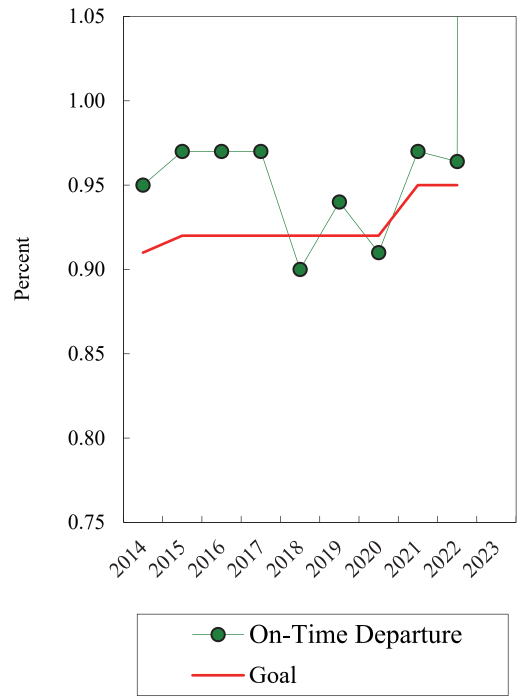


Fiscal Year	Revenue Hours	Revenue Miles	Passengers
2014	22,121	203,932	48,388
2015	36,120	386,586	55,341
2016	33,642	380,831	58,798
2017	27,631	394,847	54,121
2018	31,219	353,966	50,967
2019	38,665	417,558	48,141
2020	27,833	329,784	36,002
2021	12,747	150,703	14,960
2022	14,300	186,068	22,454
2023	15,364	228,836	29,293

Source: National Transit Database Report (Formerly Section 15)

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
PERCENT OF ON-TIME DEPARTURES
LAST TEN FISCAL YEARS



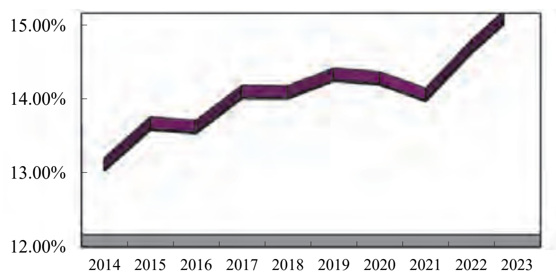


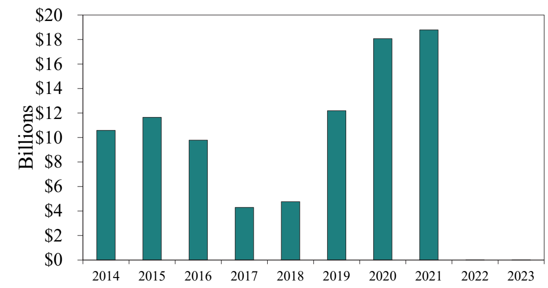
Fiscal Year	Fixed Route On-Time Departure	Fixed Route Goal	Paratransit On-Time Departure	Paratransit Goal
2014	0.81	0.90	0.95	≤ 0.95
2015	0.80	0.90	0.97	≤ 0.95
2016	0.80	0.85	0.97	0.95
2017	0.81	0.85	0.97	0.95
2018	0.85	0.85	0.90	0.95
2019	0.84	0.85	0.94	0.95
2020	0.88	0.85	0.91	0.95
2021	0.92	0.85	0.97	0.95
2022	0.91	0.85	0.96	0.95
2023	0.88	0.85	89.62	0.95

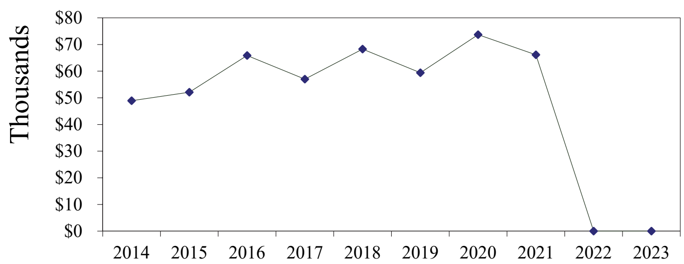
Source: Livermore Amador Valley Transit Authority Short Range Transit Plans or Contractor Service Quality Standards Index

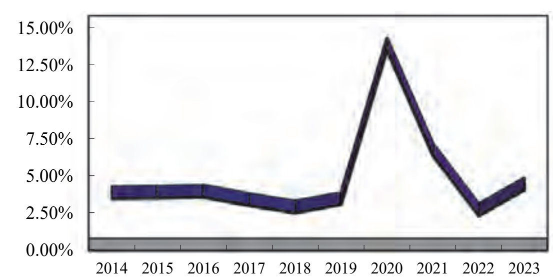
Note: Charts include all available data

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS









Fiscal Year	Authority Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%)	Alameda County Population	Authority Population % of County
2014	205,086	$10,584,221,916	$48,921	3.50%	1,573,254	13.04%
2015	216,684	11,648,959,062	52,098	3.53%	1,594,569	13.59%
2016	220,469	9,791,798,832	65,884	3.60%	1,627,865	13.54%
2017	230,968	4,299,478,125	57,006	3.03%	1,647,704	14.02%
2018	233,061	4,769,199,955	68,290	2.53%	1,663,190	14.01%
2019	236,300	12,196,374,455	59,421	3.10%	1,658,131	14.25%
2020	237,041	18,079,183,396	73,700	13.5%	1,669,301	14.20%
2021	235,163	18,792,753,154	66,139	6.4%	1,682,353	13.98%
2022	241,142	info not avail	info not avail	2.33%	1,648,556	14.63%
2023	252,774	info not avail	info not avail	4.10%	1,665,405	15.18%

Source: California State Department of Finance
City ACFRS and websites
Note: All available data has been included.

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
PRINCIPAL EMPLOYERS
Current Fiscal Year

	2022-23		
Employer	**Number of Employees**	**Rank**	**Percentage of Total Authority Population**
Lawrence Livermore National Laboratory	8,100	1	3.2%
Workday Incorporated	5,017	2	2.0%
Kaiser Foundation Hospitals	4,087	3	1.6%
Sandia National Laboratories	1,770	4	0.7%
Oracle America, Inc.	1,681	5	0.7%
U. S. Government & Federal Correction Institute	1,608	6	0.6%
Livermore Valley Joint Unified School District	1,351	7	0.5%
LAM Research	1,205	8	0.5%
County of Alameda	1,165	9	0.5%
Ross Stores Headquarters	1,100	10	0.4%
Subtotal	27,084		10.7%
Total Authority Population	252,774		

Source: City of Dublin, City of Livermore, City of Pleasanton ACFRs

NOTE: Data from nine years prior is not available.

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
Full-Time Equivalent Authority Employees by Function
Last Ten Fiscal Years

	Adopted for Fiscal Year Ended June 30,				
	2014	**2015**	**2016**	**2017**	**2018**
Function					
Executive Director	1.00	1.00	1.00	1.00	1.00
Administrative Services	8.00	8.00	8.00	6.00	7.00
Planning	4.00	4.00	4.00	5.00	4.00
Marketing	2.00	2.00	2.00	2.00	2.00
Operations	0.00	0.00	0.00	0.00	0.00
Total	15.00	15.00	15.00	14.00	14.00

	Adopted for Fiscal Year Ended June 30,				
	2019	**2020**	**2021**	**2022**	**2023**
Function					
Executive Director	1.00	1.00	1.00	1.00	1.00
Finance and Administration	7.00	4.00	4.00	4.00	4.00
Planning	3.50	1.50	1.50	1.50	1.50
Marketing	1.50	1.50	1.50	0.50	0.50
Operations	1.00	7.00	7.00	7.00	7.00
Total	14.00	15.00	15.00	14.00	14.00

Source: Livermore/Amador Valley Transit Authority

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year				
	2014	**2015**	**2016**	**2017**	**2018**
Function/Program					
Fixed Route					
Total Vehicles	74	66	64	64	60
Average Fleet Age	10.40	10.27	11.20	8.09	3.93
Vehicles Operated In Maximum Service	51	49	49	47	48
Paratransit					
Total Vehicles	7	4	0	0	0
Average Fleet Age	7.00	9.00	0.00	0.00	0.00
Vehicles Operated In Maximum Service	0	0	0	0	0
Shared Stations Maintenance Facilities	3	3	3	3	3

	Fiscal Year				
	2019	**2020**	**2021**	**2022**	**2023**
Function/Program					
Fixed Route					
Total Vehicles	60	66	65	65	60
Average Fleet Age	4.93	5.93	6.81	7.81	5.71
Vehicles Operated In Maximum Service	49	52	52	47	49
Paratransit					
Total Vehicles	0	0	0	0	0
Average Fleet Age	0.00	0.00	0.00	0.00	0.00
Vehicles Operated In Maximum Service	0	0	0	0	0
Shared Stations Maintenance Facilities	3	3	3	3	3

Source: Livermore Amador Valley Transit Authority
Note: n/a denotes information is not available.

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Compliance Section

4

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2023

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified		
Internal control over financial reporting:			
• Material weakness(es) identified?	___ Yes	X	No
• Significant deficiency(ies) identified	___ Yes	X	None Reported
Noncompliance material to financial statements noted?	___ Yes	X	No

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified		
Internal control over major programs:			
• Material weakness(es) identified?	___ Yes	X	No
• Significant deficiency(ies) identified	___ Yes	X	None Reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	___ Yes	X	No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
20.507	Federal Transit – Formula Grants (Urban Area Formula Program)

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any significant deficiencies, or material weaknesses or instances of noncompliance material to the basic financial statements. We have also issued a separate Memorandum on Internal Control dated November 6, 2023, which is an integral part of our audits and should be read in conjunction with this report.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Our audit did not disclose any findings or questioned costs required to be reported in accordance with Uniform Guidance.

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Federal Expenditures
US Department of Transportation **Direct** Programs:			
Highway Planning and Construction (Federal-Aid Highway Program)			
FHWA Surface Transportation SAV	20.205		$122,340
Federal Transit Cluster			
Federal Transit - Formula Grants (Urban Area Formula Program)			
Paratransit Operating Assistance	20.507		546,984
Transit Center Rehabilitation	20.507		147,072
Fixed Route Operating Assistance	20.507		5,730,074
Diesel Hybrid Bus Purchase	20.507		8,093,979
Program subtotal			14,518,109
Bus and Bus Facilities Formula & Discretionary Programs (Bus Program)			
Diesel Hybrid Bus Purchase	20.526		3,346,217
Subtotal Federal Transit Cluster			17,864,326
Subtotal Department of Transportation **Direct** Programs			17,986,666
US Department of Transportation **Pass-Through** Programs:			
Formula Grants for Rural Areas			
State of California Department of Transportation			
Caltrans			
5311 Fixed Route Operating Assistance	20.509	CA-2022-053	46,283
5311 Fixed Route Operating Assistance	20.509	CA-2023-038	60,168
Subtotal Department of Transportation **Pass-Through** Programs			106,451
Total US Department of Transportation			18,093,117
Total Expenditures of Federal Awards			$18,093,117

See Accompanying Notes to Schedule of Expenditures of Federal Awards

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LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2023

NOTE 1 – REPORTING ENTITY

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the Livermore Amador Valley Transit Authority, California as disclosed in the notes to the Basic Financial Statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All proprietary funds are accounted for using the accrual basis of accounting. Expenditures of Federal Awards reported on the Schedule are recognized when incurred.

NOTE 3 – INDIRECT COST ELECTION

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

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

To the Honorable Members of the Board of Directors
Livermore Amador Valley Transit Authority
Livermore, 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 each major fund of the Livermore Amador Valley Transit Authority (Authority) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated November 6, 2023.

Report on Internal Control Over Financial Reporting

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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.

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The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated November 6, 2023, which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

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

Maze & Associates

Pleasant Hill, California
November 6, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Honorable Members of the Board of Directors of
Livermore Amador Valley Transit Authority
Livermore, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Livermore Amador Valley Transit Authority's (Authority) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2023. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

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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 Authority'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 Authority's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority'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 Authority'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 Authority'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 Authority as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated November 6, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion 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 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 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 financial statements or to the 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 financial statements as a whole.

Maze & Associates

Pleasant Hill, California
November 6, 2023

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

Honorable Members of the Board of Directors of
Livermore Amador Valley Transit Authority
Livermore, 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 each major fund of the Livermore Amador Valley Transit Authority (Authority), as of and for the year ended June 30, 2023, and the related notes to the financial the related notes to the financial statements, and have issued our report thereon dated November 6, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 of financial statements. Our procedures included the applicable audit procedures contained in §6667 of Title 21 of California Code of Regulations and tests of compliance with the applicable provisions of the Transportation Development Act and the allocation instructions and resolutions of the Metropolitan Transportation Commission. 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*.

We have also issued a separate Memorandum on Internal Control dated November 6, 2023, which is an integral part of our audit and should be read in conjunction with this report.

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

This report is intended solely for the information and use of the Metropolitan Transportation Commission, management, the Board of Directors, others within the Authority, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties: however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

Maze & Associates

Pleasant Hill, California
November 6, 2023