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GOVERNANCE LETTER

To the Board of Directors
Western Placer Consolidated Transportation Services Agency
Roseville, California

We have audited the financial statements of the Western Placer Consolidated Transportation Services Agency (the Agency) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

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

As stated in our engagement letter dated February 22, 2024, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the system of internal control of the Agency. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the Agency's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Planned Scope and Timing of the Audit

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

Our audit included obtaining an understanding of the entity and its environment, including the system of internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. No internal control-related matters were noted during our audit. As a result, we did not issue a management letter.

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

We performed the audit according to the planned scope previously communicated to you in our engagement letter dated February 22, 2024.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending June 30, 2024. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

There are no significant areas where accounting estimates were used in the preparation of the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements is the disclosure in Note C regarding deferring excess Local Transportation Fund revenues.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There was one adjustment to reclassify accounts payable to due to other governments.

Disagreements with Management

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

Management Representations

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

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application

of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

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

Richardson & Company, LLP

December 27, 2024

**WESTERN PLACER CONSOLIDATED
TRANSPORTATION SERVICES AGENCY**

**(A Component Unit of Placer County
Transportation Planning Agency)**

Audited Financial Statements
and Compliance Reports

June 30, 2024

WESTERN PLACER CONSOLIDATED
TRANSPORTATION SERVICES AGENCY

Audited Financial Statements
and Compliance Reports

June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Western Placer Consolidated Transportation Services Agency
Roseville, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Western Placer Consolidated Transportation Services Agency (the Agency), a component unit of Placer County Transportation Planning Agency (PCTPA), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency, as of June 30, 2024 and 2023, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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 Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 6 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.

To the Board of Directors
Western Placer Consolidated Transportation Services Agency

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2024, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

Richardson & Company, LLP

December 27, 2024

WESTERN PLACER CONSOLIDATED TRANSPORTATION SERVICES AGENCY

Management's Discussion and Analysis
June 30, 2024

This section of Western Placer Consolidated Transportation Services Agency's (WPCTSA) basic financial statements presents management's overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2024. We encourage the reader to consider the information presented here in conjunction with the financial statements as a whole.

The Consolidated Transportation Service Agency designation was created by California law as a means of strengthening and coordinating the social service transportation programs of nonprofit organizations and, where appropriate, to serve as the focus for consolidation of functional elements of these programs, including the provision of transportation services. The WPCTSA Joint Powers Authority was created on October 13, 2008 by Placer County and the cities of Auburn, Colfax, Lincoln, Rocklin, and Roseville, and the Town of Loomis to provide these transportation programs. Under the Joint Powers Agreement that formed WPCTSA, Placer County Transportation Planning Agency (PCTPA) is designated as the entity to provide administrative, accounting, and staffing support for WPCTSA.

FINANCIAL HIGHLIGHTS

- Total Assets \$1,883,816
- Total Liabilities \$1,883,816
- Total Net Position remains unchanged at zero
- Total Operating Revenues \$0
- Total Operating Expenses \$1,259,198
- Total Non-Operating Revenues \$1,740,297
- Total Non-Operating Expenses \$481,099

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to WPCTSA's audited financial statements, which are comprised of the basic financial statements. This annual report is prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for States and Local Governments*. The Single Governmental Program for Special Purpose Governments reporting model is used which best represents the activities of WPCTSA.

The required financial statements include the Balance Sheet; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. Notes to the financial statements and this summary support these statements. All sections must be considered together to obtain a complete understanding of the financial picture of WPCTSA.

Statement of Net Position

This statement includes all assets and liabilities using the accrual basis of accounting as of the statement date. The difference between the classifications is represented as "Net Position". This section of the statement identifies major categories of restrictions on these assets and reflects the overall financial position of WPCTSA as a whole.

Statement of Revenues, Expenses and Changes in Net Position

This statement presents the revenues earned and the expenses incurred during the year using the accrual basis of accounting. Under the accrual basis, all increases or decreases in net position are reported as soon as the underlying event occurs, regardless of the timing of the cash flow.

Statement of Cash Flows

This statement reflects inflows and outflows of cash, summarized by operating, capital, financing and investing activities. The direct method was used to prepare this information, which means that gross rather than net amounts were presented for the year's activities.

Notes to the Financial Statements

This additional information is essential to a full understanding of the data reported in the basic financial statements.

**WESTERN PLACER CONSOLIDATED
TRANSPORTATION SERVICES AGENCY**

Management's Discussion and Analysis
June 30, 2024

FINANCIAL ANALYSIS

The following table compares the Statement of Net Position at June 30, 2024, June 30, 2023 and June 30, 2022:

Comparative Analysis of Current and Prior Year Net Assets

	2024	2023	2023 to 2024 Variance	2022	2022 to 2023 Variance
Current assets	\$ 1,883,816	\$ 2,245,465	\$ (361,649)	\$ 1,732,999	\$ 512,466
Current liabilities	1,883,816	2,245,465	(361,649)	1,732,999	512,466
Net position, unrestricted	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Current Assets – The current assets at June 30, 2024 decreased by \$361,349 compared to the fiscal year ending June 30, 2023. The decrease in assets was the result of planned deficit spending in FY 2023/24 resulting in less cash on hand.

Current Liabilities – The current liabilities at June 30, 2024 decreased \$361,649 compared to the fiscal year ending June 30, 2023. The decrease in liabilities was attributable to increased Accounts Payable and Due to Other Agencies, and unearned revenue.

Net Position – Unrestricted net position, the part of equity that can be used to finance day-to-day operations without constraints was zero at June 30, 2024, 2023 and 2022. There was no change from the prior fiscal years. The Agency has no net position because its non-operating revenues are reflected as unearned until eligible expenditures are incurred.

The following table summarizes the Statement of Revenues, Expenses and Changes in Net Position for the fiscal years ending June 30, 2024, June 30, 2023 and June 30, 2022:

Comparative Analysis of Current and Prior Year Activities and Balances

	2024	2023	2023 to 2024 Variance	2022	2022 to 2023 Variance
Operating revenues	\$ --	\$ --	\$ --	\$ --	\$ --
Operating expenses	1,259,198	597,880	661,318	494,773	103,107
Operating Income (Loss)	<u>(1,259,198)</u>	<u>(597,880)</u>	<u>(661,318)</u>	<u>(494,773)</u>	<u>(103,107)</u>
Non-operating revenues	1,740,297	986,450	753,847	927,195	59,255
Non-operating expenses	481,099	388,570	92,529	432,422	(43,852)
Change in Net Position	--	--	--	--	--
Net Position, beginning	--	--	--	--	--
Net Position, ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Operating Revenues – WPCTSA currently does not receive operating revenue as the previous programs no longer exist.

Operating Expenses – Operating expenses for the fiscal year ending June 30, 2024 increased by \$661,318 and reflects an increase in administrative costs, My Rides Program and the voucher program for Sierra College students.

**WESTERN PLACER CONSOLIDATED
TRANSPORTATION SERVICES AGENCY**

Management's Discussion and Analysis
June 30, 2024

Non-Operating Revenues – Non-Operating revenues for the fiscal year ending June 30, 2024 increased by \$753,847 from the prior fiscal year mainly due to an increase in State Transit Assistance fund utilizing deferred revenue from prior years and Interest Income revenues to offset the year's Operating Expenses.

Non-Operating Expenses – Non-Operating expenses for the fiscal year ended June 30, 2024 from June 30, 2023 had an increase of \$92,529 to reflect an increase in expenses related to South Placer Transit Info Call Center and the Mobility Training Program over the prior fiscal year.

ECONOMIC OUTLOOK

WPCTSA relies primarily on federal and state grants, local programs, and Transportation Development Act Local Transportation Funds (LTF) to fund its activities. LTF funds are derived from a portion of state sales tax dollars and are allocated to WPCTSA to be utilized for community-based transportation, including services for the elderly and disabled persons who are unable to use conventional transit services. Because LTF is dependent on sales tax collection, which is generated by consumer spending, the funding may fluctuate periodically.

WPCTSA adopts an annual budget for income and expenditures, based on many factors and projections for the coming year. As the actual income and expenses are finalized as each fiscal year progresses, refinements may be necessary and the budget will be amended accordingly.

As recent experience has demonstrated, local transportation fund revenues which serve as WPCTSA's primary source of non-operating revenue have fluctuated over the past several years due to the volatile economic climate. Despite this, WPCTSA remains fiscally stable. Management and the WPCTSA's Board of Directors remain conservative in their financial policies and have not budgeted for revenues that are not quantified; expenditures are managed carefully and adjustments made as conditions require.

WPCTSA is encouraged by development throughout the region and will continue to practice sound fiscal management, financial planning, investment management, budgeting and internal financial controls.

CONTACTING WPCTSA

This financial report was designed to provide a general overview of the WPCTSA's finances and to demonstrate WPCTSA's accountability for the funds it receives. Questions about this report should be directed to Western Placer Consolidated Transportation Services Agency, 2260 Douglas Blvd. Roseville, CA 95661.

WESTERN PLACER CONSOLIDATED
TRANSPORTATION SERVICES AGENCY

STATEMENTS OF NET POSITION

June 30, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,883,017	\$ 2,425,465
Prepaid expenses	799	
TOTAL ASSETS	\$ 1,883,816	\$ 2,425,465
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 141,601	\$ 69,013
Due to other governments	383,638	202,565
Unearned revenue	1,358,577	2,153,887
TOTAL CURRENT LIABILITIES	1,883,816	2,425,465
NET POSITION		
Unrestricted		
TOTAL NET POSITION	-	-
TOTAL LIABILITIES AND NET POSITION	\$ 1,883,816	\$ 2,425,465

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

WESTERN PLACER CONSOLIDATED
TRANSPORTATION SERVICES AGENCY

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

For the Years Ended June 30, 2024 and 2023

	2024	2023
OPERATING EXPENSES		
Administrative costs	\$ 844,423	\$ 274,121
Purchased transit:		
Voucher Program	10,744	7,604
My Rides Program	404,031	316,155
TOTAL OPERATING EXPENSES	1,259,198	597,880
NET LOSS FROM OPERATIONS	(1,259,198)	(597,880)
NONOPERATING REVENUES (EXPENSES)		
Local Transportation Fund	1,528,355	783,024
State Transit Assistance Fund allocation	176,821	174,919
Interest revenue	35,121	28,507
South Placer Transit Information Call Center	(365,712)	(288,623)
Transit Ambassador Program		(46,543)
Mobility Training Program	(115,387)	(53,404)
TOTAL NONOPERATING REVENUES (EXPENSES)	1,259,198	597,880
CHANGE IN NET POSITION	-	-
Net position, beginning of year		
NET POSITION, END OF YEAR	\$ -	\$ -

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

WESTERN PLACER CONSOLIDATED
TRANSPORTATION SERVICES AGENCY

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash paid to suppliers for goods and services	\$ (1,006,336)	\$ (649,452)
NET CASH USED FOR OPERATING ACTIVITIES	(1,006,336)	(649,452)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating grants received	909,866	1,701,981
Payments to City of Roseville	(481,099)	(388,570)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	428,767	1,313,411
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earnings	35,121	28,507
NET CASH PROVIDED BY INVESTING ACTIVITIES	35,121	28,507
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(542,448)	692,466
Cash and cash equivalents, beginning of year	2,425,465	1,732,999
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,883,017</u>	<u>\$ 2,425,465</u>
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:		
Net loss from operations	\$ (1,259,198)	\$ (597,880)
Adjustments to reconcile net loss from operations to net cash used for operating activities:		
Changes in operating assets and liabilities:		
Prepaid expenses	(799)	
Accounts payable	72,588	12,559
Due to other governments	181,073	(64,131)
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (1,006,336)</u>	<u>\$ (649,452)</u>

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

WESTERN PLACER CONSOLIDATED
TRANSPORTATION SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Western Placer Consolidated Transportation Services Agency (the Agency) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting principles of the Agency are described below.

Description of Reporting Entity: The Agency is a joint powers agency formed October 13, 2008 and organized to provide social service transportation for the western portion of Placer County, including services for the elderly and individuals with disabilities who cannot use conventional public transit services.

The Agency is a blended component unit of the Placer County Transportation Planning Agency (PCTPA). The Agency is administered by a board of directors consisting of the board of directors of PCTPA serving in a separate capacity as the governing board of the Agency. The Agency is reported as a blended component unit because the PCTPA may impose its will on the Agency and it has the potential to provide financial benefits or burdens to the PCTPA.

Basis of Presentation: The Agency's resources are allocated to and accounted for in these financial statements as an enterprise fund type of the proprietary fund group. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Unrestricted net position represents the amount available for future operations.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for using the economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the Agency are included on the statement of net position. Net position is segregated into the investment in capital assets, amounts restricted and amounts unrestricted. Enterprise fund-type operating statements present increases (i.e., revenue) and decreases (i.e., expenses) in net position.

The Agency uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. When such funds are received they are recorded as unearned revenues until earned. Transportation Development Act (TDA) revenues are recorded when all eligibility requirements have been met.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Agency are charges to customers for transportation services. Operating expenses include the cost of purchased transportation and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

WESTERN PLACER CONSOLIDATED
TRANSPORTATION SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When both restricted and unrestricted resources are available for use, it is the Agency’s policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents: For the purposes of reporting cash flows, the Agency considers all cash and highly liquid investments purchased with an original maturity of three months or less and demand deposits to be cash equivalents.

Unearned Revenue: Unearned revenues arise when resources are received by the Agency before it has legal claim to them, such as when cost reimbursement grant and other intergovernmental revenues are received prior to the incurrence of qualifying expenses.

Net Position: Net position is categorized as the investment in capital assets, restricted and unrestricted, as applicable.

Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation reduces the balance in this category. The Agency had no investment in capital assets at June 30, 2024 and 2023.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The Agency had no restricted net position at June 30, 2024 and 2023.

Unrestricted Net Position – This category represents net position of the Agency not restricted for any project or other purpose. Because the Agency has unexpended LTF revenues, no amounts are reported in unrestricted net position.

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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 B – CASH AND CASH EQUIVALENTS

All of the Agency’s cash and cash equivalents consist of the amounts held in financial institutions.

Investment Policy: California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The Agency does not have a formal investment policy.

The Agency’s permissible investments under the Government Code included the following instruments:

- Securities of the U.S. Government or its agencies
- Time certificates of deposit
- Bankers’ acceptances
- Commercial paper
- California Local Agency Investment Fund Deposits
- Passbook savings account demand deposits

WESTERN PLACER CONSOLIDATED
TRANSPORTATION SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

- Repurchase agreements
- Medium Term Notes, minimum Moody’s rating of AA

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Agency’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2024 and 2023, the carrying amount of the Agency’s deposits was \$1,883,017 and \$2,425,465 the balance in financial institutions was \$1,915,844 and \$2,428,291, respectively. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance and the remaining amount was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the Agency and other governmental agencies, but not in the name of the Agency.

NOTE C – UNEARNED REVENUES

The LTF allocates monies to the transit system to support operations. LTF allocations are considered earned when they are properly spent for operations by the transit system. It is the current practice of the PCTPA to have excess revenue returned to the funding agency or redesignated as subsequent year allocations. The maximum amount allowed is based on operating costs after certain adjustments. Allocations in excess of this amount are recorded as unearned revenue. At June 30, 2024 and 2023, maximum eligibility for operating LTF allocations was determined as follows:

	2024	2023
LTF Allocations	\$ 733,045	\$ 1,527,062
Maximum Amount Allowed:		
Operating expenses	1,259,198	597,880
Contributions to other agencies	481,099	388,570
Adjustments:		
STA allocations	(176,821)	(174,919)
Interest revenues	(35,121)	(28,507)
Maximum amount allowed	1,528,355	783,024
Net expenses (over) under maximum	(795,310)	744,038
Unearned revenues, beginning of year	2,153,887	1,409,849
Unearned revenues, end of year	\$ 1,358,577	\$ 2,153,887

WESTERN PLACER CONSOLIDATED
TRANSPORTATION SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE D – RISK MANAGEMENT

The Agency is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Agency maintains commercial insurance policies through third-parties. There have been no significant reductions in insurance coverage from coverage in the prior fiscal year. Also, there have not been any settlements in excess of the insurance coverage for the past three fiscal years.

COMPLIANCE REPORTS

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

To the Board of Directors
Western Placer Consolidated Transportation Services Agency
Roseville, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Western Placer Consolidated Transportation Services Agency (the Agency), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 27, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

To the Board of Directors
Western Placer Consolidated Transportation Services Agency

financial statements. Our audit was further made to determine that Transportation Development Act (TDA) Funds allocated and received by the Agency were expended in conformance with the applicable statutes, rules and regulations of the TDA and Section 6667 of the California Code of Regulations. 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* and the TDA.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the TDA in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

December 27, 2024