

GLENN COUNTY TRANSPORTATION COMMISSION,

GLENN COUNTY CALIFORNIA

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED
JUNE 30, 2023**

DRAFT FOR DISCUSSION PURPOSES ONLY

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GLENN COUNTY TRANSPORTATION COMMISSION

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

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**GLENN COUNTY TRANSPORTATION COMMISSION
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023**

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INTRODUCTORY SECTION

Commission Officials

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**GLENN COUNTY TRANSPORTATION COMMISSION
COMMISSION OFFICIALS
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Name</u>	<u>Office</u>
Gary Hansen - City of Willows	Chairman
Jim Yoder - County of Glenn	Vice-Chairman
Rick Beale - City of Willows	Commissioner
Thomas Arnold - County of Glenn	Commissioner
Bruce Roundy - City of Orland	Commissioner
Mathew Ramono - City of Orland	Commissioner

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FINANCIAL SECTION

Independent Auditor's Report
Management Discussion and Analysis
Basic Financial Statements
Required Supplementary Information
Combining Nonmajor Fund Statements

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Donald R. Reynolds

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Members of the Commission
Glenn County Transportation Commission
Willows, California

Opinions

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Glenn County Transportation Commission (Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Glenn County Transportation Commission as of June 30, 2023, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Commission and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Commission's ability to continue as a going concern for 12 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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free

1438 Oregon Street, P.O. Box 994508 Redding, CA 96099-4508 (530) 246-2834 fax (530) 244-0331

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

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

Exercise professional judgment and maintain professional skepticism throughout the audit;

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed;

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; and

Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

I am 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 I 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 and Budgetary Comparison Information on pages 4 through 29 and 57 through 58, 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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.

Members of the Commission
Glenn County Transportation Commission
Willows, California

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The organizational table and summary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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 my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated December 15, 2023 on my consideration of the Commission's internal control over financial reporting and on my 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 my 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 Glenn County Transportation Commission'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 Glenn County Transportation Commission's internal control over financial reporting and compliance.

Donald R. Reynolds, CPA
Redding, California
December 15, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

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MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The following is a description of the Glenn County Transportation Commission and its responsibilities.

The Glenn County Transportation Commission (GCTC) is the designated, single-county Regional Transportation Planning Agency (RTPA). The public agencies that coordinate transportation through the GCTC are the cities of Orland and Willows, County of Glenn, California Department of Transportation, the United States Forest Service, and the Grindstone Rancheria. Since July 1983, the GCTC has overseen the cooperative development and implementation of transportation projects for roads, airports, public transit, and non-motorized transportation.

Under federal (Title 23CFR 450.300, Subpart C) and state law (Government Code section 65080 et seq.) an RTPA is required to develop a Regional Transportation Plan (RTP) to qualify for and receive federal transportation funding. As a rural region, Section 134 of Title 23 of the United States Code of Federal Regulations and California Government Code Section 650809(b) guide the development of the RTP. The RTP is a comprehensive, 20+ year vision of a balanced multimodal transportation system. It is designed to respond to growth strategies adopted in local and county general plans reflecting the desires and needs of the public, segments of population with specific mobility issues and the Native American community. The RTP includes a list of proposed short and long-term projects which inform the development of the Regional Transportation Improvement Program (RTIP). Projects in the RTIP are then used to provide input to the California Transportation Commission in its development of the State Transportation Improvement Program (STIP).

Annually, a RTPA is required to develop and submit an Overall Work Program (OWP) approved by the GCTC to the state. The OWP is a scope of work for transportation planning activities during each fiscal year, including estimated costs, funding sources and completion schedules. Most planning tasks are assigned to GCTC staff; however, some tasks require the assistance of an outside consultant. Plans are integrated into the OWP and represent significant planning efforts to collect regional transportation, land use, governmental, and environmental data in the support regional Geographic Information System (GIS) and other databases.

The Glenn County Region is predominantly rural with scattered small communities. Transportation and the regional economy are oriented to resource industries such as farming,

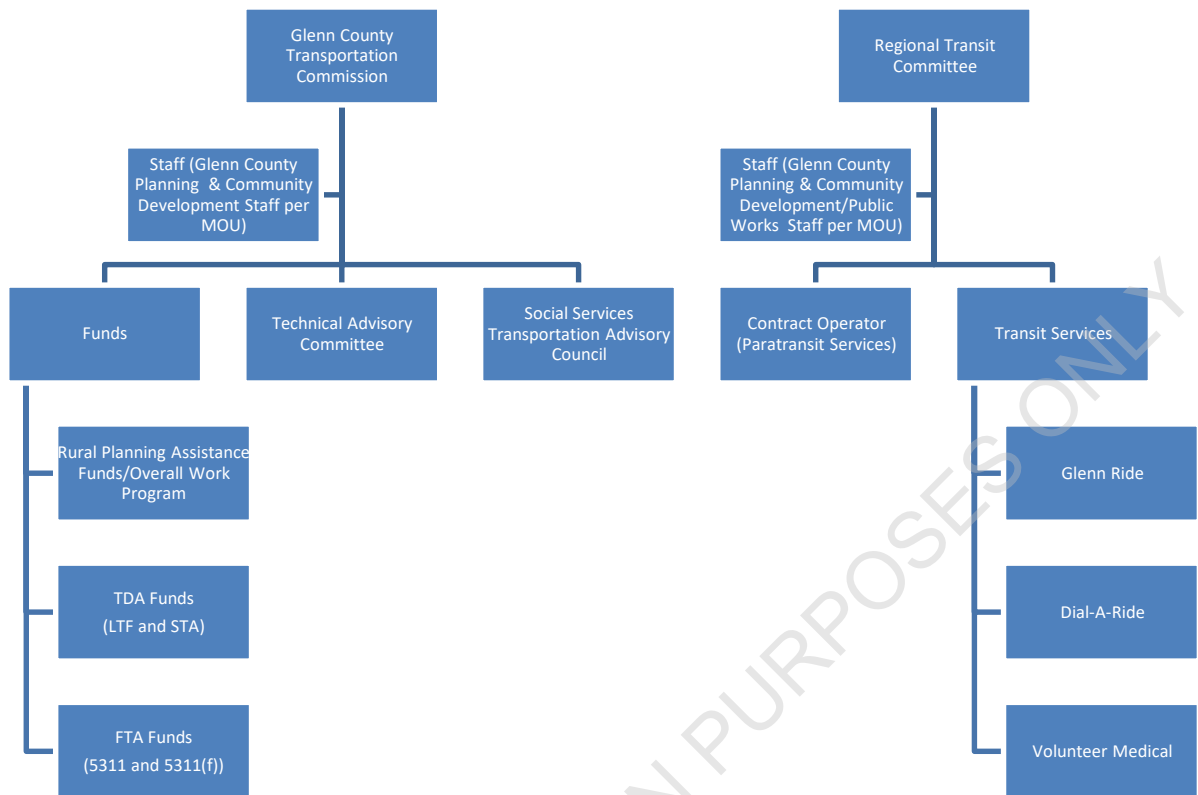
ranching, and timber production; however, service industries have become more prominent in recent years. The intermodal movement of commodities and services remain of prime importance. There are four State highways which run through Glenn County: Interstate 5 and State Highways 162, 45, and 32. These highways form the framework of the surface transportation network in Glenn County connecting communities throughout the region. The Grindstone Rancheria is connected to this system at County Road 305.

ORGANIZATION AND MANAGEMENT

The GCTC was designated as a RTPA by the California Secretary of Business, Transportation and Housing. GCTC's governing board consists of six members: three members appointed by the County Board of Supervisors and three members appointed by the City Selection Committee representing the cities of Orland and Willows. Meetings are generally held once monthly in Willows. In past years, the meetings alternated between locations in Orland and Willows; however, this practice was discontinued as the meeting venue is required to be completely compliant with the requirements of the Americans with Disabilities Act. Investigations are continuing to be made into potential meeting venues in Orland.

There are several committees which support the GCTC providing input on transit and the regional planning process. These committees are as follows: Social Services Transportation Advisory Council (SSTAC), Technical Advisory Regional Transportation Improvement Program Committee (TAC), and the Glenn County Advisory Committee. The Glenn County Regional Transit Committee (RTC) is a separate agency that will, from time to time, advise GCTC on transit issues and relies on funding that flows through GCTC to provide public transportation.

The following represents the organization of GCTC, RTC, their subcommittees, and oversight responsibilities:



A. REGIONAL TRANSIT COMMITTEE

In 1987, Glenn County, the City of Orland, and the City of Willows entered into a Joint Powers Agreement to provide transportation services to the region. Through this agreement, Glenn Transit Service (GTS) was established with the RTC as the governing body comprised of six representatives: two from each participating jurisdiction. RTC is responsible for the operations of transit services offered in Glenn County and has oversight for all funding sources allocated for transit by GCTC. Aside from fare box revenues, the RTC receives all funding through GCTC; however, it makes decisions as an independent agency. For example, RTC sets passenger and patron policy independent of GCTC. Each year, the RTC makes a claim to GCTC for all Local Transportation Funds (LTF) and State Transit Assistance (STA) funds. Due to GCTC's existing relationship with Caltrans, all grant funding and other funding opportunities are initiated by GCTC on behalf of RTC.

As part of the Unmet Needs process, SSTAC provides recommendations on service changes to the GCTC in consultation with the RTC to meet unserved needs in Glenn County. After these recommendations are considered by the RTC for feasibility, they are forwarded to the GCTC with a request for funding if they are found to have met established criteria for unmet transit needs.

During the past fiscal year, the RTC made minor changes and adjustments to the current public transportation system which is comprised of a demand/response system known as Dial-A-Ride,

a volunteer driver service known for non-emergency medical appointments named Volunteer Medical Service, and Glenn Ride which is a deviated fixed-route, inter-city bus service. Service was extended an extra day for the Dial-A-Ride service and adjustments were made to the Glenn Ride service resulting from COVID-19 and the resulting mandates. During the 2022/2023 fiscal year the demand response services performed well despite driver shortages and underutilization while the deviated fixed-route service, Glenn Ride, experienced a mild resurgence of ridership. Ultimately, these services met their required combined fare box return ratios.

Going forward, the RTC will continue to explore adjustments to current transit service models to allow the system to remain financially sustainable. In support of this directive, the RTC is continually seeking to update its Short-Range Transit Plan to guide the transit program's future. Tehama County created a connection to the Glenn Ride deviated fixed route service as a pilot service which has matured into regular service. This connection provides transportation options to Glenn County residents looking to travel north and Tehama County residents desiring to travel to Chico or other points south. There has been no financial commitment to the Tehama County service by GTS; however, improvements to locations where connections are made between services are planned together with improvements to all Glenn County bus stop locations in general.

The Fair Wage Act of 2016 required changes to the wage scale of transit drivers which continues to generate upward pressure to increase supervisory staff wages. The current job market has made the already difficult recruitment of drivers more challenging but may ease with the advent of a new transit operations contract. As personnel costs increase, it will be challenging to maintain current levels of services without additional operating revenue to the transit system, reducing service offerings, for developing another method of delivering service to the public. As the current transit operations contract expires, careful consideration will need to be given to the configuration of transit services.

B. SOCIAL SERVICES TRANSPORTATION ADVISORY COUNCIL

Under California Public Utilities Code (PUC), Chapter 4, Article 3, Section 99238, the Social Services Transportation Advisory Council (SSTAC) was established to assist in identifying transit needs, recommend action on said needs to GCTC, and advise GCTC on any other major transit issue. SSTAC members are appointed by the GCTC in accordance with PUC Section 99238 (b) with the membership set by PUC Section 99238 (a) as follows:

- One representative of potential transit users who is 60 years of age or older.
- One representative of potential transit users who is disabled
- Two representatives of local social service providers for seniors, including one representative of a social service transit provider if one exists.

- Two representatives of local social service providers for the disabled, including one representative of a social service transit provider if one exists.
- One representative of a local social service provider for persons of limited means.
- Two representatives from the local consolidated transportation service agency, designated pursuant to subdivision (a) of Section 15975 of the Government Code, if one exists, including one representative from an operator, if one exists.
- Additional members may be appointed by the transportation-planning agency (GCTC).

In 2000, GCTC increased the membership to a total of 14 to allow for representation from Grindstone Rancheria and Senior Day Care facilities.

The SSTAC annually reviews and recommends action for unmet transit needs in Glenn County. Council members cooperatively developed a user-friendly flyer describing the annual Unmet Needs process that included the approved definitions of unmet transit needs in the region. The flyer also acts as an information gathering tool as it provides space for written comments that may be returned either by mail, fax, or e-mail. Flyers are made available at senior centers, Glenn County offices, the transit contractor's office, local churches, area libraries and each respective city hall in the county. Those that are transit dependent frequent these locations and may readily access the information. This same information is posted on the transit website and is available in each transit vehicle in operation. Notices are available in English and Spanish. In addition to these efforts, participation from the Native American community to provide input during the Unmet Needs process has been encouraged with the assistance of the contract operator. Recommendations received through the Unmet Needs process are identified as either a) there are not unmet transit needs, b) there are no unmet transit needs that are reasonable to meet, or c) there are unmet transit needs, including needs that are reasonable to meet. The SSTAC presents its recommendations to the GCTC. The RTC is provided an opportunity to review recommendations and advises GCTC on any potential action. Any action taken by GCTC must be adopted by resolution.

As a body, the SSTAC is also given the opportunity to review proposed actions on transit service changes, fare changes, and other proposals affecting the transit system. As with the Unmet Needs process, they provide recommendations to the RTC that are then acted upon by the RTC.

C. TRANSPORTATION TECHNICAL ADVISORY COMMITTEE

Members of the Technical Advisory Regional Transportation Improvement Program Committee (TAC) include planning, engineering and public works staffs of Glenn County, the cities of Orland and Willows, and a representative from the Native American community (Grindstone Rancheria). Advisory members for the Committee are made up of representatives from the California Highway Patrol, U.S. Forest Service, and Caltrans, District 3. The TAC has the responsibility to use

their expertise to review, evaluate, prioritize, and recommend regional projects for programming projects to be funded from Glenn County's share of the State Transportation Improvement Program funds for GCTC consideration. TAC also provides input on updates to the RTP.

D. AIRPORT ADVISORY COMMITTEE

The Airport Advisory Committee consists of nine members appointed by the Glenn County Board of Supervisors with four representing the Willows Airport, four representing the Orland Airport and one member of the public at large. Currently, there is one vacancy on the Committee.

This Committee has the responsibility of developing and analyzing the aeronautical transportation planning activities of the two airports. It then advises the GCTC on matters regarding the airports and provides input on what airport activities to include in the aviation element of the RTP. This information is then used in the California Aviation System Plan and updates to the aviation capital improvement plan.

FUNDING

A. TRANSPORTATION PLANNING

Transportation planning is funded primarily from Rural Planning Assistance (RPA) funds and Planning, Programming and Monitoring (PP&M) funds. The GCTC was allocated \$230,000 in RPA funds for Fiscal Year 2022/2023. These are available on a reimbursement basis with monthly invoicing and quarterly reporting on project progress for each Work Element of the OWP. The State allows RTPAs to carry over up to 25% of the annual allocation to the following fiscal. GCTC was unable to expend the entire allocation and balance of \$57,500 of the carry-over balance at the end of Fiscal Year 2022/2023. The state continues working with GCTC to eliminate funding to activities that are not related to allowable, reimbursable activities under the OWP Guidelines derived from federal policies. For this reason, some RPA funds allocated to the GCTC have gone unexpended. GCTC staff is working to make sure that all programmed funds are expended appropriately within the fiscal year they are received for needed planning projects in any of the three jurisdictions within Glenn County.

Planning activities are outlined in the OWP and adopted annually by the GCTC. The development of the RTP is one of the most important activities programmed in the OWP. Updates to the RTP are normally required every five years; however, GCTC elected to go to a four-year update cycle for the RTP in accordance with California Government Code Sections 65080(b)(2)(M) and 65088 (e)(3)(C) enacted under California Senate Bill 375. An update of the RTP was completed in May of 2020 and an update is anticipated in 2024. RPA funds have been used to collect data used in the RTP development including traffic counts, accident tracking, transportation planning

projects, Geographic Information Systems (GIS) and maintenance of the Pavement Management System to the Street Saver software platform.

The State is focusing on mode shifts in transportation that will allow for reduction of greenhouse gas emissions to mitigate climate change. Funds are being made available to assist with initiatives such as active transportation, climate change, and transportation asset readiness in the face of climate change. For the GCTC, it is challenging to compete for this funding as many communities and areas within Glenn County do not meet threshold established by the state to qualify or receive a higher priority for grant awards.

GCTC staff continues to work with consultants to enhance Glenn County investments into GIS technology. The data necessary to use GIS effectively must be maintained and updated rigorously and staff work to fill remaining data gaps. Work continues for the gathering, developing and refining data on transportation assets to assist in the monitoring of these assets and development of more relevant performance measures to inform decision makers on transportation investments. These metrics are necessary to show federal and state agencies that these investments are justified. GCTC committed a significant sum of money to upgrade all the pavement management systems of the Glenn County's three jurisdictions so that the data would be subjective and consistent. This system is supported and maintained by RPA funding and plans are being formulated to repeat the process in the next two years.

The Planning, Programming, and Monitoring (PP&M) funds are derived from the STIP where up to 5% of funds may be used for planning activities by the GCTC. PP&M funds have not been programmed in the last twelve STIP cycles to have more funding available for street and road construction projects.

B. TRANSIT

The transit programs receive funding from several sources. Of these, funding allocated by the Transportation Development Act (TDA) enacted in 1971 is the primary fund. Its purpose is to provide a stable funding source for transit and other related programs. There are two funds administered under the TDA: Local Transportation Funds (LTF) and State Transit Assistance (STA).

LTF funds originate from a ¼ percent portion of the general sales tax collected statewide and are returned to county areas based on the population of cities and unincorporated areas of each county (based on current California Department of Finance data); which are distributed on a monthly basis by the State Board of Equalization. The priorities for expending LTF are as follows: public transit (operations and capital), fund administration, bike and pedestrian projects, and streets and roads after meeting Unmet Transit Needs requirements. LTF funds are used to operate the Glenn Ride deviated fixed-route system, the Dial-A-Ride demand response service, and the Volunteer Medical Transportation program.

STA is now funded through excise tax collected on gasoline and diesel fuel. The State distributes STA based on population and transit operating revenue on a quarterly basis. These funds can be used for operating costs (when certain qualifying criteria are met), capital purchases and debt service. Funds from the STA were consistent during the fiscal year and are expected to be consistent over the coming years. STA funds are only available for the deviated fixed-route system, inter-city bus service called Glenn Ride, and have primarily been used to offset capital depreciation costs to facilitate the purchase of new rolling stock. These funds were augmented under California State Senate Bill 1 (SB 1) which provides additional funds for capital needs together with a new program known as the State of Good Repair. Projects must be listed, approved by the local authority, and submitted to Caltrans who then informs the State Controller's Office of the local agency's eligibility. These funds are to be accounted for and reported on separately for other STA funding. Within four years of allocation, these SB 1 funds granted through the STA program must be expended.

The following is a summary of the two TDA funds and their allowed uses:

Criteria	LTF	STA
Fund Source	¼ percent of the general statewide sales tax generated in Glenn County	State excise tax on gasoline and diesel.
Primary Use	Public Transit	Public Transit
Alternate Uses	Administration of the fund, bicycle and pedestrian projects, local streets and roads.	None. May be used to fund State transit planning or administrative activities.
Disbursement	Population	Population and transit operating revenues.
Claimants	Cities, counties, community transit service agencies, transit operators.	Cities counties, community transit service agencies, transit operators.
Fare Box Ratio Requirements	10% minimum	10% minimum

In order to be eligible for TDA funds, rural transit programs must maintain a minimum ratio of fare revenue to operational cost of one tenth (10 %). For Fiscal Year 2022/2023, the deviated fixed route, inter-city bus service (Glenn Ride) operated at a 6.06% return ratio, Dial-A-Ride at a 4.55% return ratio, and Volunteer Medical at an 26.10% return ratio. For all transit programs, the combined return ratio of 12.24% exceeds the TDA appropriation criteria by this metric.

Fiscal Year 2022/2023 was the twelfth full year of implementation for all fare changes and service changes enacted in Fiscal Year 2010/2011. As part of the development of the Short-Range Transit

Plan, an evaluation was conducted to determine the reasonableness of the transit fares. This evaluation determined that the Glenn Ride fares were lower than comparable services in other similar areas. In January of 2015, the RTC elected to increase Glenn Ride fares starting in April 2015. The increase affected the fare for out-of-county passage and the monthly pass price. An additional and final increase was implemented in February of 2018 and no others enacted since.

Overall, transit services were relatively unchanged. There continues to be a need to transport individuals who are reliant on mobility devices to non-emergency medical appointments; although, this has diminished somewhat in the post-COVID-19 era and the increased use of virtual appointments and telemedicine. Unused hours are used to transport individuals to these appointments with a fare that covered the cost of the contractor's (Paratransit Services, Inc.) time. This service is provided on an as needed basis and is not an advertised service. It also operated as drivers are available to fulfill transportation requests.

Over the last five years, the Shasta Regional Transportation Agency (SRTA) attempted to develop bus service between Redding and Sacramento using electric coach style buses along the Interstate 5 corridor. SRTA has successfully received funding for the purchase of vehicles and the pilot service from funds dedicated to fund passenger rail service. The bus service may receive these funds if it connects the public to rail service. SRTA has asked GTS to consider operation of a "feeder service" that would connect the Glenn Ride service to main service. SRTA's intent is to provide the necessary vehicles with GTS supplying drivers to operate the service on a prearranged schedule. The project has been canceled due to the lack of electric vehicles that meet the needed specifications and future plans have been put on hold until solutions can be identified.

The deviated fixed-route system may receive funding from two federal programs in addition to the state funding already described. These sources are the Federal Transit Assistance Section 5311 and Section 5311(f) and are available to non-urbanized areas with a population of less than 50,000 as designated by the Bureau of Census. The Federal Transportation Agency (FTA) apportions funds to the governors of each state annually. Section 5311 funding is based on a formula of 65% apportioned to non-urban areas based on population through the Regional Apportionment, 15% to the Section 5311(f) Intercity Bus Program, 5% for the State Discretionary Reserve, and 15% percent for state administrative expenses. Section 5311 funding is available as a non-competitive grant and is distributed based upon a Program of Projects prepared by each RTPA according to the formula. Section 5311(f) funds are allocated to support connectivity between non-urbanized and urbanized areas by funding capital purchases, planning projects, and by providing operation assistance via a competitive grant program. The Glenn Ride service is the only service operated by the RTC that qualifies for the 5311(f) funding. In the past these funds have been used for capital purchases but have only been available for operating costs during the past three fiscal years.

Transit funding sources for FY 20/21 to FY 22/23

Funding Source	FY 20/21	FY 21/22	FY 22/23
LTF	\$1,400,376	\$1,492,585	\$1,584,675
STA	\$217,095	\$250,425	\$365,852
5311	\$229,793	\$170,810	\$176,764
5311(f)	\$0	\$0	\$0
SB 1	\$40,269	\$44,735	\$45,295

Demand response transit services are those where the service patron makes an appointment to be picked at a specific time for transport to a desired destination. The patron is picked up at their place residence and transported to their destination. In other words, they are transported “door-to-door”. GTS operates two such services: Dial-A-Ride and Volunteer Medical Service. In order to qualify to use these services, an individual must certify that they are either 1) 60 years of age or older; 2) have a permanent disability; or 3) live at or below the poverty guidelines set by the United States Department of Health and Human Services. For the Volunteer Medical Service, individuals must certify that they are using the service as a last resort.

Dial-A-Ride is a demand response service which operates three days a week for six hours each day in the cities of Orland and Willows. This service is managed by Paratransit Services, Inc. is provided within a 1.5-mile radius of each City’s respective City Hall as set by the RTC when the Subsidized Taxi service, a predecessor to Dial-A-Ride, was first implemented in late 1987. The exceptions to this criterion are the Leisure Mobile Home Park east of Orland on State Route 32, the Cannella/Huggins Drive area west of Orland, and the Willow-Glenn Mobile Home Park, west of Willows on State Route 162. These exceptions were allowed as these areas were clustered developments outside of the primary urbanized area and it was highly probable that individuals in need of transit services would reside in those fringe areas.

GTS also operates a volunteer driver service known as the Volunteer Medical Service. This service provides transport medical appointments five days a week to various destinations. Volunteers offer their time and vehicles to transport qualified individuals to their non-emergency medical appointments. These volunteer drivers are reimbursed at the Internal Revenue Service annual designated federal vehicle mileage rate and provided with a small stipend, set by the RTC, depending on the destination.

Transit Program Operational Costs			
Transit Programs	FY 20/21	FY 21/22	FY 22/23
Dial-A-Ride	\$ 109,733.00	\$ 184,392.00	\$ 101,802.17
Volunteer Medical	\$ 91,761.02	\$ 91,761.00	\$ 71,149.97
Senior Nutrition Support	\$ 7,920.00	\$ 7,920.00	\$ 7,920.00
Fixed Route	\$671,854.85	\$696,262.00	\$795,058.32
Other Costs	FY 20/21	FY 21/22	FY 22/23
Fixed Assets	\$0	\$0	\$0
Depreciation	\$ 283,322	\$ 23,073	\$ 31,809.37

All funding for transportation planning and transit programs are subject to changes in legislation at the state and federal levels. RPA fund allocation for the 2022/2023 Fiscal Year remained the same as the previous fiscal year. As population in California grows, fewer areas will likely meet the less than 50,000-person threshold to access RPA funds which could result in additional funding allocation increases. Also, legislation continues to modify how funds are distributed. Expenditure of these funds has come under intense scrutiny during the last 10 years. The challenge continues to be developing meaningful projects which meet eligibility requirements for funding and can lead to the funding of needed projects within the Glenn County region.

GCTC oversees and allocates funding to GTS for the operation of the transit programs. The long-term and short-term liability issues are fixed assets such as rolling stock for the fixed route program. Other assets include smaller buses, bus stop signs, yard lighting, bus stop shelters, the newly constructed bus barn, and other public improvements. These items are typically purchased with grant funds with any requisite match of local monies. When they are purchased through grants, fixed assets are depreciated at rates identified by the funding source. Absent funding source designation, a straight-line basis over the estimated useful life schedule is used. GCTC has established a capital assets fund and identifies a line item on the transit budget to deposit funds to offset depreciation of assets such as vehicles. Funding for the capital assets account will come primarily from the use of STA appropriations and SB 1 State of Good Repair allocations. Future purchases will use funding from these accounts to finance an entire purchase or to use as a match to grant funding.

The deviated fixed-route bus system, Glenn Ride, is entering its 26th year of operation. It maintains fare revenue to operational cost ratio above the 10% required by the TDA to qualify for the use of LTF and STA funds. During the 2022/2023 Fiscal Year, the volunteer medical program met the required threshold for fare box return ratio while all others failed to do so.

OVERVIEW OF FINANCIAL STATEMENTS

This overview is intended to serve as an introduction to GCTC's basic financial statements. The government-wide financial statements are designed to provide readers with a broad overview of GCTC's finances in a manner similar to a private-sector business. The statement of net assets present information on all GCTC's assets and liabilities with the difference between the two reported as net assets.

The government-wide financial statements are funded with intergovernmental revenues (governmental activities). GCTC's governmental activities include the planning and administration of transportation planning activities, the allocation of TDA funds, and distribution of Regional Surface Transportation Program funds.

GCTC adopts annual budgets for the funds from RPA, LTF, local agency transportation trust funds, STA, Section 5311, and Section 5311(f) to develop budgets for the transit programs.

Financial Summary:

	Governmental Activities	Business Type Activities	Total
Total Assets	\$5,484,073	\$2,939,529	\$8,423,602
Total Liabilities	\$ 274,276	\$ 88,076	\$ 362,352
Net Position	\$5,209,797	\$2,851,453	\$ 8,061,250
Program Revenues	\$2,793,509	\$ 84,129	\$ 2,337,105
Program Expenses	\$ 665,508	\$ 1,183,419	\$ 1,848,927
Other Revenue/Expense (Net)	\$ 2,128,001	\$(1,099,290)	\$ 1,028,711
Change in Net Position	\$ 991,202	\$ 168,351	\$ 1,159,553

Funding for the administration of programs comes from a combination of RPA and LTF funding. RPA funds are only available on a reimbursement basis which can result in cash flow issues. At this time LTF funds are stable enough and have accrued sufficiently to cash flow activities funded by RPA funding. This is evidenced in the individual fund operating transfers for fiscal year 2022/2023:

	TRANSFERS IN	TRANSFERS OUT
From Fed/State Transport, Planning fund to General Fund	\$ 1,205,225	\$ 1,205,225
From Transit Service Capital Reserve to Fixed Route	\$ 0	\$ 0

On June 3, 2003, the Glenn County Board of Supervisors established a Service Authority "...for the abatement of abandoned vehicles pursuant to Section 22710 of the California Vehicle Code..." consisting of the Glenn County Sheriff, the Chief of Police for the City of Orland, and the Chief of Police for the City of Willows with a Sergeant from the Sheriff's Office as an alternate. This action also imposed a \$1 vehicle license fee on all Glenn County residents for a period of 10 years. In July of 2003, a Joint Powers Agreement (JPA) was signed by these individuals to finalize this process and create a Service Authority to oversee the program made up of the same law enforcement positions. After the formal organization of the JPA, GCTC was approached by the JPA and asked to be the conduit through which the vehicle license fee would be received and distributed. GCTC administers the Abatement of Abandoned Vehicle (AAV) funds as a pass through to the Service Authority when claims are submitted according to their established procedures. GCTC has no authority or jurisdiction for these funds. GCTC was informed by the California Department of Motor Vehicles that the vehicles license fee collection would be suspended as the JPA had not expended enough funds to warrant continued implementation of the fee. Funding has continued to accumulate despite this notice; however, code enforcement actions and local law enforcement have increased the utilization of these funds.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

LTF funding for Fiscal Year 2022/2023 was slightly higher than the previous fiscal year. The amount received reflects healthy business activity within Glenn County and its incorporated areas as LTF funds are derived from sales tax. LTF funds have enough protections from any legislative actions by the California Legislature and Governor to discourage any attempts to redirect them to other purposes even with the current state budget deficit. According to the United States Federal Reserve, the economy is expected to be mixed to moderate; however, inflationary problems will continue to be an issue. LTF funds are expected to remain stable but rely on consumption tax revenues which may decline as consumer prices increase. The LTF is the primary source of funding for all transit programs and the GCTC Fiscal Year 2023/2024 budget continues to reflect its commitment to minimize administrative costs and get as much funding as possible to the transit programs.

STA payments continued during Fiscal Year 2022/2023 and GCTC received \$365,852. These funds can be used for expenditures in transit operations only if the operation meets the statutorily mandated revenue calculations. GCTC anticipates STA revenues to remain flat or decrease for the 2023/2024 Fiscal Year. Under SB 1, GCTC received an additional \$45,295 in funding through the STA formula for the State of Good Repair program which may only be used for capital needs. STA funds continue to be budgeted for vehicle purchases and other future capital needs for all transit services.

The federal legislation Infrastructure Reinvestment Act. Distribution of funding for programs and implementation of regulations outlined under this legislation are still being rolled out. The rulemaking under previous legislation (Surface Transportation Reauthorization Act of 2021) changed program administration and requires additional data collection by transit operators and local agencies maintaining public infrastructure. The funding exchange program where cities and counties can exchange federal funds for state funds through the Regional Surface Transportation Block Grant Program remains available; however, the Caltrans budget office has indicated that the exchange programs is subject to state cash flow. GCTC policies and procedures have not required revisions from the directed changes; however, they are still under review.

Transit programs will continue to be monitored for efficiency and may not change significantly in the coming fiscal year. Any major expansion of the transit programs will likely be put on hold until the minimum wage increases in California can be examined as part of a new transit operations contract. As an example, to bring wages up approximately \$2/hour will cost the transit system approximately \$48,000 per year over current expenditures. Additional increases are expected which may require the re-evaluation of the transit programs' service models if funding cannot keep pace with these wage increases. RTC is actively pursuing and updated Short-Range Transit Plan (5 years) as well as exploring the possibility of conducting some additional long-term planning (10+ years).

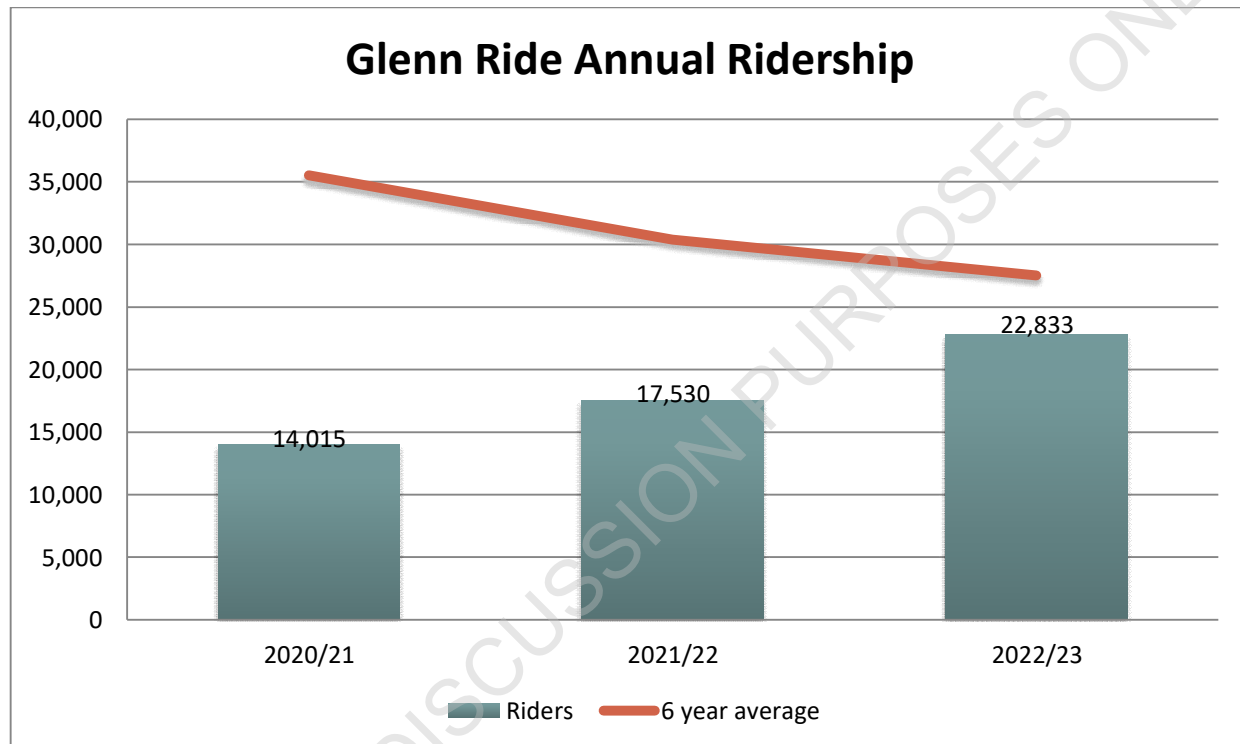
The transit programs are managed and operated by contract with Paratransit Services, Inc. As the contractor, Paratransit Services manages and operates most aspects of the transit programs. RTC continuously analyze operations based on the following criteria:

- **Cost Effectiveness:** The return from fare box revenues will meet the minimum ratio prescribed under the TDA.
- **Economical:** the project can be implemented at a reasonable cost and be self-sustaining.
- **Community Acceptance:** Support exists as indicated through the public hearing process.
- **Operational Feasibility:** The service must be safe to operate.

All funding for transit service is derived from the LTF, STA, and FTA Sections 5311 and 5311(f) programs. These funds are supplemented by the fare box revenues received during operation.

GLENN RIDE

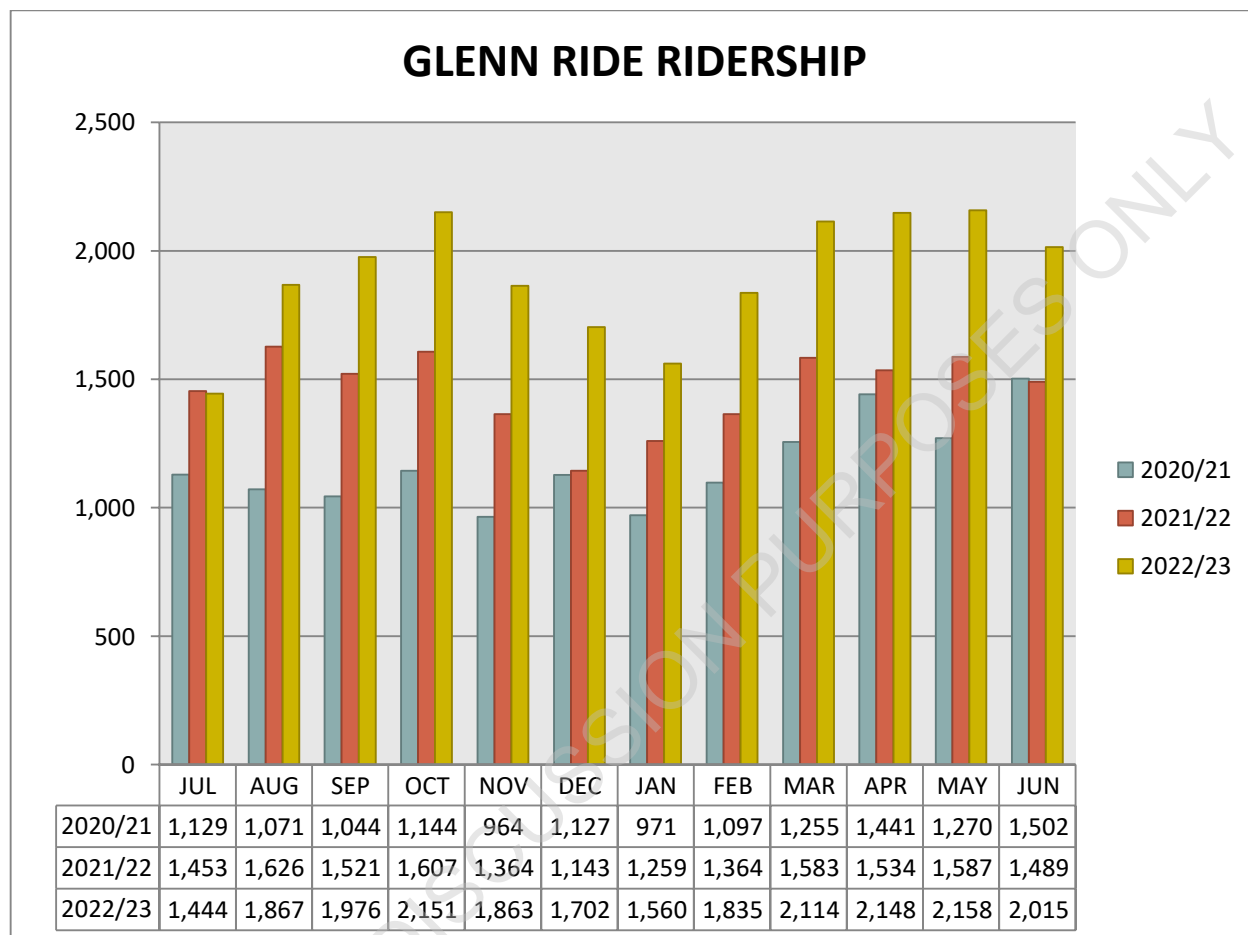
This deviated fixed route system has generally increased or maintained ridership since the service was implemented in 1998. In recent years, Glenn Ride has experienced fluctuations in the number of riders. Typically, the riders who have a choice as to whether they will use public transportation or opt for their own vehicles when fuel prices are lower. The trend for the last few years has been a slow increase ridership with lower fuel costs and the advent of COVID-19. The chart below shows ridership on Glenn Ride over the past three fiscal years with a six-year trend.



As shown above, Glenn Ride experienced a 20% increase in ridership from fiscal year 2020/2021 to 2021/2022 and a 30.3% increase from 2021/2022 to 2022/2023. Due to the onset of COVID-19 and the Stay-At-Home orders, ridership declined significantly in Fiscal Years 2019/2020 and 2020/2021 as shown above. Fuel prices may have enticed some riders to transit; however, ridership has not yet recovered to pre-pandemic levels which is partly due to a truncated schedule. While fuel prices can bring ridership, it also increases operational costs for transit making it challenging to meet mandated fare box recovery. Drivers have been difficult to hire and train during the last two years with government incentives and COVID economic aid and have limited the ability to run a full schedule. Also, as remote workers return to their respective offices, ridership may increase along with those wishing to attend in-person classes at the local community colleges and university.

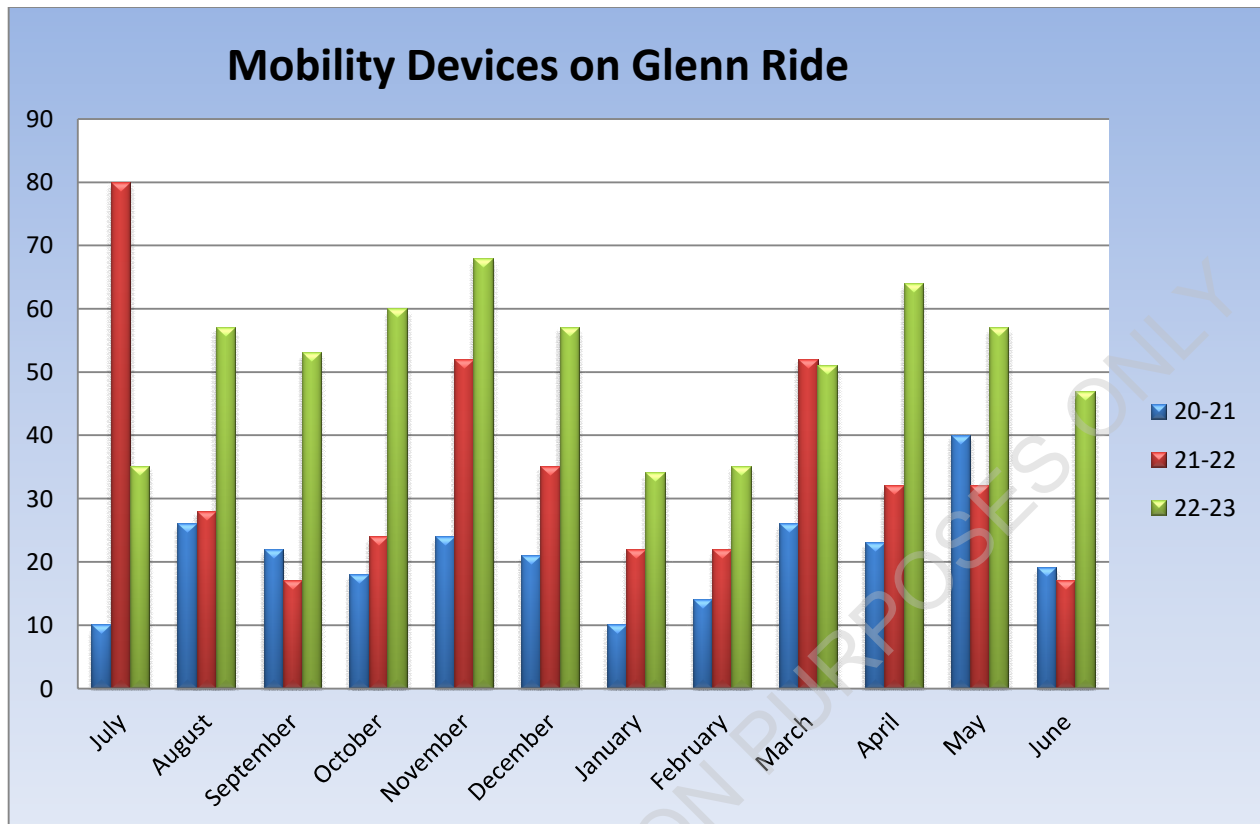
The chart below reflects the monthly ridership trends for Fiscal Years 2020/2021 through 2022/2023. Increases in ridership tend to follow higher education class schedules and the start

of the regular school year. As mentioned previously, COVID-19 pushed ridership lower while also moderating the ridership increases during community college, university, and other school sessions.



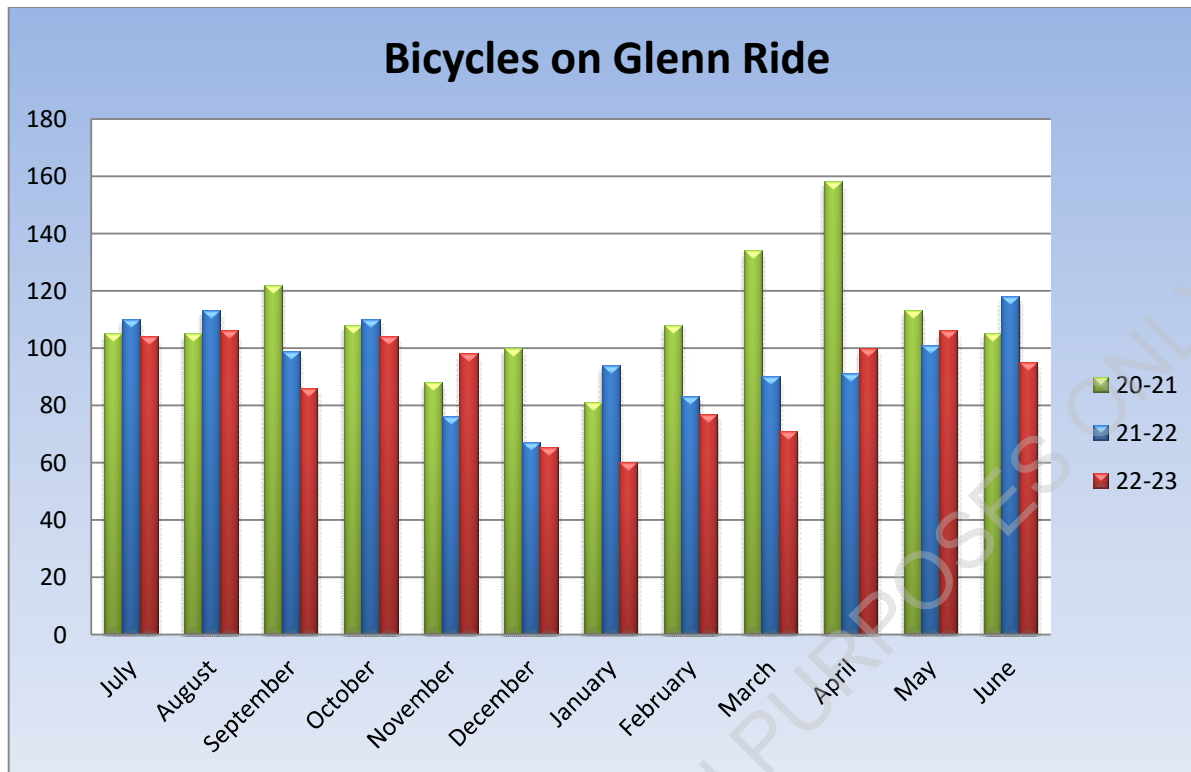
The deviated fixed route inter-city system is a vital part of the transportation system. It provides mobility for all parts of society, especially for the physically and economically disadvantaged. Glenn Ride will change as demand for service changes or as outside influences dictate. Changes will likely be influenced by the increased numbers among the elderly population, fuel costs, stricter air pollution regulations, and by evolving transportation preferences of the rising generation. Also, as new connections can be made with similar adjacent services, the service will evolve to accommodate those connections.

As a deviated fixed route inter-city system, Glenn Ride accommodates ADA access with buses equipped with mobility lifts and designated riding areas to secure individuals and their mobility devices. Persons using mobility devices continue to use Glenn Ride as shown in the following chart.



There was a 144.3% increase from Fiscal Year 2020/21 to 2022/2023 illustrating the striking impact the pandemic had on ridership and the use of public transit by those with existing health concerns. The low floor buses in service ease boarding and alighting for persons who are dependent on mobility devices. With the added convenience that these vehicles offer to the disabled, Glenn Ride is a viable transportation option for that segment of the community. Post-pandemic, Glenn Ride is experiencing a return of individuals who are reliant on mobility devices are likely to use the fixed route service. As Glenn County's population ages (18% of the population at 62 years of age or older), some of these individuals may require more specialized services that take them from origin to destination more directly.

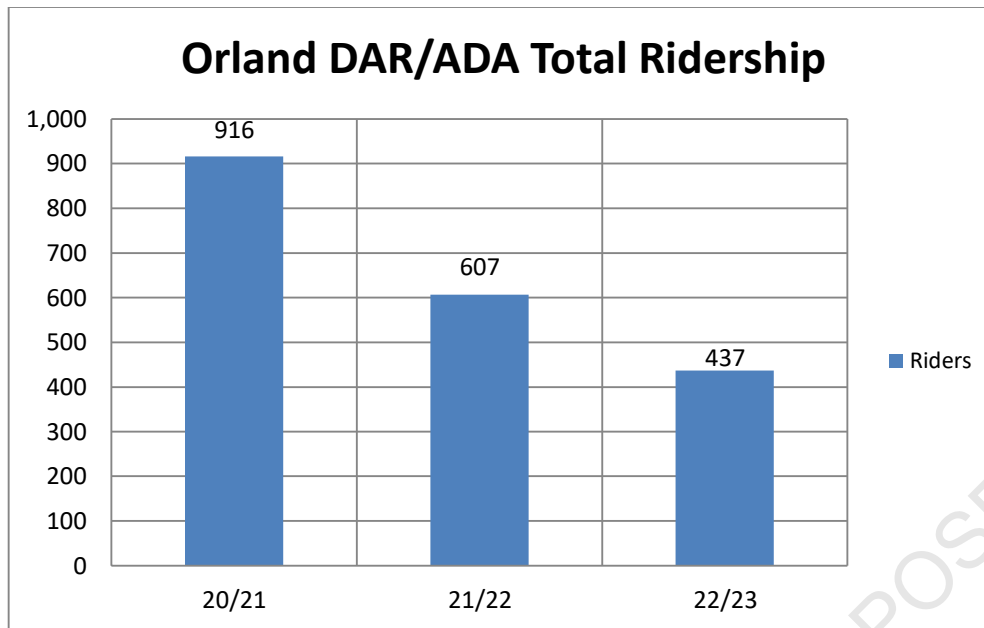
Each Glenn Ride bus is also equipped with a bicycle rack to facilitate multi-modal transportation. Glenn Ride has experienced an 19.2% decrease in bicycles transported from Fiscal Year 2019/20 to 2022/2023. All large transit buses have been outfitted with a three-position rack to accommodate demand for bicycle space on transit buses. This downward trend in bicycles transported corresponds with the overall decline in Glenn Ride ridership. Also, electric mobility devices such as scooters or Onewheel skateboards have become more popular and are smaller and portable than a traditional bicycle.



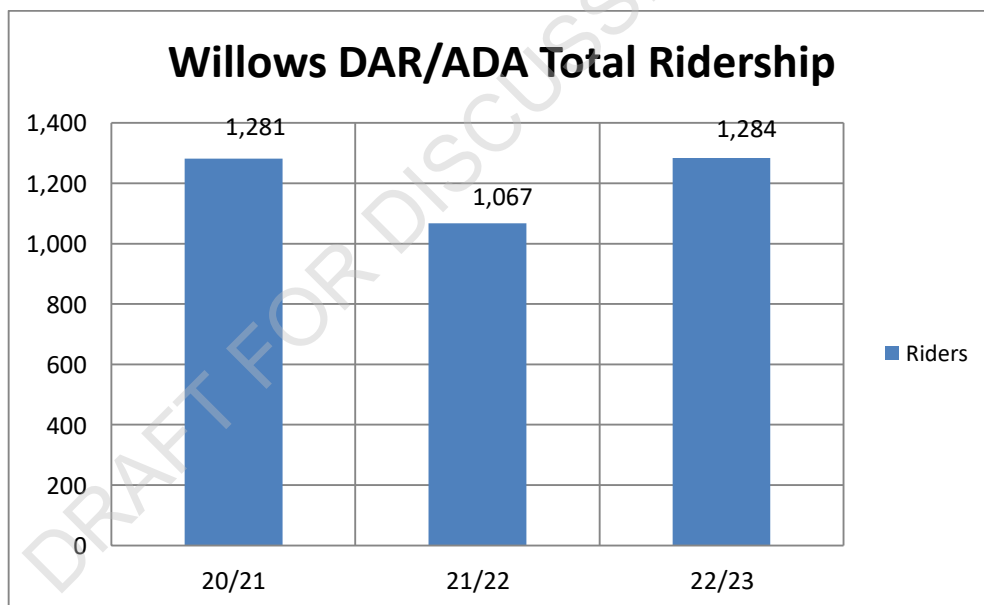
The short-term liability for the fixed route system is the depreciation of fixed assets such as the vehicles used to provide service along with related equipment. A long-term liability is the uncertainty of funding availability for operations coupled with increased regulation. Government leadership may elect to discontinue funding programs or create onerous operating parameters which would put rural transit service in jeopardy as evidenced by the State of California regulations requiring a changeover to electric buses rather than conventionally powered buses which will have a tremendous operational and financial impact on transit service. Currently, the RTC has elected to purchase hybrid electric vehicles to show good faith in meeting state requirements while maintaining current service within its budget parameters.

DIAL-A-RIDE

This program provides transportation to the disabled, the elderly, and the economically disadvantaged. After consideration of service demand and the available budget, it was determined that the service could be run three days a week for six hours a day in the respective cities of Orland and Willows. The charts below show the ridership for the past fiscal year compared to the previous two years.

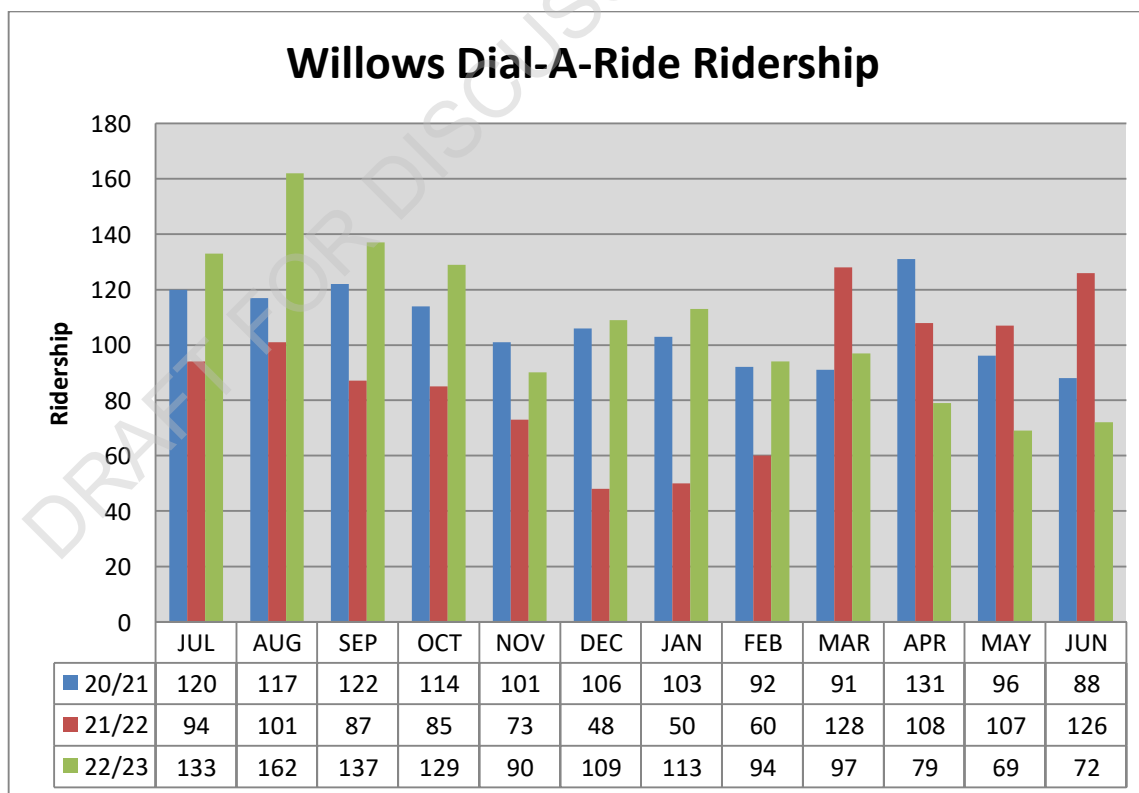
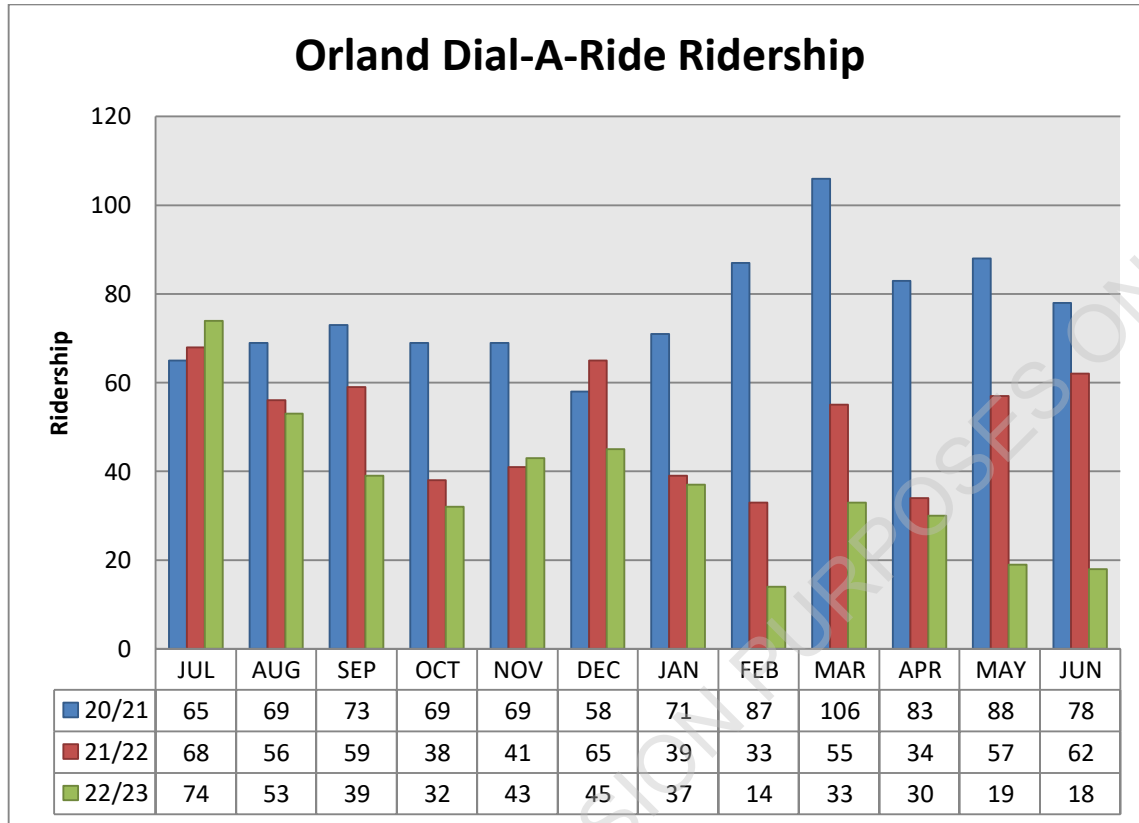


Orland's ridership is typically less than Willows but tends to be stable exempting the current year. Overall, ridership numbers in Orland decreased 52.3% from the 2020/2021 fiscal year. Unfortunately, these numbers reflect the passing of many of this services patrons.



Willows ridership increased by 0.2% from the 2020/2021 Fiscal Year. As patrons have become more familiar with the three-day-a-week schedule, they schedule their various appointments accordingly. Ridership for this service areas has remained stable.

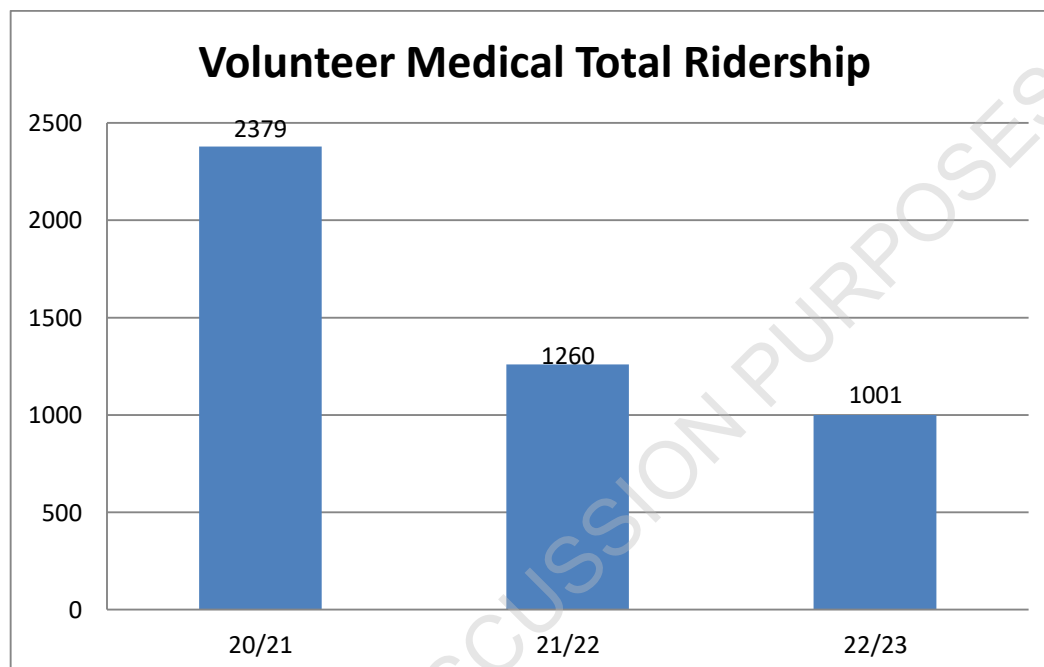
The following charts show the monthly ridership per city over the last three fiscal years:



VOLUNTEER MEDICAL TRANSPORT

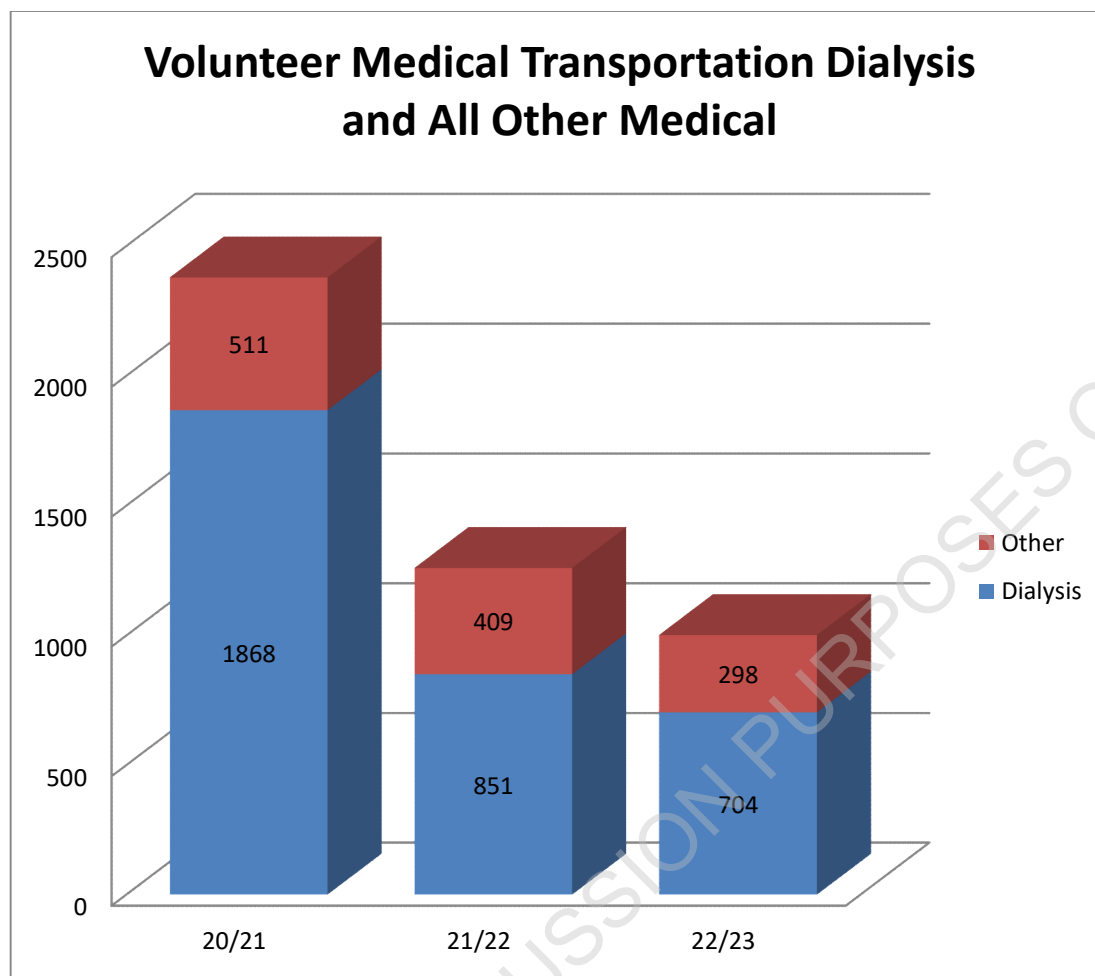
The Volunteer Medical Transport program is a specialized transit program for seniors and physically or financially challenged individuals who cannot use the fixed route system for transportation to medical appointments. This service has not changed during the last fiscal year except to update reimbursements to drivers based on the federal reimbursement rate for mileage.

The chart below shows the total ridership for Fiscal Years 2020/2021 through 2022/2023.



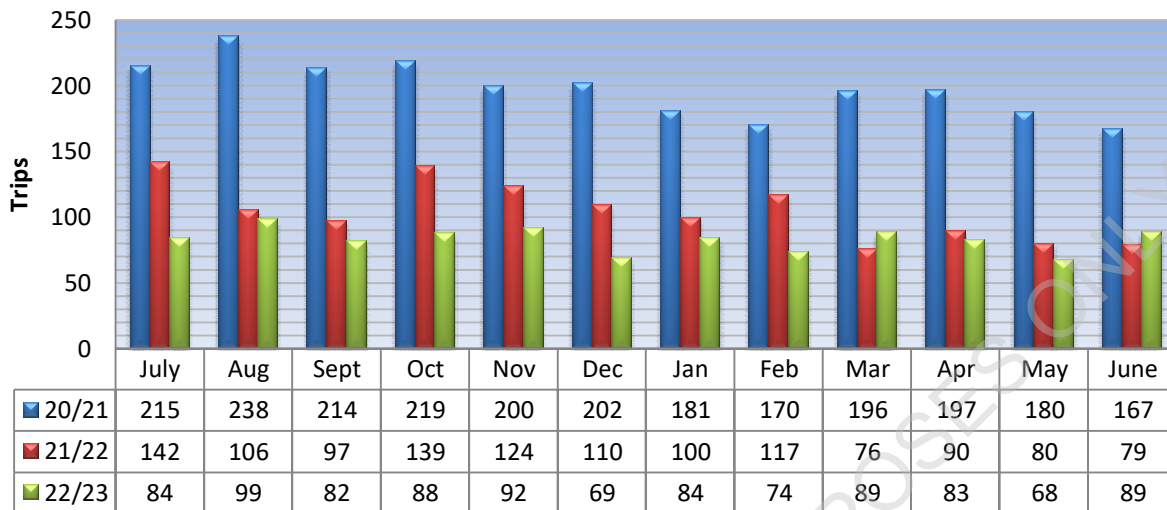
There was a 57.9% decrease from Fiscal Year 2020/2021 to 2022/2023 which may be attributed to the lack of volunteer drivers for this service. As individuals age and do not have family members that are to assist them in getting to the doctor, the Volunteer Medical service represents a last resort transportation option for them. The patronage of this service may fluctuate with the advent of telemedicine and virtual medical appointments. Recruitment of drivers for the service continues to be a significant challenge in meeting demand for transport. This has initiated discussion about potentially restructuring the program to better serve patrons.

Dialysis trips accounted for more than two thirds of the trips made using this program. The following chart shows the number of dialysis patients transported in relation to all other trips made using the Volunteer Medical Transport program during the last three fiscal years. The information was compiled from appointment/trip logs collected from patrons as part of the program operation. These logs capture the destination and reason for the trip.



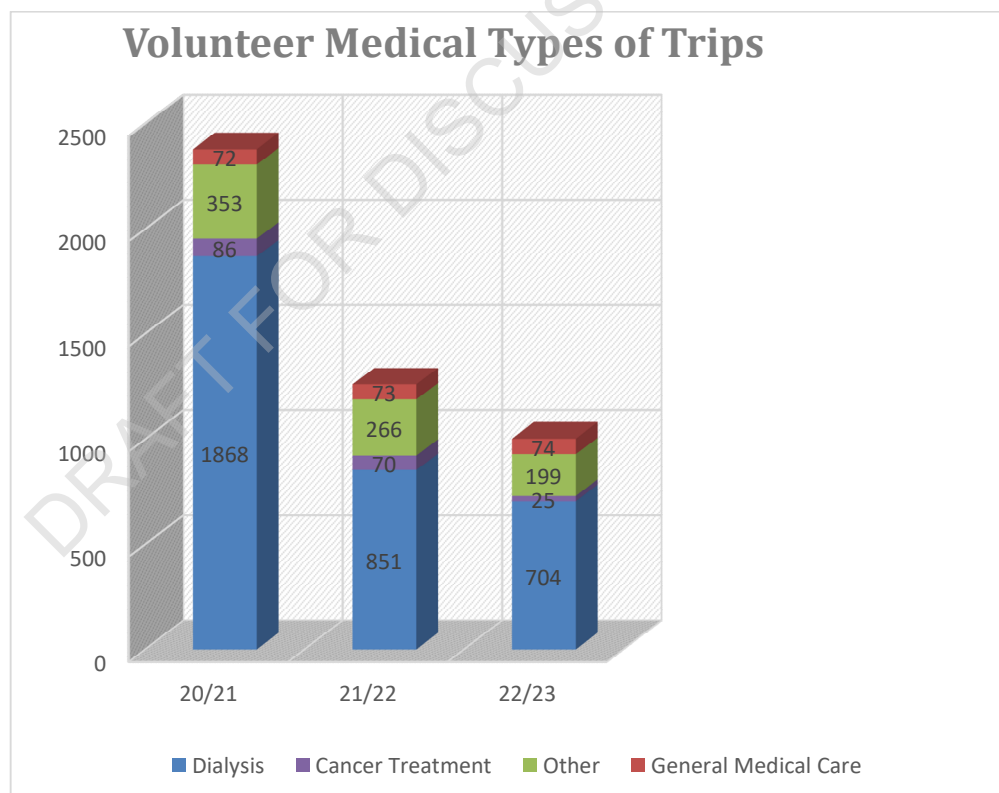
Ridership for the Volunteer Medical Transportation program over time has fluctuated with the health of patrons and availability of drivers. Many volunteer drivers are older and must deal with their own health challenges from time to time. On the whole, ridership is fairly consistent but has decreased over the past year due to the unfortunate passing of patrons and driver availability. As individuals age and are no longer able to drive, the Volunteer Medical Transportation program remains an essential function of the transit system. During the COVID-19 pandemic, this service was the primary way for individuals to get medical care. The following chart shows the monthly ridership for this program for Fiscal Years 2020/2021 to 2022/2023.

Volunteer Transportation Ridership



Among the other medical reasons for trips made using the Volunteer Medical Transportation service, transport to oncology services was the highest followed closely by podiatry. Together with dialysis trips, these categories represent the bulk of all trips made using this program; however, dialysis trips decreased slightly over the past year.

The following chart illustrates this phenomenon.



ROADWAYS

Budgets for transportation at state and federal levels have stabilized somewhat; however, funding for roads remains fluid. Funds such as the State Highway Account and the Federal Highway Trust Fund have required infusions of funds from other revenue sources to meet maintenance and statutory obligations. The latest federal infrastructure bill did not address this issue as it includes funding for other things such as broadband internet access. Rural areas similar to the Glenn County Region continue to be involved in discussions to assure that distribution of funds is equitable and flexible enough to meet needs unique to rural areas. With the California Transportation Agency (CalSTA) focus on climate change initiatives, road projects are being evaluated by this standard for potential funding allocations. In 2017, the State passed SB 1 which has stabilized transportation revenues restoring some lost revenues to fund repair and maintenance of local streets and roads. These funds are also quietly being subjected to state climate change initiatives which may divert funding from its intended purpose or make it harder to qualify for funding. Revenues overall continue to require increases to keep pace with needed repairs to surface transportation infrastructure which is complicated by mandates to use electric vehicles. To this end, the State of California continues to explore the possibility of using a “road user charge” in lieu of a gas tax. Essentially, motorists would pay a charge per mile traveled as opposed to per gallon of fuel consumed and all vehicles, regardless of fuel type would be charged. A Technical Advisory Committee was formed and has been making recommendations on how the Road User Charge could be structured and implemented; however, nothing has been decided.

Despite these challenges, Glenn County and the cities of Orland and Willows have funded or completed road repair projects which have been programmed for many years. These projects have helped to improve the overall state of the pavement conditions in the county area but much more is needed. Glenn County continues to pursue the repair of bridge funding for off-system bridges as 100% funding is available using toll credits. There are several bridge projects underway in Glenn County; however, these projects add additional strain on the limited financial resources Glenn County has had to cash flow these projects. As with many other state and federal programs, local agencies are expected to finance and complete the work on a reimbursement basis. With multiple high dollar construction projects, the cash flow requirements are significant and substantially challenge local budgets to meet funding deadlines. All local agencies work closely with the state to make sure there are sufficient funds available to complete projects which have been approved and funded by state and federal authorities.

The 2024 STIP focuses on existing projects to efficiently encumber unused funding shares to account for project scope changes and cost escalation. The 2024 STIP had no shortfall over its five-year term with the revised fuel tax structure that was set up under the Fuel Tax Swap executed by the legislature in 2010 and recently amended by the California legislature. It was further stabilized by revenues generated by SB 1. For a rural area like Glenn County, procuring

funding for plans and preliminary engineering and subsequent construction is difficult; if not impossible. Experience has shown that funds for preliminary engineering on a project that were allocated in one program year and construction in the following year may face significant financial challenges should the funding for construction be delayed. Delays may add additional costs as environmental evaluations and engineering plans, that have a short shelf life and must be updated regularly to maintain relevancy to the project, age to the point where they were no longer acceptable to the federal or state government or require additional funds for cost escalations. Local agencies primarily use their own funding to ensure that some of these preliminary project steps are completed so that more funding can be made available for construction. Currently, all projects are moving forward on schedule.

The Active Transportation Program in California combines transportation funding for bicycle, safe routes to school and pedestrian projects. Rural counties continue to petition the state to allocate these funds equitably across geography as the competitive process has eliminated funding that was once allocated to each jurisdiction via formula. The Active Transportation Plan for Glenn County allows the incorporated cities and county to better participate in the competitive Active Transportation Program; however, the proposed projects must compete with similar projects in other areas. Potential projects identified in the plan give each local jurisdiction projects to develop that can compete for grant funding. Caltrans is also using this document to inform their planned improvements along the state rights-of-way in Glenn County.

Gas tax funds stabilized with the passage of SB 1 to account for inflationary influences on the price of fuel to maintain its purchasing power but continue to decrease. More fuel-efficient vehicles and electric vehicle mandates have advanced climate change initiatives of the state but have negatively impact this primary revenue source for road maintenance. At times in the past, these funds been susceptible to other uses by the state legislature in the past for general fund purposes. Cities and counties in California maintain 81% of the road network within the state. This places a heavy burden on the local agencies to find ways to keep transportation assets maintained. State budgets for transportation have been relatively stable; however, funding sources set aside for transportation are highly competitive and difficult for rural agencies to compete for funds effectively. Political movement in California to increase the gas tax or augment it with some other tax mechanism has slowed and future studies and legislative effort will likely focus on a road usage tax. Climate changes policies continue to dominate legislation and funding priorities for transportation. Rural agencies are adopting to this shift in priority and working to make sure that they do not undermine rural area transportation needs by focusing on their needs to provide a safe transportation network for all users.

With the passage of the Infrastructure Reinvestment Act and the promotion of other federal funding sources, Glenn County jurisdictions have begun to pursue these resources. Though

unsuccessful at first, feedback from federal agencies have provided jurisdictions such as the City of Orland a path forward in seeking to secure funding for larger infrastructure projects. They have sought funding to upgrade pedestrian facilities and safety features along State Highway 32, various pedestrian improvements throughout the city, and improvements to the State Highway 32 overpass intersecting with Interstate 5. The County has looked to federal funds to improve a more urbanized unincorporated area near the City of Willows. If successful, in these efforts, these funding sources may help to bring about many larger infrastructure projects needed in the region.

FUTURE TRANSPORTATION SYSTEM IMPROVEMENTS

GCTC continues to monitor changes in the region and evaluate future transportation needs through data collected in connection with the OWP. These needs include road improvements, transit program changes, and other non-motorized alternatives (i.e. pedestrian or bicycle facilities) within more populated areas. Road improvements will typically take on the form of pavement preservation or reconstruction projects for roads which have deteriorated due to use and local conditions. Also, GCTC continues to make efforts to be involved in state and regional transportation planning efforts to better understand funding processes and nuances to leverage future funding. At this time, it appears that GCTC will have sufficient revenues to carry out its required state and federal transportation planning responsibilities. GCTC may work towards developing performance measures to allow projects nominated from the Glenn County region to better meet the guidelines for funding through the California Transportation Commission and to remain competitive. GCTC remains involved in discussions on alternative fuel vehicles and potential fueling networks. In support of local agencies, GCTC will be tracking federal initiatives to determine where local agencies may be able to qualify for funding for larger infrastructure projects.

REQUESTS FOR INFORMATION

If you have any questions about this report or need additional financial information, contact Mr. Mardy Thomas, Executive Director, 225 North Tehama Street, Willows, CA 95988 or call (530) 934-6540.

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

DRAFT FOR DISCUSSION PURPOSES ONLY

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GLENN COUNTY TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 4,984,481	\$ 2,532,230	\$ 7,516,711
Other receivables	196,312	23,987	220,299
Due from other governmental agencies	2,863	-	2,863
Internal balances	276,381	(283,275)	(6,894)
Prepaid expenses	15,439	11,627	27,066
Capital assets:			
Non-depreciable	-	550,075	550,075
Depreciable, net	8,597	104,885	113,482
Total capital assets	8,597	654,960	663,557
Total Assets	\$ 5,484,073	\$ 2,939,529	\$ 8,423,602
LIABILITIES			
Accounts payable	\$ 262,152	\$ 88,076	\$ 350,228
Due to other governmental agencies	12,124	-	12,124
Total Liabilities	\$ 274,276	\$ 88,076	\$ 362,352
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
NET POSITION			
Invested in capital assets, net of related debt	\$ 8,597	\$ 654,960	\$ 663,557
Restricted for:			
Grants, taxes, and fees	-	-	-
Energy scheduling services	-	-	-
Unrestricted	5,201,200	2,196,493	7,397,693
Total Net Position	\$ 5,209,797	\$ 2,851,453	\$ 8,061,250

The notes to the basic financial statements
are an integral part of this statement.

**GLENN COUNTY TRANSPORTATION COMMISSION
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
Transportation planning related expenditures	98,480	\$ -	\$ -
Allocation: Glenn County Transit	468,470	-	2,793,509
Allocation: Streets and Roads	1,354	-	-
Administration and other	97,204	-	-
Total Governmental Activities	665,508	-	2,793,509
Business-type activities:			
Public transit	1,183,419	84,129	-
Total Business-Type Activities	1,183,419	84,129	-
Total	\$ 1,848,927	\$ 84,129	\$ 2,793,509

General revenues:

Grants and contributions - unrestricted
Interest and investment earnings
Miscellaneous
Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Prior period adjustment

Net Position - Beginning, Restated

Net Position - Ending

Net (Expense) Revenue and Changes in Net Position				
Capital Grants and Contributions		Governmental Activities	Business Type Activities	Total
\$ -	\$	(98,480)	\$ -	\$ (98,480)
-		2,325,039	-	2,325,039
-		(1,354)	-	(1,354)
-		(97,204)	-	(97,204)
-		2,128,001	-	2,128,001
-		-	(1,099,290)	(1,099,290)
-		-	(1,099,290)	(1,099,290)
\$ -		2,128,001	(1,099,290)	1,028,711
		-	-	-
		68,426	37,991	106,417
		-	24,425	24,425
		(1,205,225)	1,205,225	-
		(1,136,799)	1,267,641	130,842
		991,202	168,351	1,159,553
		4,218,595	2,372,322	6,590,917
		-	310,780	310,780
		4,218,595	2,683,102	6,901,697
	\$	5,209,797	\$ 2,851,453	\$ 8,061,250

The notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL STATEMENTS

Fund Financial Statements

DRAFT FOR DISCUSSION PURPOSES ONLY

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GLENN COUNTY TRANSPORTATION COMMISSION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund (Fund 4260)	Local Transportation Funds	Other Governmental Funds	Total
ASSETS				
Cash and investments	\$ 239,627	\$ 3,959,797	\$ 785,057	\$ 4,984,481
Interest receivables	1,834	189,864	4,614	196,312
Prepaid expenses	-	15,439	-	15,439
Due from other governmental agencies	-	-	2,863	2,863
Due from other funds	47,999	773,647	47,999	869,645
Total Assets	\$ 289,460	\$ 4,938,747	\$ 840,533	\$ 6,068,740
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ 261,634	\$ 518	\$ 262,152
Due to other governmental agencies	-	12,124	-	12,124
Due to other funds	283,802	261,463	47,999	593,264
Unearned revenue	-	-	-	-
Total Liabilities	283,802	535,221	48,517	867,540
FUND BALANCES				
Reserved for:				
Designated	-	-	-	-
Undesignated	5,658	-	-	5,658
Special revenue funds Undesignated	-	4,403,526	792,016	5,195,542
Total Fund Balances	5,658	4,403,526	792,016	5,201,200
Total Liabilities and Fund Balances	\$ 289,460	\$ 4,938,747	\$ 840,533	\$ 6,068,740

**GLENN COUNTY TRANSPORTATION COMMISSION
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF
NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2023**

Total Fund Balance - Total Governmental Funds	\$ 5,201,200
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets.	8,597
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Deferred inflows and outflows of resources from GASB 68	-
Long-Term liabilities	-
Interest payable	-
OPEB liability	-
Compensated absences	-
Net Position of Governmental Activities:	\$ <u>5,209,797</u>

The notes to the basic financial statements
are an integral part of this statement.

GLENN COUNTY TRANSPORTATION COMMISSION
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	4260 General Fund (Fund 4260)	Local Transportation Funds	Other Governmental Funds	Total
REVENUES				
State Rural Planning Assistance	\$ -	\$ -	\$ -	-
Federal Transit Assistance	-	-	-	-
State funds, other	-	-	45,295	45,295
Local Transportation Funds	-	1,584,676	330,201	1,914,877
RSTP Exchange funds	-	467,485	-	467,485
Abandoned vehicle abatement	-	-	-	-
State Transit Assistance	-	-	365,852	365,852
Use of money	3,444	55,466	9,516	68,426
Other revenues	-	-	-	-
Total Revenues	<u>3,444</u>	<u>2,107,627</u>	<u>750,864</u>	<u>2,861,935</u>
EXPENDITURES				
Current:				
Transportation planning and related expenditures	98,480	-	-	98,480
Allocation - Glenn County Transit	-	468,470	-	468,470
Allocations - Other entities	-	-	1,354	1,354
Other	-	81,442	15,762	97,204
Total Expenditures	<u>98,480</u>	<u>549,912</u>	<u>17,116</u>	<u>665,508</u>
Excess of Revenues Over (Under) Expenditures	<u>(95,036)</u>	<u>1,557,715</u>	<u>733,748</u>	<u>2,196,427</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	153,437	467,969	-	621,406
Transfers out	-	(1,134,306)	(692,325)	(1,826,631)
Total Other Financing Sources (Uses)	<u>153,437</u>	<u>(666,337)</u>	<u>(692,325)</u>	<u>(1,205,225)</u>
Net Change in Fund Balances	<u>58,401</u>	<u>891,378</u>	<u>41,423</u>	<u>991,202</u>
Fund Balances - Beginning	(52,743)	3,512,148	750,593	4,209,998
Prior period adjustment	-	-	-	-
Fund Balances - Beginning, Restated	<u>(52,743)</u>	<u>3,512,148</u>	<u>750,593</u>	<u>4,209,998</u>
Fund Balances - Ending	\$ <u>5,658</u>	\$ <u>4,403,526</u>	\$ <u>792,016</u>	\$ <u>5,201,200</u>

**GLENN COUNTY TRANSPORTATION COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Net Change in Fund Balances - Total Governmental Funds. \$ 991,202

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

Governmental funds report capital outlays as expenditures. However, in the statement of
activities the cost of those assets is allocated over their estimated useful lives and
reported as depreciation expense. None

Debt proceeds provide current financial resources to governmental funds, but issuing
debt increases long-term liabilities in the statement of Net Position. Repayment of
principal is an expenditure in the governmental funds, but the repayment reduces
long-term liabilities in the statement of Net Position. None

Some revenues reported in the statement of activities will not be collected for several
months after the City's year end and do not provide current financial resources and
therefore are not reported as revenues in the governmental funds. None

Some expenses reported in the statement of activities do not require the use of current
financial resources and therefore are not reported as expenditures in the
governmental funds. None

Change In Net Position of Governmental Activities \$ 991,202

The notes to the basic financial statements
are an integral part of this statement.

GLENN COUNTY TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Business-Type Activities -			
	Demand Response (Fund 4280)	Fixed Route (Fund 4281)	Transit Service Capital Reserve (Fund 4282)	Total
ASSETS				
Cash and investments	\$ 68,840	\$ 683,062	\$ 1,780,328	\$ 2,532,230
Other receivables	577	10,391	13,019	23,987
Due from other funds	-	12,817	-	12,817
Prepaid expenses	4,972	6,655	-	11,627
Capital assets:				
Non-depreciable	-	550,075	-	550,075
Depreciable, net	-	104,885	-	104,885
Total Assets	\$ <u>74,389</u>	\$ <u>1,367,885</u>	\$ <u>1,793,347</u>	\$ <u>3,235,621</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 18,154	\$ 69,922	\$ -	\$ 88,076
Accrued Interest	-	-	-	-
Due to other governmental agencies	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	9,219	274,056	12,817	296,092
Total Liabilities	<u>27,373</u>	<u>343,978</u>	<u>12,817</u>	<u>384,168</u>
NET POSITION				
Invested in capital assets, net of related debt	-	654,960	-	654,960
Restricted for:				
Energy scheduling services	-	-	-	-
Unrestricted	47,017	368,947	1,780,529	2,196,493
Total Net Position	\$ <u>47,017</u>	\$ <u>1,023,907</u>	\$ <u>1,780,529</u>	\$ <u>2,851,453</u>

The notes to the basic financial statements
are an integral part of this statement.

GLENN COUNTY TRANSPORTATION COMMISSION
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities -			
	Demand Response (Fund 4280)	Fixed Route (Fund 4281)	Transit Service Capital Reserve (Fund 4282)	Total
OPERATING REVENUES				
Charges for services	\$ 22,310	\$ 61,819	\$ -	\$ 84,129
Total Operating Revenues	22,310	61,819	-	84,129
OPERATING EXPENSES				
Professional fees	101,600	527,058	-	628,658
Administrative costs	59,470	39,802	-	99,272
Fuel and oil	6,282	103,810	-	110,092
Maintenance and operations	17,210	113,412	-	130,622
Insurance	4,793	6,597	-	11,390
Depreciation	-	196,559	-	196,559
Other expense	2,447	4,379	-	6,826
Total Operating Expenses	191,802	991,617	-	1,183,419
Operating Income (Loss)	(169,492)	(929,798)	-	(1,099,290)
NON-OPERATING REVENUES (EXPENSES)				
Interest income	885	11,789	25,317	37,991
Intergovernmental revenues	-	-	-	-
Other revenues	-	24,425	-	24,425
Interest expense	-	-	-	-
Total Non-Operating Revenues (Expenses)	885	36,214	25,317	62,416
Income (Loss) Before Transfers	(168,607)	(893,584)	25,317	(1,036,874)
Transfers in	144,260	711,658	362,124	1,218,042
Transfers out	-	-	(12,817)	(12,817)
Change in Net Position	(24,347)	(181,926)	374,624	168,351
Total Net Position - Beginning	71,364	895,053	1,405,905	2,372,322
Prior period adjustment	-	310,780	-	310,780
Total Net Position - Beginning, Restated	71,364	1,205,833	1,405,905	2,683,102
Total Net Position - Ending	\$ 47,017	\$ 1,023,907	\$ 1,780,529	\$ 2,851,453

The notes to the basic financial statements
are an integral part of this statement.

GLENN COUNTY TRANSPORTATION COMMISSION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities -			
	Demand Response	Fixed Route	Transit Service Capital Reserve	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 21,733	\$ 51,428	\$ (13,019)	\$ 60,142
Payments to suppliers	(83,385)	(255,155)	2,280	(336,260)
Payments to employees	(101,600)	(527,058)	-	(628,658)
Net Cash Provided (Used) by Operating Activities	<u>(163,252)</u>	<u>(730,785)</u>	<u>(10,739)</u>	<u>(904,776)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants and other receipts	-	-	-	-
Transfers to other funds	144,260	711,658	349,308	1,205,226
Interfund loans repaid	50,443	174,762	-	225,205
Interfund loans received	-	-	-	-
Interfund loans made	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>194,703</u>	<u>886,420</u>	<u>349,308</u>	<u>1,430,431</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	(11,668)	-	(11,668)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>9,219</u>	<u>12,388</u>	<u>12,817</u>	<u>34,424</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends and other	922	36,214	25,317	62,453
Net Cash Provided (Used) by Investing Activities	<u>922</u>	<u>36,214</u>	<u>25,317</u>	<u>62,453</u>
Net Increase (Decrease) in Cash and Cash Equivalents	41,592	204,237	376,703	622,532
Balances - Beginning of the Year	36,467	502,881	1,403,625	1,942,973
Balances - End of the Year	<u>\$ 78,059</u>	<u>\$ 707,118</u>	<u>\$ 1,780,328</u>	<u>\$ 2,565,505</u>

The notes to the basic financial statements
are an integral part of this statement.

GLENN COUNTY TRANSPORTATION COMMISSION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities -			
	Demand Response	Fixed Route	Transit Service Capital Reserve	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (169,492)	\$ (929,798)	\$ -	\$ (1,099,290)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	-	196,559	-	196,559
Decrease (increase) in:				
Accounts receivable	(577)	(10,391)	(10,739)	(21,707)
Prepaid expenses	(4,526)	(6,655)	-	(11,181)
Increase (decrease) in:				
Accounts payable	5,542	18,246	-	23,788
Due to other governments	(3,418)	(22,802)	-	(26,220)
Net Cash Provided (Used) by Operating Activities	\$ <u>(172,471)</u>	\$ <u>(754,841)</u>	\$ <u>(10,739)</u>	\$ <u>(938,051)</u>

The notes to the basic financial statements
are an integral part of this statement.

BASIC FINANCIAL STATEMENTS

Notes to Basic Financial Statements

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**GLENN COUNTY TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES**

The Glenn County Transportation Commission (the "Commission") operates under a Commission form of government and provides the following services: Local Transportation and RSTP allocations, administration, transportation and transit services oversight.

The Commission complies with Generally Accepted Accounting Principles (GAAP). The Commission's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply to Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements, in which case, GASB prevails. The accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the notes are organized to provide explanations, including required disclosures of the Commission's financial activities for the fiscal year ended June 30, 2023.

Reporting Entity

The Commission, for financial statement purposes, includes all of the funds and account groups relevant to the operations of the Glenn County Transportation Commission. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Glenn County Transportation Commission.

The financial statements of the Commission include those of separately administered organizations that are controlled by or dependent on the Commission. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. Based on the foregoing criteria, the financial statements of the following organizations are included, as blended component units and represent all "Business Type Activities", in the accompanying financial statements:

Glenn Transit Service (GTS): The GTS provides transit services and is reported as two enterprise type funds: Demand Response-Dial A Ride and Fixed Route-Glenn Ride.

On October 10, 1987, the County of Glenn and Cities of Willows and Orland entered into a Joint Powers Agreement for the purpose of maintaining a public transportation system within the County of Glenn in accordance with the agreement and established the Glenn Transit Service/Regional Transit Committee.

In addition, the Glenn County Abandoned Vehicle Abatement Services Authority's fund financial information is included in the "Governmental Funds" financial statements under the fund caption "Abandoned Vehicle Abatement Fund". The Commission has agreed to oversee the administration of this fund.

(Continued on the following page)

**GLENN COUNTY TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Commission considers all revenues as available if they are collected within sixty days of the end of the current fiscal period, except for sales tax which has a ninety day availability period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

(Continued on the following page)

**GLENN COUNTY TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Operating income reported in proprietary fund financial statements include revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are fare revenues from the sale of bus and taxi tickets. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

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

Basis of Presentation

The accounts of the Commission are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for in a separate self-balancing set of accounts for its assets, other debits, liabilities, other credits, equity, revenue and expenditures or expenses, as appropriate.

Governmental Funds - Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Enterprise Funds - account for operations (1) that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that 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 (2) 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 purposes.

The Commission has elected to follow GASB pronouncements, and not Financial Accounting Standards Board (FASB) pronouncements after 1989, as presented by GASB Statement Number 20.

(Continued on the following page)

**GLENN COUNTY TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Major Funds

The Commission reports the following major governmental funds:

The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the Commission that are not accounted for through other funds. For the Commission, the General Governmental-Type Fund provides oversight for the Commission's transportation related activities.

The Local Transportation Funds is a special revenue fund used to account for revenues and expenditures related to State Transportation improvement funds.

The Commission reports the following major proprietary funds:

The Demand Response fund is an enterprise fund used to account for activity related to providing customers with on demand transportation services.

The Fixed Route fund is an enterprise fund used to account for activity related to providing fixed route services.

The Transit Service Capital Reserve fund is an enterprise fund used to account for activity related to providing funding for capital improvements for the transportation services.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's business type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Commission's enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds

(Continued on the following page)

**GLENN COUNTY TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation, Continued

Major Funds (Continued)

include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities, and Net Assets or Equity Cash and Investments

Cash and Investments

The Commission pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. State statutes authorize the Commission to invest its cash surplus in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds, medium term notes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund. Investment income from pooled investments is allocated to all funds in the pool. Interest is allocated on the basis of average daily cash balance at quarter end in relation to the total pool investments. The interest income is recorded in the fund that earned the interest, except for those funds which have a negative cash balance and are excluded from the interest apportionment.

Investments are reported in the accompanying balance sheet at fair value which is determined using selected bases annually. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

General Receivables

The Commission records an allowance for doubtful accounts on general accounts receivable based on the experience method.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as

(Continued on the following page)

GLENN COUNTY TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Assets or Equity Cash and Investments (Continued)

Capital Assets (Continued)

assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such depreciation has been provided over the estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	5-20 years
Structures and improvements	60 years
Infrastructure	30-60 years

Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow resources (expense/expenditure) until then. The Commission does not have any items that qualify for reporting in this category this fiscal year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. The separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item unavailable revenue, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from miscellaneous receivables, grants and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

(Continued on the following page)

**GLENN COUNTY TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Assets or Equity, Continued Capital Assets, (Continued)

Pension Plan

All Commission staff are employees of the County of Glenn and provide services to the Commission on the basis of a Memorandum of Understanding (MOU) between the Commission and the County. The County bills the Commission for payroll and respective overhead in accordance with the MOU and as such the Commissions pension liability is limited to amounts billed by the County.

Vacation and Sick Pay

All Commission staff are employees of the County of Glenn and provide services to the Commission on the basis of a Memorandum of Understanding (MOU) between the Commission and the County. The County bills the Commission for payroll and respective overhead in accordance with the MOU and as such the Commissions vacation and sick pay liability is limited to amounts billed by the County.

Unearned Revenue

In the government-wide financial statements, unearned revenue is recorded for transactions for which revenues have not been earned.

In the fund financial statements, unearned revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The Commission records unearned revenues when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Commission before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the Commission has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized

Fund Equity

In the fund financial statements, governmental funds aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications; restricted, committed, assigned, and unassigned.

(Continued on the following page)

**GLENN COUNTY TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Assets or Equity, Continued

Fund Equity (continued)

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed guidelines of the Board of Commissioners - the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Commissioners removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for the use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the Board of Commissioner's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners and the Commission's Executive Director have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use externally restricted resources first, the unrestricted resources-committed, assigned, and unassigned-in order as needed.

Net Position

For government-wide reporting as well as in proprietary funds, fund equity is called net position. Net position is comprised of three components: net investment in capital assets; restricted; and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes and other debt that are attributed to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and

(Continued on the following page)

**GLENN COUNTY TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Assets or Equity, Continued

Net Position (Continued)

deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position is the net amount of the assets, deferred outflows or resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Non-Transit revenue has been reported as non-operating revenues in the Commission's statement of revenue expense and changes in net position for proprietary funds and as capital grants and contributions in the statement of activities and changes in net position.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

New Pronouncements

New Governmental Accounting Standards Implemented for the Year Ended June 30, 2023

GASB Statement No. 96 - In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription

(Continued on the following page)

**GLENN COUNTY TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

New Pronouncements (Continued)

Upcoming Governmental Accounting Standards Implementation (Continued)

payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Application of this statement is effective for the Commission's fiscal year ending June 30, 2023.

GASB Statement No. 99 - In April 2023, GASB issued Statement No. 99, Omnibus 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Application of this statement is effective for the Commission's fiscal year ending June 30, 2023.

GASB Statement No. 100 - In June 2023, GASB issued Statement No. 100, Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement is effective for the Commission's fiscal year ending June 30, 2024.

GASB Statement No. 101 - In June 2023, GASB issued Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Application of this statement is effective for the Commission's fiscal year ending June 30, 2025.

Deficit Fund Balance/Net Assets

The financial statements reflect no deficit fund balances at June 30, 2023.

(Continued on the following page)

GLENN COUNTY TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3: DETAILED NOTES

Cash and Investments

The Commission reporting entity considers highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investment in the Glenn County Treasurer's Investment Pool

The Commission's cash is pooled with the Glenn County Treasurer, who acts as a disbursing agent for the Commission. The fair value of the Commission's Investment in this pool is reported in the accompanying financial statements at amounts based on the Commission's pro-rata share of the fair value provided by the Treasury Pool. At June 30, there was no material difference between pool participant's share valued on an amortized cost basis compared to fair value. Interest earned on investments pooled with the County is allocated quarterly to the appropriate fund based on its respective average balance for that period.

Custodial Credit Risk For Deposits - Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the Commission will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The Commission's investment policy requires that deposits in banks must meet the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the Commission's pooled deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits of more than the \$250,000 insured amount are collateralized. The Commission's investment policy does not further limit its deposits.

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. All investments of the Commission are pooled with the Glenn County Treasurer's Investment Pool. The Commission's investment policy generally limits investment maturities as needed to maintain adequate liquidity to meet the Commission's cash flow requirements and to limit its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law and Commission investment policy limits investments in commercial paper to the rating of A or better by Standards & Poor's or P-1 or better by Moody's Investors Service; corporate bonds to the rating of A or better by both Standards & Poor's and Moody's Investors Service. No limits are placed on U.S. government agency securities and U.S. Treasuries. The Commission's investment policy does not further limit its investment choices.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the Commission will not be able to recover its deposits or collateral securities that

(Continued on the following page)

GLENN COUNTY TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3: DETAILED NOTES (Continued)

Cash and Investments (continued)

are in the possession of an outside party. To mitigate the custodial credit risk all investments of the Commission are pooled with the Glenn County Treasurer's Investment Pool. The Commission's investment policy does not further limit the exposure to custodial credit risk.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the Commission's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law restricts the Commission's investments in commercial paper to 40% of its investment pool and to 10% per issuer and corporate bonds and medium term notes to 30% of its investment pool and to 10% per issuer, and banker's acceptances to 15% of its investment pool and to 10% per issuer. All investments of the Commission are pooled with the Glenn County Treasurer's Investment Pool. At June 30, 2023, the Commission's investments were in compliance with concentration of credit risk State law.

Capital Assets

Capital assets activity for the year ended June 30, 2023, was as follows:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental Activities					
Capital Assets, Being Depreciated:					
Equipment	\$ 56,333	\$ -	\$ -	\$ -	\$ 56,333
Total Capital Assets, Being Depreciated	56,333	-	-	-	56,333
Less Accumulated Depreciation For:					
Equipment	(55,881)	(452)	-	-	(56,333)
Total Accumulated Depreciation	(55,881)	(452)	-	-	(56,333)
Total Governmental Activities, Net	\$ 452	\$ (452)	\$ -	\$ -	\$ -
Business-Type Activities					
Capital assets not being depreciated	\$ 527,921	\$ 22,154	\$ -	\$ -	\$ 550,075
Capital Assets, Being Depreciated:					
Equipment	\$ 3,376,258	\$ 37,371	\$ -	\$ -	\$ 3,413,629
Total Capital Assets, Being Depreciated	3,376,258	37,371	-	-	3,413,629
Less Accumulated Depreciation For:					
Equipment	(3,376,258)	(196,559)	-	264,073	(3,308,744)
Total Accumulated Depreciation	(3,376,258)	(196,559)	-	264,073	(3,308,744)
Total Capital Assets, Being Depreciated, Net	-	(159,188)	-	264,073	104,885
Total Business-type Activities, Net	\$ 527,951	\$ (137,034)	\$ -	\$ 264,073	\$ 654,960

(Continued on the following page)

GLENN COUNTY TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3: DETAILED NOTES (Continued)

Unearned Revenue:

At June 30, 2023, the components of unearned revenue reported were as follows:

Unearned revenue \$ None

Operating Leases

Rental expenses incurred under operating leases are not considered material. The Commission requires no disclosures under GASB 87 as all facilities are provided by the County.

Interfund Transactions

Due To/From Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of June 30, 2023:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund (Fund 4260)	\$ 3,979	\$ 262,184
Federal and State Transportation Administration Grants Fund (Fund 4200)	-	3,979
Local Transportation Trust (Fund 4250)	512,184	238,022
Demand Response (Fund 4280)	50,443	-
Fixed Route (Fund 4281)	187,579	250,000
Total	\$ <u>754,185</u>	\$ <u>754,185</u>

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various Commission operations and re-allocations of special revenues. The following are the interfund transfers for fiscal year ended June 30, 2023:

	<u>Transfer-Out</u>	<u>Transfer-In</u>
General Fund (Fund 4260)	\$ -	\$ 35,902
Federal and State Transportation Administration Grants Fund (Fund 4200)	-	-
State Transit Assistance Fund (Fund 4270)	250,425	-
Prop 1B Funds (Fund 42825)	2,829	2,829
Transportation Reserve - City of Orland (Fund 4230)	-	-
Transportation Reserve - City of Willows (Fund 4240)	-	-
Local Transportation Trust (Fund 4250)	987,989	-
Demand Response (Fund 4280)	-	201,770
Fixed Route (Fund 4281)	-	750,317
Transit Service Capital Reserve (Fund 4282)	-	250,425
Total	\$ <u>1,241,243</u>	\$ <u>1,241,243</u>

(Continued on the following page)

GLENN COUNTY TRANSPORTATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4: RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission estimates that the potential claims, if any, not covered by insurance do not materially affect the financial statements of the Commission.

NOTE 5: OTHER INFORMATION

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the appreciable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Subsequent Event

Management has evaluated events subsequent to June 30, 2023 through December 15, 2023 the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

Fare Revenue Ratios

The Glenn County Transportation Commission requires that a fare revenue to operating costs ratio of at least 10% for each qualifying transit program be maintained in order to receive the same, or increased, level of local transportation funds to support the operation. The fare revenue ratio for the fiscal years ended June 30, 2023 was calculated as follows:

<u>Program:</u>	<u>Passenger Fare Revenues</u>	<u>Operating Expenses</u>	<u>Less Depreciation</u>	<u>Net Operating Costs</u>	<u>Ratio</u>
<u>2021-22</u>					
	<u>Demand Response Services:</u>				
Dial A Ride	\$ 3,856	\$ 184,392		\$ 184,392	10.37%
Vol. Medical	\$ 15,301	\$ 91,761		\$ 91,761	26.09%
	<u>Fixed Route Services:</u>				
Glenn Ride	\$ 40,437	\$ 719,335	\$ (23,073)	\$ 696,262	5.81%

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REQUIRED SUPPLEMENTARY INFORMATION

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GLENN COUNTY TRANSPORTATION COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	300	300	3,444	3,144
Other revenues	<u>23</u>	<u>23</u>	<u>-</u>	<u>(23)</u>
Total Revenues	<u>323</u>	<u>323</u>	<u>3,444</u>	<u>3,121</u>
EXPENDITURES				
Current:				
Transportation planning and related expenditures	378,725	378,725	98,480	280,245
Allocation - Glenn County Transit	-	-	-	-
Allocations - Other entities	-	-	-	-
Other	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>378,725</u>	<u>378,725</u>	<u>98,480</u>	<u>280,245</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(378,402)</u>	<u>(378,402)</u>	<u>(95,036)</u>	<u>283,366</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	378,402	378,402	153,437	(224,965)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>378,402</u>	<u>378,402</u>	<u>153,437</u>	<u>(224,965)</u>
Net Change in Fund Balance	-	-	58,401	58,401
Fund Balance -Beginning	<u>23,503</u>	<u>23,503</u>	<u>(52,743)</u>	<u>(76,246)</u>
Fund Balance - Ending	<u>\$ 23,503</u>	<u>\$ 23,503</u>	<u>\$ 5,658</u>	<u>\$ (17,845)</u>

The City of Biggs budgets for debt service principal and interest expenditures as a single item. For purposes of the budgetary comparison schedule, the debt service principal and interest expenditures have been combined as one item, debt service.

See the accompanying notes to the required supplementary information.

**GLENN COUNTY TRANSPORTATION COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023**

BUDGETARY BASIS OF ACCOUNTING

The approved Commission procedures for establishing the budgetary data reflected in the financial statements is as follows:

In May of each year, the Finance Department is to submit to the Commission a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and estimated revenues.

Public hearings are to be conducted to obtain taxpayer comments.

Generally by the first of July, after adjustment as appropriate by the Commission, the budget is to be legally enacted through a motion of the Commission.

Commission approval is required for transfers between funds, or for an increase in total appropriations. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis.

Formal budgetary integration is employed as a management control device during the year for the General fund, and Special Revenue funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant adjustments.

All unused appropriations for budgeted amounts lapse at the end of the year.

Individual fund budgetary comparisons are not presented at the detail budget unit level due to their excessive length.

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

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COMBINING NONMAJOR FUND STATEMENTS

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NONMAJOR GOVERNMENTAL FUNDS

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**GLENN COUNTY TRANSPORTATION COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	300	300	3,444	3,144
Other revenues	23	23	-	(23)
Total Revenues	<u>323</u>	<u>323</u>	<u>3,444</u>	<u>3,121</u>
EXPENDITURES				
Current:				
Transportation planning and related expenditures	378,725	378,725	98,480	280,245
Allocation - Glenn County Transit	-	-	-	-
Allocations - Other entities	-	-	-	-
Other	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>378,725</u>	<u>378,725</u>	<u>98,480</u>	<u>280,245</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(378,402)</u>	<u>(378,402)</u>	<u>(95,036)</u>	<u>283,366</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	378,402	378,402	153,437	(224,965)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>378,402</u>	<u>378,402</u>	<u>153,437</u>	<u>(224,965)</u>
Net Change in Fund Balance	-	-	58,401	58,401
Fund Balance -Beginning	<u>23,503</u>	<u>23,503</u>	<u>(52,743)</u>	<u>(76,246)</u>
Fund Balance - Ending	<u>\$ 23,503</u>	<u>\$ 23,503</u>	<u>\$ 5,658</u>	<u>\$ (17,845)</u>

The City of Biggs budgets for debt service principal and interest expenditures as a single item. For purposes of the budgetary comparison schedule, the debt service principal and interest expenditures have been combined as one item, debt service.

See the accompanying notes to the required supplementary information.

GLENN COUNTY TRANSPORTATION COMMISSION
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2023

	Federal and State Transportation Administration Grants Fund (Fund 4200)	Local Transportation Funds	Abandoned Vehicle Abatement Fund (Fund 4251)
ASSETS			
Cash and investments	\$ -	\$ 3,959,797	\$ 305,588
Other receivables	13	189,864	2,364
Prepaid expenses	-	15,439	-
Due from other funds	47,999	773,647	-
Due from other governmental agencies	2,863	-	-
Total Assets	<u>\$ 50,875</u>	<u>\$ 4,938,747</u>	<u>\$ 307,952</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ 261,634	\$ 518
Deposits payable	-	-	-
Due to other funds	47,999	261,463	-
Due to other governmental agencies	-	12,124	-
Unearned revenue	-	-	-
Total Liabilities	<u>47,999</u>	<u>535,221</u>	<u>518</u>
FUND BALANCES			
Reserved for:			
Loans receivable	-	-	-
Unreserved:			
Undesignated	<u>2,876</u>	<u>4,403,526</u>	<u>307,434</u>
Total Fund Balances	<u>2,876</u>	<u>4,403,526</u>	<u>307,434</u>
Total Liabilities and Fund Balances	<u>\$ 50,875</u>	<u>\$ 4,938,747</u>	<u>\$ 307,952</u>

State Transit Assistance Fund (Fund 4270)	SB-1 State of Good Repair Fund (Fund 4275)	Transit Security Improvement Fund (Fund 4283)	Prop 1B Funds (Fund 42825)	Totals
\$ 180,620	\$ 183,828	\$ 115,021	\$ -	4,744,854
-	1,358	879	-	194,478
-	-	-	-	15,439
-	-	-	-	821,646
-	-	-	-	2,863
<u>\$ 180,620</u>	<u>\$ 185,186</u>	<u>\$ 115,900</u>	<u>\$ -</u>	<u>\$ 5,779,280</u>
\$ -	\$ -	\$ -	\$ -	262,152
-	-	-	-	-
-	-	-	-	309,462
-	-	-	-	12,124
-	-	-	-	-
-	-	-	-	583,738
-	-	-	-	-
<u>180,620</u>	<u>185,186</u>	<u>115,900</u>	<u>-</u>	<u>5,195,542</u>
<u>180,620</u>	<u>185,186</u>	<u>115,900</u>	<u>-</u>	<u>5,195,542</u>
<u>\$ 180,620</u>	<u>\$ 185,186</u>	<u>\$ 115,900</u>	<u>\$ -</u>	<u>\$ 5,779,280</u>

See the accompanying notes
to the required supplementary
information.

(Continued page 1 of 2)

GLENN COUNTY TRANSPORTATION COMMISSION
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2023

	Transportation Reserve County (Fund 4220)	Transportation Reserve City of Orland (Fund 4230)	Transportation Reserve City of Willows (Fund 4240)
ASSETS			
Cash and investments	\$ -	\$ 280	\$ 205
Other receivables	-	2	2
Prepaid expenses			
Due from other funds		147,210	114,253
Due from other governmental agencies	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 147,492</u>	<u>\$ 114,460</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ 147,210	\$ 114,253
Deposits payable	-	-	-
Due to other funds	-	-	-
Due to other governmental agencies	-	-	-
Unearned revenue	-	-	-
Total Liabilities	<u>-</u>	<u>147,210</u>	<u>114,253</u>
FUND BALANCES			
Reserved for:			
Loans receivable	-	-	-
Unreserved:			
Undesignated	-	282	207
Total Fund Balances	<u>-</u>	<u>282</u>	<u>207</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 147,492</u>	<u>\$ 114,460</u>

Local Transportation Trust (Fund 4250)		Totals	
\$	3,959,312	\$	3,959,797
	189,860		189,864
	15,439		15,439
	512,184		773,647
	-		-
\$	<u>4,676,795</u>	\$	<u>4,938,747</u>

\$	171	\$	261,634
	-		-
	261,463		261,463
	12,124		12,124
	-		-
	<u>273,758</u>		<u>535,221</u>

	-		-
	4,403,037		4,403,526
	<u>4,403,037</u>		<u>4,403,526</u>
\$	<u>4,676,795</u>	\$	<u>4,938,747</u>

See the accompanying notes
to the required supplementary
information.

(Continued page 2 of 2)

**GLENN COUNTY TRANSPORTATION COMMISSION
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Federal and State Transportation Administration Grants Fund (Fund 4200)	Local Transportation Funds
REVENUES		
State Rural Planning Assistance	\$ -	\$ -
Federal Transit Assistance	-	-
State funds, other	-	-
Local Transportation Funds	330,201	1,584,676
RSTP Exchange funds	-	467,485
Abandoned vehicle abatement	-	-
State Transit Assistance	-	-
Use of money	202	55,466
Other revenues	-	-
Total Revenues	<u>330,403</u>	<u>2,107,627</u>
EXPENDITURES		
Current:		
Allocation - Glenn Transit System	-	468,470
Allocatons to other entities	-	-
Abandoned vehicle abatement	-	-
Administration	-	73,253
A-87 Cost allocation	-	8,189
Other	-	-
Total Expenditures	<u>-</u>	<u>549,912</u>
Excess of Revenues Over(Under) Expenditures	<u>330,403</u>	<u>1,557,715</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	467,969
Transfers out	(330,201)	(1,134,306)
Total Other Financing Sources (Uses)	<u>(330,201)</u>	<u>(666,337)</u>
Net Change in Fund Balances	202	891,378
Fund Balances - Beginning	2,674	3,512,148
Prior period adjustment	-	-
Fund Balances - Beginning, Restated	<u>2,674</u>	<u>3,512,148</u>
Fund Balances - Ending	<u>\$ 2,876</u>	<u>\$ 4,403,526</u>

Abandoned Vehicle Abatement Fund (Fund 4251)	State Transit Assistance Fund (Fund 4270)	SB-1 State of Good Repair Fund (Fund 4275)	Transit Security Improvement Fund (Fund 4283)	Prop 1B Funds (Fund 42825)	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	45,295	-	-	45,295
-	-	-	-	-	1,914,877
-	-	-	-	-	467,485
-	-	-	-	-	-
-	365,852	-	-	-	365,852
4,925	-	2,586	1,803	-	64,982
-	-	-	-	-	-
4,925	365,852	47,881	1,803	-	2,858,491
-	-	-	-	-	468,470
1,354	-	-	-	-	1,354
-	-	-	-	-	-
15,762	-	-	-	-	89,015
-	-	-	-	-	8,189
-	-	-	-	-	-
17,116	-	-	-	-	567,028
(12,191)	365,852	47,881	1,803	-	2,291,463
-	-	-	-	-	467,969
-	(362,124)	-	-	-	(1,826,631)
-	(362,124)	-	-	-	(1,358,662)
(12,191)	3,728	47,881	1,803	-	932,801
319,625	176,892	137,305	114,097	-	4,262,741
-	-	-	-	-	-
319,625	176,892	137,305	114,097	-	4,262,741
\$ 307,434	\$ 180,620	\$ 185,186	\$ 115,900	\$ -	\$ 5,195,542

(Continued page 1 of 2)

**GLENN COUNTY TRANSPORTATION COMMISSION
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Transportation Reserve County (Fund 4220)	Transportation Reserve City of Orland (Fund 4230)
REVENUES		
State Rural Planning Assistance	\$ -	\$ -
Federal Transit Assistance	-	-
State funds, other	-	-
Local Transportation Funds	-	-
RSTP Exchange funds	-	-
Abandoned vehicle abatement	-	-
State Transit Assistance	-	-
Use of money	-	282
Other revenues	-	-
Total Revenues	-	282
EXPENDITURES		
Current:		
Allocation - Glenn Transit System	-	266,645
Allocatons to other entities	-	-
Abandoned vehicle abatement	-	-
Administration	-	-
A-87 Cost allocation	-	-
Other	-	-
Total Expenditures	-	266,645
Excess of Revenues Over(Under) Expenditures	-	(266,363)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	266,364
Transfers out	-	-
Total Other Financing Sources (Uses)	-	266,364
Net Change in Fund Balances	-	1
Fund Balances - Beginning	-	281
Prior period adjustment	-	-
Fund Balances - Beginning, Restated	-	281
Fund Balances - Ending	\$ -	\$ 282

Transportation Reserve City of Willows (Fund 4240)	Local Transportation Trust (Fund 4250)	Totals
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	1,584,676	1,584,676
-	467,485	467,485
-	-	-
-	-	-
206	54,978	55,466
-	-	-
206	2,107,139	2,107,627
201,825	-	468,470
-	-	-
-	-	-
-	73,253	73,253
-	8,189	8,189
-	-	-
201,825	81,442	549,912
(201,619)	2,025,697	1,557,715
201,605	-	467,969
-	(1,134,306)	(1,134,306)
201,605	(1,134,306)	(666,337)
(14)	891,391	891,378
221	3,511,646	3,512,148
-	-	-
221	3,511,646	3,512,148
\$ 207	\$ 4,403,037	\$ 4,403,526

(Continued page 2 of 2)

GLENN COUNTY TRANSPORTATION COMMISSION

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes In Fund Balance (Deficit) - Budget And Actual
Year Ended June 30, 2023

REVENUES

State Rural Planning Assistance
Federal Transit Assistance
State funds, other
Local Transportation Funds
RSTP Exchange funds
Abandoned vehicle abatement
State Transit Assistance
Use of money
Other revenues
Total Revenues

EXPENDITURES

Current:
Allocation - Glenn Transit System
Allocatons to other entities
Abandoned vehicle abatement
Administration
A-87 Cost allocation
Other
Total Expenditures
Excess of Revenues Over(Under) Expenditures

OTHER FINANCING SOURCES (USES)

Transfers in
Transfers out
Total Other Financing Sources (Uses)
Net Change in Fund Balances
Fund Balances - Beginning
Prior period adjustment
Fund Balances - Beginning, Restated
Fund Balances - Ending

Federal and State Transportation Administration Grants Fund (4200)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
330,201	-	(330,201)
-	330,201	330,201
-	-	-
-	-	-
-	-	-
202	202	-
-	-	-
330,403	330,403	-
-	-	-
330,201	-	330,201
-	-	-
-	-	-
-	-	-
330,201	-	330,201
-	-	660,402
-	330,403	(660,402)
-	-	-
(457,795)	(330,201)	127,594
-	-	-
-	202	-
-	2,674	-
-	-	-
-	2,674	-
-	\$ 2,876	-

Transportation Funds			State Transit Assistance Fund (4270)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,180,500	1,584,676	404,176	-	-	-
467,485	467,485	-	-	-	-
-	-	-	-	-	-
-	-	-	429,919	365,852	(64,067)
7,000	55,466	48,466	-	-	-
-	-	-	-	-	-
1,654,985	2,107,627	452,642	429,919	365,852	(64,067)
468,189	468,470	(281)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
176,716	73,253	103,463	-	-	-
8,189	8,189	-	-	-	-
3,600	-	3,600	-	-	-
656,694	549,912	106,782	-	-	-
998,291	1,557,715	345,860	429,919	365,852	(64,067)
935,454	467,969	(467,485)	-	-	-
(1,356,417)	(1,134,306)	(467,485)	(429,919)	(362,124)	67,795
	891,378			3,728	
	3,512,148			176,892	
	-			-	
	3,512,148			176,892	
\$	4,403,526		\$	180,620	

(Continued page 1 of 3)

See the accompanying notes
to the required supplementary

GLENN COUNTY TRANSPORTATION COMMISSION

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes In Fund Balance (Deficit) - Budget And Actual
Year Ended June 30, 2023

REVENUES

State Rural Planning Assistance
Federal Transit Assistance
State funds, other
Local Transportation Funds
RSTP Exchange funds
Abandoned vehicle abatement
State Transit Assistance
Use of money
Other revenues
Total Revenues

EXPENDITURES

Current:
Allocation - Glenn Transit System
Allocatons to other entities
Abandoned vehicle abatement
Administration
A-87 Cost allocation
Other
Total Expenditures
Excess of Revenues Over(Under) Expenditures

OTHER FINANCING SOURCES (USES)

Transfers in
Transfers out
Total Other Financing Sources (Uses)
Net Change in Fund Balances
Fund Balances - Beginning
Prior period adjustment
Fund Balances - Beginning, Restated
Fund Balances - Ending

Abandoned Vehicle Abatement Fund (4251)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
32,215	-	(32,215)
-	-	-
-	-	-
-	-	-
-	-	-
500	4,925	4,425
-	-	-
32,715	4,925	(27,790)
-	-	-
-	-	-
250,000	1,354	248,646
-	-	-
22,500	15,762	6,738
-	-	-
-	-	-
272,500	17,116	255,384
(239,785)	(12,191)	227,594
-	-	-
-	-	-
	(12,191)	
	319,625	
	-	
	319,625	
	\$ 307,434	

Exhibit B-3
(Continued)

Transit Security Improvement Fund (4283)			Prop 1B Funds (42825)		
Budget		Variance Favorable (Unfavorable)	Budget		Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,803	1,803	-	-	-
-	-	-	-	-	-
-	1,803	(1,803)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
115,000	-	115,000	-	-	-
115,000	-	115,000	-	-	-
(115,000)	1,803	113,197	-	-	-
-	-	-	2,829	-	(2,829)
-	-	-	-	-	-
	1,803			-	
	114,097			-	
	-			-	
	114,097			-	
\$	115,900		\$	-	

See the accompanying notes
to the required supplementary
information.

(Continued page 2 of 3)

GLENN COUNTY TRANSPORTATION COMMISSION

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes In Fund Balance (Deficit) - Budget And Actual
Year Ended June 30, 2023

REVENUES

State Rural Planning Assistance
Federal Transit Assistance
State funds, other
Local Transportation Funds
RSTP Exchange funds
Abandoned vehicle abatement
State Transit Assistance
Use of money
Other revenues
Total Revenues

SB1 State of Good Repaid (Fund 4275)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
46,766	45,295	(1,471)
-	-	-
-	-	-
-	-	-
-	-	-
50	2,586	2,536
-	-	-
46,816	47,881	1,065
Current:		
Allocation - Glenn Transit System	126,103	-
Allocatons to other entities	-	-
Abandoned vehicle abatement	-	-
Administration	-	-
A-87 Cost allocation	-	-
Other	-	126,103
Total Expenditures	126,103	-
Excess of Revenues Over(Under) Expenditures	(79,287)	47,881
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Total Other Financing Sources (Uses)		
Net Change in Fund Balances	47,881	
Fund Balances - Beginning	137,305	
Prior period adjustment	-	
Fund Balances - Beginning, Restated	137,305	
Fund Balances - Ending	\$ 185,186	

Exhibit B-3
(Continued)

Transportation Reserve County (4220)			Transportation Reserve City of Orland (4230)		
		Variance			Variance
		Favorable			Favorable
Budget	Actual	(Unfavorable)	Budget	Actual	(Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	282	282
-	-	-	-	-	-
-	-	-	-	282	282
-	-	-	-	-	-
-	-	-	266,364	266,645	(281)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(281)
-	-	-	266,364	266,645	(562)
-	-	-	(266,364)	(266,363)	844
-	-	-	266,364	266,364	-
-	-	-	-	-	-
-	-	-	-	1	-
-	-	-	-	281	-
-	-	-	-	-	-
-	-	-	-	281	-
\$ -	-	-	\$ -	282	-

See the accompanying notes
to the required supplementary
information.

(Continued page 3 of 3)

GLENN COUNTY TRANSPORTATION COMMISSION

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes In Fund Balance (Deficit) - Budget And Actual
Year Ended June 30, 2023

REVENUES

State Rural Planning Assistance
Federal Transit Assistance
State funds, other
Local Transportation Funds
RSTP Exchange funds
Abandoned vehicle abatement
State Transit Assistance
Use of money
Other revenues
Total Revenues

EXPENDITURES

Current:
Allocation - Glenn Transit System
Allocatons to other entities
Abandoned vehicle abatement
Administration
A-87 Cost allocation
Other
Total Expenditures
Excess of Revenues Over(Under) Expenditures

OTHER FINANCING SOURCES (USES)

Transfers in
Transfers out
Total Other Financing Sources (Uses)
Net Change in Fund Balances
Fund Balances - Beginning
Prior period adjustment
Fund Balances - Beginning, Restated
Fund Balances - Ending

Transportation Reserve City of Willows (4240)		
		Variance
Budget	Actual	Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	206	206
-	-	-
-	206	206
201,825	201,825	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
201,825	201,825	-
(201,825)	(201,619)	206
201,605	201,605	-
-	-	-
	(14)	
	221	
	-	
	221	
	\$ 207	

(Continued page 1 of 2)

Exhibit B-3
(Continued)

Local Transportation Trust (4250)			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,180,500	1,584,676	404,176	1,180,500	1,584,676	404,176
467,485	467,485	-	467,485	467,485	-
-	-	-	-	-	-
-	-	-	-	-	-
7,000	54,978	47,978	7,000	55,466	48,466
-	-	-	-	-	-
1,654,985	2,107,139	452,154	1,654,985	2,107,627	452,642
-	-	-	468,189	468,470	(281)
-	-	-	-	-	-
-	-	-	-	-	-
176,716	73,253	103,463	176,716	73,253	103,463
8,189	8,189	-	8,189	8,189	-
3,600	-	3,600	3,600	-	103,182
188,505	81,442	107,063	656,694	549,912	206,364
1,466,480	2,025,697	559,217	998,291	1,557,715	659,006
467,485	-	(467,485)	935,454	467,969	(467,485)
(1,356,417)	(1,134,306)	222,111	(1,356,417)	(1,134,306)	(467,485)
	891,391			891,378	
	3,511,646			3,512,148	
	-			-	
	3,511,646			3,512,148	
\$	4,403,037		\$	4,403,526	

See the accompanying notes
to the required supplementary
information.

(Continued page 2 of 2)

OTHER REPORTS AND SCHEDULES

**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**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH THE STATUTES, RULES, AND
REGULATIONS OF THE CALIFORNIA TRANSPORTATION DEVELOPMENT
ACT AND THE ALLOCATION INSTRUCTIONS AND RESOLUTIONS OF
THE LOCAL TRANSPORTATION COMMISSION**

DRAFT FOR DISCUSSION PURPOSES ONLY

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Donald R. Reynolds

Certified Public Accountant

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

INDEPENDENT AUDITOR'S REPORT

Members of the Commission
Glenn County Transportation Commission
Willows, California

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund of Glenn County Transportation Commission (Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued my report thereon dated December 15, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Glenn County Transportation Commission's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Glenn County Transportation Commission's internal control. Accordingly, I do not express an opinion on the effectiveness of the Glenn County Transportation Commission's internal control.

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

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Members of the Commission
Glenn County Transportation Commission
Willows, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Donald R. Reynolds, CPA
Redding, California
December 15, 2023

Donald R. Reynolds

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH THE STATUTES, RULES, AND REGULATIONS OF THE CALIFORNIA TRANSPORTATION DEVELOPMENT ACT AND THE ALLOCATION INSTRUCTIONS AND RESOLUTIONS OF THE LOCAL TRANSPORTATION COMMISSION

The Honorable Commission Council
Glenn County Transportation Commission
Willows, California

I have audited the basic financial statements of the Glenn County Transportation Commission as of and for the year ended June 30, 2023, and have issued my report thereon dated December 15, 2023. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. I also performed tests and procedures to determine that allocations made to and expenditures made by the Glenn County Transportation Commission, including those TDA expenditures made by the Cities of Orland and Willows, were made in accordance with the rules and regulations of the Glenn County Transportation Commission and in conformity with the Minimum Audit Requirements for California Special Districts, as outlined in Article 5.5, section 6662 of the Transportation Development Act.

Compliance

As part of obtaining reasonable assurance about whether the Glenn County Transportation Commission's financial statements are free of material misstatement, I performed tests of its compliance with Sections 6661, 6662, 6664, 6666, 6667 and 6751 of Article 5.5 of the Statutes as Amended and Related Sections of the California Code of Regulations and adopted by the Department of Transportation, issued by the State of California Business, Transportation and Housing Agency, Department of Transportation and Division of Mass Transportation (the regulations). The results of my tests disclosed that the funds allocated to and received by the Glenn County Transportation Commission pursuant to the Act were expended in conformance with the applicable statutes, rules and regulations of the Act and the allocation instructions and resolutions of the Glenn County Transportation Commission.

Findings

None

Also, as part of my audit, I performed tests of compliance to determine whether certain state bonds were received and expended in accordance with the applicable bond act and state accounting requirements.

P.O. Box 994508, Redding, California 96099-4508 . (530) 246-2834 . FAX (530) 244-0331

In November, 2006, California voters passed a bond measure enacting the Highway Safety, Traffic Reduction Air Quality and Port Security Bond Act of 2006. Of the 19.925 billion of state general obligation bonds authorized, funds were set aside by the state as instructed by statute as the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA). These funds are available to the California Department of Transportation for intercity rail projects and transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation or replacement.

During the fiscal year ended June 30, 2023, the Commission received no proceeds from the State's PTMISEA account and no funds were expended.

This Report is intended solely for the information and use of the Glenn County Transportation Commission, management, the California Department of Transportation, and the State Controller's Office and should not be used by anyone other than these specified parties.

Donald R. Reynolds, CPA
Redding, California
December 15, 2023

SUPPORTING SCHEDULES

SCHEDULE ONE

**GLENN COUNTY TRANSPORTATION COMMISSION
STATE RURAL PLANNING ASSISTANCE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND COSTS
FOR THE YEAR ENDING JUNE 30, 2023**

	Actual	Prior Year Comparative Totals
State Rural Planning Assistance Carryover, July 1,	\$ 55,870	\$ -
REVENUES:		
State Rural Planning Assistance Allocations	230,000	229,400
Total Revenues	<u>230,000</u>	<u>229,400</u>
EXPENDITURES:		
Work Element 1.01 Overall Work Element Development	25,967	26,500
Work Element 2.01 Transportation System Management	60,004	53,517
Work Element 2.05 Regional Blueprint Planning	-	-
Work Element 2.06 Regional Blueprint Planning	-	-
Work Element 3.01 Regional Transportation Improvement Plan	25,640	43,042
Work Element 4.01 Regional Coordination	27,995	31,000
Work Element 5.01 Transit Planning, Monitoring and Coordination	23,225	12,811
Work Element 6.01 Airport Planning Activities	32,870	6,660
Work Element 7.01 Short Range Transit Plan	-	-
Total Expenditures	<u>195,701</u>	<u>173,530</u>
State Rural Planning Assistance Carryover, June 30,	<u>\$ 90,169</u>	<u>\$ 55,870</u>

The notes to financial statements are an integral part of this statement.

SCHEDULE TWO

**GLENN COUNTY TRANSPORTATION COMMISSION
STATE RURAL PLANNING ASSISTANCE FUND
SCHEDULE OF LOCAL ASSISTANCE FUND EXPENDITURES
FOR THE YEAR ENDING JUNE 30, 2023**

	Total Expended	Local Funding	State Rural Planning Assistance	Other	Total Sources	Prior Year Comparative Totals
Work Element 1.01 Overall Work Element Development	\$ 25,967	\$ -	\$ 25,967	\$ -	\$ 25,967	\$ 26,500
Work Element 2.01 Transportation System Management	60,004	-	60,004	-	60,004	53,517
Work Element 2.05 Regional Blueprint Planning	-	-	-	-	-	-
Work Element 2.06 Regional Blueprint Planning	-	-	-	-	-	-
Work Element 3.01						
Regional Transportation Improvement Plan	25,640	-	25,640	-	25,640	43,042
Work Element 4.01 Regional Coordination	27,995	-	27,995	-	27,995	31,000
Work Element 5.01 Transit Planning, Monitoring and Coordination	23,225	-	23,225	-	23,225	12,811
Work Element 6.01 Airport Planning Activities	32,870	-	32,870	-	32,870	6,660
Work Element 7.01 Short Range Transit Plan	-	-	-	-	-	-
Other	-	-	-	-	-	-
Totals	<u>\$ 195,701</u>	<u>\$ -</u>	<u>\$ 195,701</u>	<u>\$ -</u>	<u>\$ 195,701</u>	<u>\$ 173,529</u>

The notes to financial statements are an integral part of this statement

SCHEDULE THREE

**GLENN COUNTY TRANSPORTATION COMMISSION
LOCAL TRANSPORTATION FUNDS
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
FOR THE YEAR ENDING JUNE 30, 2023**

	Public Utilities Code Section			Prior Year Comparative Totals
	99233.1	99400(a)	Total	
ALLOCATIONS				
County of Glenn Department of Public Works	\$ -	\$ -	\$ -	\$ -
City of Orland	-	-	-	-
City of Willows	-	-	-	-
TOTAL ALLOCATIONS	-	-	-	-
EXPENDITURES:				
Glenn County Transportation Commission (Admin.)	-	-	-	-
County of Glenn Department of Public Works	-	-	-	-
City of Orland	-	-	-	-
City of Willows	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
UNEXPENDED/(OVEREXPENDED) ALLOCATIONS	\$ -	\$ -	\$ -	\$ -

The notes to financial statements are an integral part of this statement.

SCHEDULE FOUR

**GLENN COUNTY TRANSPORTATION COMMISSION
LOCAL TRANSPORTATION FUNDS
SCHEDULE OF AVAILABLE ALLOCATIONS
FOR THE YEAR ENDING JUNE 30, 2023**

	4220	4230	4240		Prior Year Comparative Totals
	County of Glenn	City of Orland	City of Willows	Total	
Fund Balance, July 1,	\$ -	\$ 281	\$ 221	\$ 502	\$ 198,375
Increases to Fund Balance:					
Local Transportation Funds and Interest Allocations:					
RSTP Allocation	-	266,364	201,605	467,969	-
Interest Revenue	-	282	206	488	256
Total Increases	-	266,646	201,811	468,457	256
Decreases to Fund Balance:					
RSTP Allocations	-	266,645	201,825	468,470	198,129
Road Project Allocations	-	-	-	-	-
Total Decreases	-	266,645	201,825	468,470	198,129
Fund Balance, June 30,	\$ -	\$ 282	\$ 207	\$ 489	\$ 502

The notes to financial statements are an integral part of this statement.

SCHEDULE FIVE

**GLENN COUNTY TRANSPORTATION COMMISSION
LOCAL TRANSPORTATION FUNDS
SCHEDULE OF ENTITY FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDING JUNE 30, 2023**

	4220	4230	4240
	County of Dept. of Public Works	City of Orland	City of Willows
REVENUES:			
Local Transportation Funds and Interest Allocations			
Interest Revenue	\$ -	\$ 282	\$ 206
TOTAL REVENUE	<u>-</u>	<u>282</u>	<u>206</u>
EXPENDITURES:			
Admin/Other	-	266,645	201,825
Road Projects	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>266,645</u>	<u>201,825</u>
EXCESS (DEFICIENCIES) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(266,363)</u>	<u>(201,619)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	-	266,364	201,605
Operating Transfers Out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>266,364</u>	<u>201,605</u>
EXCESS (DEFICIENCIES) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	<u>-</u>	<u>1</u>	<u>(14)</u>
FUND BALANCE JULY 1,	<u>-</u>	<u>281</u>	<u>221</u>
FUND BALANCE JUNE 30,	<u>\$ -</u>	<u>\$ 282</u>	<u>\$ 207</u>

The notes to financial statements are an integral part of this statement.

SCHEDULE SIX**GLENN COUNTY TRANSPORTATION COMMISSION
STATE TRANSIT ASSISTANCE FUND
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
FOR THE YEAR ENDING JUNE 30, 2023**

	4270	
	Total	Prior Year Comparative Totals
ALLOCATIONS:		
Glenn Transit System	\$ 365,852	\$ 250,425
TOTAL ALLOCATIONS	<u>365,852</u>	<u>250,425</u>
EXPENDITURES:		
Transit Expenditures (Glenn Ride)	<u>362,124</u>	<u>250,425</u>
TOTAL EXPENDITURES	<u>362,124</u>	<u>250,425</u>
 UNEXPENDED/(OVEREXPENDED) ALLOCATIONS	 <u>\$ 3,728</u>	 <u>\$ -</u>

The notes to financial statements are an integral part of this statement.

**GLENN COUNTY TRANSPORTATION COMMISSION
PUBLIC TRANSPORTATION, MODERNIZATION, IMPROVEMENT
AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA)
SCHEDULE OF PROCEEDS AND EXPENDITURES
FOR THE YEAR ENDING JUNE 30, 2023**

	Total	Prior Year Comparative Totals
UNEXPENDED PTMISEA PROCEEDS, BEGINNING OF YEAR	\$ -	\$ -
Prior Period Adjustment	-	-
UNEXPENDED PTMISEA PROCEEDS, BEGINNING OF YEAR, As Adjusted	-	-
PTMISEA Proceeds Received:		
Glenn Transit System	-	-
Investment Earnings	-	-
TOTAL PROCEEDS	-	-
EXPENDITURES:		
Capital Outlay	-	-
TOTAL EXPENDITURES	-	-
UNEXPENDED/(OVER EXPENDED) PTMISEA PROCEEDS, END OF YEAR	\$ -	\$ -

The notes to financial statements are an integral part of this statement.