LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

STAFF REPORT

SUBJECT: Draft Fiscal Year 2024 Annual Comprehensive Financial Report (ACFR)

FROM: Tamara Edwards, Director of Finance

DATE: October 22, 2024

Action Requested
Review the Draft Annual Comprehensive Financial Report (ACFR) and forward to the Board for consideration.

Background
The Finance Department has prepared the ACFR following the guidelines of the Government Finance Officers Association and in conformance with generally accepted accounting principles for state and local governmental entities established by the Govern-mental Accounting Standards Board. There are four sections to this report: *Introductory, Financial, Statistical* and *Compliance.*

Discussion
Attached for your review is the draft Annual Comprehensive Financial Report for the fiscal year ending June 2024. This report includes the annual audit prepared by Maze and Associates and staff stating that for the period audited, there were no findings. This is not the complete draft as the Management Discussion and Analysis is not included.

David Alvey from Maze and Associates will be attending the Committee meeting to provide an overview and answer any questions.

Staff will bring the final draft to the November Board meeting for approval.

Recommendation
Staff requests that the Finance and Administration committee review the draft ACFR.

Attachments:

1. Draft LAVTA 2024 Annual Comprehensive Financial Report
2. Draft Memorandum of Internal Control (MOIC)
3. Draft Required Communications

LIVERMORE AMADOR VALLEY
TRANSIT AUTHORITY
LIVERMORE, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

PREPARED BY THE FINANCE DEPARTMENT

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LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2024

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November 4, 2024

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

We are pleased to present the Comprehensive Annual Financial Report of the Livermore Amador Valley Transit Authority (the Authority) for the fiscal year July 1, 2023, through June 30, 2024.

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

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

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

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

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

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

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BACKGROUND INFORMATION

History

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

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

The Authority has come a long way over the years. In early 1990 the fixed route fleet was upgraded with the delivery of 34 new Gillig buses. That year almost 680,000 passengers were transported at a rate of 10.3 passengers per hour. Today, the Authority's fixed route fleet has 60 Gillig buses, which includes vehicles for both local fixed route and bus rapid transit (BRT) service as well as a small contingency fleet. In fiscal year 2024 the Authority transported nearly 1.4 million passengers, an 18% increase from the previous fiscal year. Like most transit agencies, Wheels ridership is still lower than the pre-pandemic levels; however, ridership has returned in full on weekends and is over 80% pre-Pandemic ridership on weekdays.

The Authority

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

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

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

The Executive Director oversees the general operations of the transit system in accordance with the policy direction prescribed by the Board of Directors. During the 2024 fiscal year, Authority staff included a Director of Customer Experience, Director of Finance, Director of Operations, Manager of Capital Projects, Senior Transit Planner, Senior Fleet & Technology Management Specialist, Paratransit Planner, Senior Grants and Management Specialist, Operations Specialist, Executive Assistant, Accounting Analyst, Customer Service Supervisor, and two Customer Service Representatives.

Since its formation, the Authority has contracted with private companies for the day-to-day operation of its services. In fiscal year 2024, fixed route operations and vehicle maintenance were provided under contract with MV Transportation, Inc. Paratransit services were provided under contract with County Connection and their subcontractor Transdev.

The Authority has launched an update to its Strategic Plan, which is expected to be complete by the end of fiscal year 2025. The new Strategic Plan will update the Authority's mission and vision statements, as well as prioritize initiatives. The Stategic Plan will include a 3-5 year implementation plan which will be used to guide the annual operating budget, staff workplans and workforce development processes.

Services

The Livermore Amador Valley Transit Authority provides local public transit services to the cities of Dublin, Livermore, and Pleasanton and to the adjacent unincorporated areas of Alameda County. The service area covers approximately 40 square miles and has approximately 230,000 residents. The service area is divided into two sub-areas: Pleasanton/Dublin and Livermore.

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

The Wheels Fixed Route system consists of the following services:

Wheels	Local and sub-regional fixed route system.
Rapid	Local and sub-regional bus rapid transit system.

Wheels fixed route service runs 365 days a year. On an average weekday, in FY24 the Authority's fixed route fleet carried an average of 4,749 passengers per weekday. FY24 saw an increase in ridership of 18% over FY23.

In March 2024, LAVTA implemented major schedule changes on all its local, rapid and express routes to better connect with the new 20-minute BART train schedule (previously, trains operated every 15-minutes). The changes were made after analysis of public input collected in Fall 2023 during the *Wheels in Motion* outreach campaign. In addition to modifying core routes to 20-minute and 40-minute headways to connect with BART, the Authority restored previously suspended routes (Route 2 in Dublin, Route 11 in east Livermore, and Route 580X between Livermore and BART), and implemented two new routes (Route 4 in central Dublin and Route 18 in south Livermore). LAVTA also added additional frequency on weekends. Since the change was implemented, ridership has responded positively, especially on weekends.

In addition to fixed route service, LAVTA has a partnership with Transportation Network Companies (Uber, and Lyft) to provide discounted rideshare trips throughout Tri-Valley. This partnership has been in place since 2017 after the Authority implemented a major network change and removed fixed route service in low-ridership areas. Originally dubbed *Go Dublin*, the discount was offered for trips taken wholly within the City of Dublin. The service was expanded during the Pandemic to include the entire Tri-Valley and was rebranded as *Go Tri-Valley*. In April 2024, LAVTA implemented a trip cap on the *Go Tri-Valley* program, limiting the discount to 10 trips per TNC per month.

The Authority's fixed route service is supplemented by Dial-A-Ride paratransit service, which transported 31,902 customers in FY2024, an 18.6% increase from FY2024. To manage the demand, the Authority has focused on improved information and education on transportation options, including the fixed route system, Para-Taxi, and Go Tri-Valley program, as well as productivity and eligibility policies. FY23 saw the trend reversing and ridership going back up to 56% of pre-pandemic levels, and FY24 saw that trend continue, with ridership climbing to 70.12% of pre-pandemic levels.

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

The primary objective of the OSR pilot program was to streamline the transit experience, with a particular focus on serving those with mobility challenges who rely on ADA paratransit services. Since its inception, the OSR pilot program has made remarkable strides, with a total of 2,865 trips taken by customers in FY24. This figure underscores the growing demand for a transfer-free, streamlined transportation solution in the East Bay region. The program will enter its fifth year in fiscal year 2025.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

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

Internal Accounting Controls

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

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

The concept of reasonable assurance recognizes that:

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

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

Cash Management

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

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

Budgetary Controls

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

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

Risk Management

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

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

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

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

Independent Audit

State law requires that independent auditors, selected by the Board of Directors, audit the financial statements of the Authority. The fiscal year ended June 30, 2024 audit was conducted by Maze & Associates and their report is included in the Financial Section. Maze & Associates has also audited the Authority's compliance with the Transportation Development Act, a state law governing the expenditure of Local Transportation Funds; and State Transit Assistance, the Single Audit Act and regulations, the law, rules and regulations governing expenditures of federal awards; Measure BB funds, and State of Good Repair (SGR) funds. The Auditors' reports on compliance are presented in the Compliance Section of this report. In all cases the Auditor's reports are "unmodified" meaning there were no compliance exceptions.

FISCAL YEAR IN REVIEW

LAVTA's FY24 Budget was $24,619,185 which was 1.55% higher than FY23. LAVTA was able to comply with the Board's policy to maintain reserves equivalent to 3-6 months of operating costs. While the budget itself was adjusted with the assumption that COVID19 conditions would subside, LAVTA discovered that the difficulty in hiring and retaining bus operators continues and thus was not able to reestablish all of the pre-pandemic service.

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

Fiscal Year 2024 Accomplishments

While the previous section summarizes the financial situation last year, this section describes the work accomplished in FY24. In addition to the on-going workload of the agency, staff have been busy this year on the following issues and projects.

Fixed Route Service/Planning –Adjusted schedules in Spring 2024 in response to BART schedule changes; restored previously suspended routes; implemented new routes in Dublin and Livermore. Adjusted supplemental school service to match new school bell times. Prepared for the opening of Emerald High School. Monitored running time and made adjustments as necessary to improve on-time performance.

Paratransit Service – Worked with County Connection on paratransit contractor oversight. Provided ongoing monitoring of the One Seat Ride Pilot Program.

Capital Projects – Finalized design of the Rutan Hydrogen Retrofit project and prepared IFB documents; finished landscaping at the Livermore Transit Center; started design of the Passenger Facilities Enhancement Project; prepared for the hydrogen fueling station project which will be constructed by 2027.

Audits/Reviews - Had a successful FTA Triennial audit with zero findings; completed the FY24 Financial Audit (ACFR); completed the MTC Triennial audit of TDA funds, a worker's compensation audit, two audits on RM2 funding and one for RM3.

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

FUTURE OUTLOOK

LAVTA's FY25 adopted Budget is $25,035,641 which is 1.69% higher than FY24. The budget assumes LAVTA will provide 124,151 fixed route service hours. The Budget for FY25 continues to comply with the Board's policy to maintain reserves equivalent to 3-6 months of operating costs.

FY25's major operational highlight will be securing a new contract for the fixed route operation and maintenance of the Wheels system and fleet. The RFP for the contract was issued in September 2024 and is expected to be awarded in Spring 2025. Staff are expecting a cost increase associated with new labor rates.

LAVTA's FY25 capital program will advance multiple major capital projects to the construction stage. These have been bucketed into passenger-facing, operational or zero-emissions projects.

<u>Passenger amenities</u>: Design will be complete on the Passenger Facilities Enhancement project and procurement documents for the construction will be completed. LAVTA will be completing all the work at the Livermore Transit Center, including implementing new lighting, updating the monument sign, and repainting the passenger canopy and signature bus stop in downtown Livermore.

<u>Zero-Emissions</u>: In FY25 LAVTA will complete the conversion of two bus bays at the Rutan facility with the necessary safety equipment, ventilation and sensors for the maintenance of hydrogen fuel cell buses. Additionally, an RFQ followed by a design-build RFP will be issued for the hydrogen fueling station, which is expected to be constructed and operational by the end of 2026.

Operational improvements: Design will conclude on the cloud-based Transit Signal Priority Upgrade and Expansion project and the RFP for the new system will be developed. Design will also be complete on the LAVTA office expansion project as well as the Rutan bus gate replacement project.

Fiscal Year 2025 Goals

The Wheels Strategic Plan establishes an overall vision and mission for Wheels and contains a series of goals and strategies to guide the future development of services and projects. An update of the Strategic Plan will kickoff in FY25; however, until a new Strategic Plan is established, below are the goals and strategies and associated projects for FY25:

Goal: Service Development

Strategies:

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

Projects:

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

Goal: Marketing and Public Awareness

Strategies:

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

Projects:

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

Goal: Regional Leadership

Strategies:

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

Projects:

1. Advocate for positions taken by LAVTA on FY24 Legislative Plan

2. Continue support of Tri-Valley – San Joaquin Valley Regional Rail Authority/Valley Link
3. Assist County of Alameda with the completion of the Dublin Parking Garage

Goal: Organizational Effectiveness

Strategies:

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

Projects:

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

Goal: Financial Management

Strategies:

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

Projects:

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

ECONOMIC CONDITION AND OUTLOOK

The Livermore Amador Valley, also called the Tri-Valley, is located on the eastern edge of Alameda County, the seventh largest county in California. The cities of Livermore, Dublin and Pleasanton surpassed 250,000 total residents according to 2020 Census data. According to the Metropolitan Transportation Commission's (MTC) 2050 Plan Bay Area Transportation Plan released in 2021, the population of the Bay Area is expected to grow by 2,000,000 residents between 2020 and 2050. With an additional 1,000,000 jobs. [1]

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

As the Agency prepares for a zero-emissions future, it is expected that operational costs will rise, reflecting the current high cost of hydrogen. Additionally, the Agency is preparing for a new Operations and Maintenance Contract to begin in FY26.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Livermore Amador Valley Transit

Authority for its comprehensive annual financial report for the fiscal year ended June 30, 2023. This was the twenty-seventh consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This Report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

Executive Director	Director of Finance
Christy Wegener	Tamara Edwards

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

PRINCIPAL OFFICIALS

June 30, 2024

Board of Directors

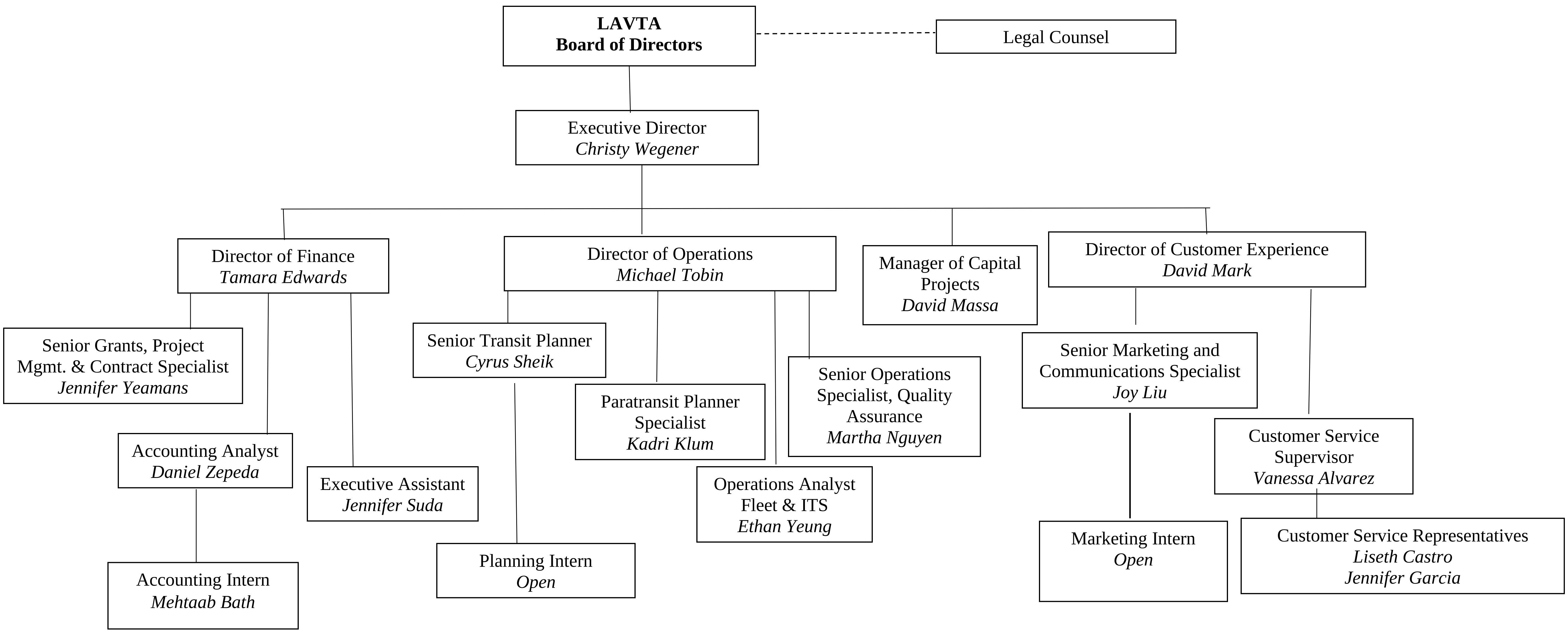
Chair	Melissa Hernandez, Mayor, City of Dublin
Vice Chair	Evan Branning, Councilmember, City of Livermore
Member	David Haubert, Supervisor, Alameda County
Member	Brittni Kiick, Councilmember, City of Livermore
Member	Julie Testa, Councilmember, City of Pleasanton
Member	Jean Josey, Councilmember, City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

Staff

Executive Director	Christy Wegener
Director of Customer Experience	David Mark
Director of Finance	Tamara Edwards
Director of Operations	Michael Tobin
Senior Transit Planner	Cyrus Sheik
Capital Projects Manager	David Massa
Paratransit Planner	Kadri Kulm
Senior Grants & Management Specialist	Jennifer Yeamans
Senior Operations Assistant, Quality Assurance	Martha Nguyen
Senior Marketing and Communications Specialist	Joy Liu
Operations Analyst Fleet and ITS	Ethan Yeung
Accounting Analyst	Daniel Zepeda
Executive Assistant	Jennifer Suda
Customer Service Supervisor	Vanessa Moreno
Customer Service Representative	Liseth Castro
Customer Service Representative	Jennifer Garcia

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Livermore Amador Valley Transit Authority
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

MAZE & ASSOCIATES

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund of the Livermore Amador Valley Transit Authority, California, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

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

Basis for Opinions

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

Responsibilities of Management's for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Summarized Comparative Information

We have previously audited the Authority's June 30, 2023 financial statements, and expressed unmodified audit opinions on those audited financial statements in our report dated November 6, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with audited financial statements form which it has been derived.

Change in Accounting Principles

Management early adopted the provisions of the Governmental Accounting Standards Board Statement 101, *Compensated Absences*, which became effective during the year ended June 30, 2024. See Note 1J for this disclosure.

The emphasis of these matters does not constitute a modification to our opinions.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

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

Pleasant Hill, California
DATE

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LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2024
WITH SUMMARIZED TOTALS AS OF JUNE 30, 2023

	2024				
	Fixed Route Program	Paratransit Program	WHEELS on Demand	Totals	2023 Totals
ASSETS					
Current Assets					
Cash and investments (Note 2)	$20,961,219	$445,019	$12,738	$21,418,976	$26,478,138
Restricted investments (Note 2)	322,062			322,062	204,032
Receivables:					
Accounts	3,556,565	355,183	1,986	3,913,734	4,017,047
Capital grants	630,289			630,289	6,476,016
Due from other funds (Note 1I)					87,273
Due form other governments	2,930,530			2,930,530	
Prepaid expenses	475,977	137,173		613,150	736,546
Total current assets	28,876,642	937,375	14,724	29,828,741	37,999,052
Noncurrent Assets					
Net OPEB asset (Note 10)	69,638			69,638	
Capital Assets (Note 3):					
Land and construction in progress	17,963,900			17,963,900	29,777,862
Depreciable assets	88,151,193	84,846		88,236,039	95,674,627
Subtotal capital assets	106,115,093	84,846		106,199,939	125,452,489
Less: accumulated depreciation	(48,359,262)	(80,265)		(48,439,527)	(48,563,354)
Capital assets, net	57,755,831	4,581		57,760,412	76,889,135
Total noncurrent assets	57,825,469	4,581		57,830,050	76,889,135
Total Assets	86,702,111	941,956	14,724	87,658,791	114,888,187
DEFERRED OUTFLOWS OF RESOURCES					
Pension related (Note 8)	777,421			777,421	873,906
OPEB related (Note 10)	593,386			593,386	711,036
Total Deferred Outflows of Resources	1,370,807			1,370,807	1,584,942
LIABILITIES					
Current Liabilities					
Due to other funds (Note 1I)					87,273
Accounts payable and accrued liabilities	3,381,548	594,677	17,655	3,993,880	7,173,329
Compensated absences (Note 1J)	12,113	14,483		26,596	
Claims payable (Note 1E)	24,311			24,311	36,344
Total current liabilities	3,417,972	609,160	17,655	4,044,787	7,296,946
Noncurrent Liabilities					
Unearned revenues (Note 6)	315,897			315,897	471,621
Compensated absences (Note 1J)	99,521			99,521	
Due to LTF Operating (Note 4)	25,627,304			25,627,304	30,522,176
Net pension liability (Note 8)	1,605,376			1,605,376	1,658,554
Net OPEB liability (Note 10)					300,685
Total noncurrent liabilities	27,648,098			27,648,098	32,953,036
Total Liabilities	31,066,070	609,160	17,655	31,692,885	40,249,982
DEFERRED INFLOWS OF RESOURCES					
Pension related (Note 8)	141,094			141,094	74,719
OPEB related (Note 10)	374,181			374,181	197,986
Total Deferred Inflows of Resources	515,275			515,275	272,705
NET POSITION					
Net investment in capital assets (Note 7)	57,755,831	4,581		57,760,412	76,889,135
Restricted for:					
Pension trust	322,062			322,062	204,032
Unrestricted (Note 7)	(1,586,320)	328,215	(2,931)	(1,261,036)	(1,142,725)
Total Net Position	$56,491,573	$332,796	($2,931)	$56,821,438	$75,950,442

See accompanying notes to basic financial statements

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2023

	2024				
	Fixed Route Program	Paratransit Program	WHEELS on Demand	Totals	2023 Totals
PROGRAM OPERATING REVENUES					
Fare revenues	$1,397,493	$120,887		$1,518,380	$1,455,713
Special contract revenue	685,467	38,440		723,907	793,710
Advertising and ticket concessions	208,918			208,918	208,095
Total program operating revenues	2,291,878	159,327		2,451,205	2,457,518
PROGRAM OPERATING EXPENSES					
Board of Directors	22,712	2,646	$882	26,240	16,917
Executive Director	391,813	17,538	9,894	419,245	275,145
Finance	2,533,413	41,065	1,651	2,576,129	2,781,353
Planning	240,280	33,230		273,510	440,153
Marketing	908,134			908,134	399,599
Operations	14,874,829	1,906,729	349,697	17,131,255	15,561,623
Depreciation (Note 3)	8,056,421	8,878		8,065,299	3,736,541
Total program operating expenses	27,027,602	2,010,086	362,124	29,399,812	23,211,331
PROGRAM OPERATING LOSSES	(24,735,724)	(1,850,759)	(362,124)	(26,948,607)	(20,753,813)
NON-OPERATING REVENUES (EXPENSES)					
Interest and miscellaneous	775,838			775,838	364,938
Local Transportation Funds 4.0	4,907,462		317,144	5,224,606	2,434,237
Local Transportation Funds 4.5		225,974		225,974	98,833
State Transit Assistance	3,373,932			3,373,932	2,649,435
Local Operating Assistance			6,519	6,519	272,445
FTA operating assistance	4,416,742	552,153	38,461	5,007,356	6,505,849
Local Sales Tax/Measure B and BB funds:					
Measure BB grants	1,818,771	872,166		2,690,937	2,848,783
Measure BB - GAP Grants	2,981	15,565		18,546	30,245
Measure BB - City of Pleasanton		176,023		176,023	77,410
Bridge tolls	1,383,577			1,383,577	1,036,467
LCTOP					698,630
Transfer of Parking Garage to County	(20,181,711)			(20,181,711)	
Gain (Loss) on disposal of equipment					(22,805)
Net non-operating revenues, before capital contributions (grants)	(3,502,408)	1,841,881	362,124	(1,298,403)	16,994,467
Capital contributions (grants) (Note 6):					
FTA capital assistance	46,212			46,212	11,587,268
Local Transportation Funds 4.0	759,852			759,852	3,664,159
Vehicle Registration Funds					130,343
State Bond Fund - State of Good Repair					138,317
Transit and Intercity Rail Capital Program	8,311,942			8,311,942	10,944,462
Total capital contributions (grants)	9,118,006			9,118,006	26,464,549
Net non-operating revenues and contributions	5,615,598	1,841,881	362,124	7,819,603	43,459,016
Change in net position	(19,120,126)	(8,878)		(19,129,004)	22,705,203
NET POSITION,					
Beginning of Year	75,611,699	341,674	(2,931)	75,950,442	53,245,239
End of Year	$56,491,573	$332,796	($2,931)	$56,821,438	$75,950,442

See accompanying notes to basic financial statements

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2023

	2024				
	Fixed Route Program	Paratransit Program	WHEELS on Demand	Totals	2023 Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$1,864,822	$620,984		$2,485,806	$2,406,275
Payments to vendors	(19,157,675)	(1,718,610)	($300,364)	(21,176,649)	(12,368,112)
Payments to and on behalf of employees	(2,788,846)	(211,963)	(65,920)	(3,066,729)	(2,676,515)
Net cash provided (used) by operating activities	(20,081,699)	(1,309,589)	(366,284)	(21,757,572)	(12,638,352)
CASH FLOWS FROM INVESTING ACTIVITIES					
Contributions to Section 115 Trust	(118,030)			(118,030)	(115,706)
Interest on investments	764,271			764,271	364,938
Net cash provided by investing activities	646,241			646,241	249,232
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Local Transportation Funds 4.0	12,590		164,273	176,863	10,754,637
Local Transportation Funds 4.5		225,974		225,974	98,833
State Transit Assistance	3,373,932			3,373,932	2,649,435
Local Operating Assistance					187,250
FTA operating assistance	4,416,742	552,153	107,173	5,076,068	6,435,982
Local sales tax/Measure B and BB funds	1,821,752	887,731		2,709,483	2,879,028
Proposition 1B					
Bridge tolls	1,383,577			1,383,577	1,036,467
Transit and Intercity Rail Capital Program					
LCTOP					698,630
Interfund payments	87,273	(87,273)			(87,273)
Due form other governments	2,930,530			2,930,530	87,273
Net cash provided by noncapital and financing activities	14,026,396	1,578,585	271,446	15,876,427	24,740,262
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	11,063,424			11,063,424	(26,464,549)
Transfer of Parking Garage to County	(20,181,711)			(20,181,711)	
Capital grants received:					
FTA capital assistance	46,212			46,212	9,014,555
Local Transportation Funds 4.0	759,852			759,852	1,091,446
State Bond Fund - State of Good Repair					(37,826)
Vehicle Registration Funds					130,343
City of Pleasanton		176,023		176,023	77,410
TIRCP	8,311,942			8,311,942	10,628,880
SGR					30,361
Net cash provided (used) by capital and related financing activities	(281)	176,023		175,742	(5,529,380)
NET CASH FLOWS	(5,409,343)	445,019	(94,838)	(5,059,162)	6,821,762
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	26,370,562		107,576	26,478,138	19,656,376
CASH AND CASH EQUIVALENTS AT END OF YEAR	$20,961,219	$445,019	$12,738	$21,418,976	$26,478,138
Reconciliation of operating loss to net cash provided (used) by operating activities:					
Operating losses	($24,735,724)	($1,850,759)	($362,124)	($26,948,607)	($20,753,813)
Adjustments to reconcile operating loss to net cash provided by operating activities:					
Depreciation	8,056,421	8,878		8,065,299	3,736,541
Increase (decrease) in:					
Accounts receivable	(427,056)	461,657		34,601	(51,243)
Prepaid expenses	160,093	(36,697)		123,396	(283,357)
Net OPEB liability(asset), related deferred inflows, net of deferred outflows	(76,478)			(76,478)	(122,752)
Accounts payable	(3,268,138)	92,849	(4,160)	(3,179,449)	4,741,693
Compensated absences	111,634	14,483		126,117	
Claims payable	(12,033)			(12,033)	(11,892)
Net pension liability, related deferred inflows, net of deferred outflows	109,582			109,582	106,471
Net cash provided (used) by operating activities	($20,081,699)	($1,309,589)	($366,284)	($21,757,572)	($12,638,352)

See accompanying notes to basic financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

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

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

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

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

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

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

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

B. Fund Accounting

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

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

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

D. Basis of Presentation

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Risk Management

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

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

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

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

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

	2023-2024	2022-2023
Balance, July 1	$36,344	$48,236
Net change in liability for claims and claims paid but not reported	718,488	454,731
Claims paid	(730,521)	(466,623)
Balance, June 30	$24,311	$36,344

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

F. Use of Estimates

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Deferred Inflow/Outflow of Resources

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

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

H. Fair Value Measurements

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

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

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

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

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

I. Interfund Balances

Current and prior year balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal years.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences

The liability for compensated absences includes the vested portions of vacation, sick leave and compensated time off. The liability for compensated absences is determined annually.

Compensated absences activity for the year ended June 30, 2024 is as follows:

Beginning Balance	$109,679
Additions	157,658
Payments	(141,220)
Ending Balance	$126,117
Current Portion	$26,596

K. Prior Year Summarized Comparative Information

The basic financial statements include certain prior-year summarized information in total but not at the level of detail required for a presentation on accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

L. Cash and Cash Equivalents

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

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2024 consist of the following:

Unrestricted Cash and Investments:	
Local Agency Investment Fund	$11,590,747
Cash in bank	9,827,789
Cash on hand	440
Total Unrestricted Cash and Investments	21,418,976
Restricted Cash and Investments:	
Cash	322,062
Total Restricted Cash and Investments	322,062
Total Cash and Investments	$21,741,038

NOTE 2 – CASH AND INVESTMENTS (Continued)

A. Investments Authorized by the Authority's Investment Policy

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

B. Interest Rate Risk

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

The Authority is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Authority reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal on demand is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligation, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2024, these investments matured in an average of 217 days.

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

C. Credit Risk

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

D. Concentration of Credit Risk

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

E. Cash Deposits with Financial Institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of June 30, 2024, the Authority's bank balance was $9,828,010 and $9,078,010 of that amount was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging or financial institution's trust department or agent, but not in the Authority's name.

NOTE 2 – CASH AND INVESTMENTS (Continued)

F. Fair Value Hierarchy

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

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

G. 115 Trust

On October 2021, the Authority Board adopted a resolution approving the adoption of the California Employers' Pension Prefunding Trust (CEPPT) Fund administered by CalPERS. The Trust is an irrevocable trust and qualifies as an Internal Revenue Section 115 trust. This trust will assist the Authority in mitigating the CalPERS contribution rate volatility. Investments of funds held in Trust are governed by the Investment Guideline Document for the investment account and by the agreement for administrative services with CalPERS, rather than the general provisions of the California Government Code or the Authority's investment policy. The Authority elected the CEPPT Strategy 2 option. The assets in the Trust will eventually be used to fund pension plan obligations. As of June 30, 2024, the balance held in the Section 115 trust was $322,862.

NOTE 3 – CAPITAL ASSETS

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

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

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

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2024

NOTE 3 – CAPITAL ASSETS (Continued)

Capital assets comprised the following at June 30, 2024:

	Balance June 30, 2023	Additions	Retirements / Adjustments	Transfers	Balance June 30, 2024
Fixed Route:					
Capital assets not being depreciated:					
Land	$3,973,472				$3,973,472
Construction in Progress	13,934,902	$162,137		($106,611)	13,990,428
Construction in Progress - Parking Garage	11,869,488	8,312,223	($20,181,711)		
Total capital assets not being depreciated	29,777,862	8,474,360	(20,181,711)	(106,611)	17,963,900
Capital assets being depreciated:					
Vehicles	64,448,920	409,086	(8,054,661)		56,803,345
Facilities	22,757,155	24,886		68,000	22,850,041
Equipment	8,345,228	209,955	(95,987)	38,611	8,497,807
Total capital assets being depreciated	95,551,303	643,927	(8,150,648)	106,611	88,151,193
Less accumulated depreciation for:					
Vehicles	(34,077,227)	(5,587,143)	8,054,661		(31,609,709)
Facilities	(7,592,350)	(1,883,215)			(9,475,565)
Equipment	(6,783,912)	(586,063)	95,987		(7,273,988)
Total accumulated depreciation	(48,453,489)	(8,056,421)	8,150,648		(48,359,262)
Total depreciable assets	47,097,814	(7,412,494)			39,791,931
Capital assets, net	$76,875,676	$1,061,866	($20,181,711)		$57,755,831
Paratransit					
Capital assets being depreciated:					
Facilities	$40,452				$40,452
Vehicles	82,872		($38,478)		44,394
Total capital assets being depreciated	123,324		(38,478)		84,846
Less accumulated depreciation for:					
Facilities	(40,452)				(40,452)
Vehicles	(69,413)	($8,878)	38,478		(39,813)
Total accumulated depreciation	(109,865)	(8,878)	38,478		(80,265)
Total depreciable assets	13,459	(8,878)			4,581
Capital assets, net	$13,459	($8,878)			$4,581
Total					
Land and Construction in Progress	$29,777,862	$8,474,360	($20,181,711)	($106,611)	$17,963,900
Depreciable Assets:					
Cost	95,674,627	643,927	(8,189,126)	106,611	88,236,039
Less accumulated depreciation for:	(48,563,354)	(8,065,299)	8,189,126		(48,439,527)
Net	47,111,273	($7,421,372)			39,796,512
All Capital Assets, net	$76,889,135				$57,760,412

During fiscal 2021-22, LAVTA entered into an arrangement with the County of Alameda, whereby LAVTA receives capital grant funds from the Transit and Intercity Rail Capital Program to construct a parking garage adjacent to a BART station. As of June 30, 2024, LAVTA has received $20,181,711 which has been spent on the project, which is reported in Construction In Progress. The Authority completed in fiscal 2023-24, and transfered title of the property and garage to the County.

NOTE 4 – OPERATING GRANTS

Under the State Transportation Development Act (the Act), the Metropolitan Transportation Commission (MTC) allocates funds from the County Local Transportation Fund (LTF) based on the Authority's available balance determined at the beginning of each fiscal year and the amount that the Authority requests through an annual claim process. At June 30, 2024, the MTC had unallocated balances not yet granted to the Authority, which are available to fund the Authority's future operating and capital needs. These funds are retained, in accordance with the California Administrative Code, in the LTF at the County of Alameda based on terms and conditions determined by MTC. A summary of these unallocated balances as of June 30, 2024 follows:

Source	Unallocated Balances
Transportation Development Act Funds	$12,829,027
State Transit Assistance Funds:	
Revenue Based Funds	514,526
Total Unallocated Local Transportation Funds	$13,343,553

NOTE 4 – OPERATING GRANTS (Continued)

The Authority's operating needs are determined as set forth below, by adjusting operating losses for certain items and adding back grant funding. MTC allocates State Transit Assistance, Article 4.0 and Article 4.5 funds to cover remaining net operating expenses. Under the Act, Article 4.0 funds may be used to cover Fixed Route Program and Paratransit Program expenses; Article 4.5 funds may only be used to cover Paratransit Program expenses. Unexpended grant funds at June 30, 2024 are calculated as follows:

Fiscal 2024 unexpended funds:	Fixed Route Program	Paratransit Program	Total
Operating loss	($24,735,724)	($1,850,759)	($26,586,483)
Add back:			
Depreciation	8,056,421	8,878	8,065,299
Interest and miscellaneous	775,838		775,838
Net operating expenses reimbursable by grants	(15,903,465)	(1,841,881)	(17,745,346)
Grants:			
Local Operating Assistance			
County Measure B Grants			
County Measure BB Grants	1,818,771	872,166	2,690,937
Measure BB - City of Pleasanton			
Bridge Tolls	1,383,577		1,383,577
LCTOP			
Measure BB - GAP Grants	2,981	15,565	18,546
Measure BB - City of Pleasanton		176,023	176,023
Federal Transportation Administration:			
Operating Assistance	4,416,742	552,153	4,968,895
Net Operating Expenses reimbursable by LTF and STA funds	(8,281,394)	(225,974)	(8,507,368)
State Transit Assistance Receipts	3,373,932		3,373,932
LTF Receipts:			
Article 4.0	12,590		12,590
Article 4.5		225,974	225,974
Due to LTF - fiscal year 2023/2024	(4,894,872)		(4,894,872)
Due to LTF - beginning of year	30,522,176		30,522,176
Due to LTF - end of year	$25,627,304		$25,627,304

NOTE 5 – PARATRANSIT OPERATING GRANT LIMITATIONS

A. General

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

B. Local Match Requirement

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

C. Maximum Article 4.5 and Measure B Eligibility

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

	2024	2023
Operating expenses excluding depreciation	$2,001,208	$1,833,140
Less:		
Actual passenger fare revenues	(120,887)	(105,301)
Special contract revenue	(38,440)	(35,233)
Article 4.0 LTF revenues		
Maximum eligibility	$1,841,881	$1,692,606

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

	2024	2023
Maximum eligibility	$1,841,881	$1,692,606
Less:		
Article 4.5 LTF revenues	(225,974)	(98,833)
State Transit Assistance		
FTA operating assistance	(552,153)	(546,984)
Local sales tax/Measure BB funds	(872,166)	(950,595)
GAP Grants	(15,565)	(18,784)
Measure BB - City of Pleasanton	(176,023)	(77,410)
Deficit (surplus) of Measure B revenue over maximum eligibility	$0	$0

NOTE 5 – PARATRANSIT OPERATING GRANT LIMITATIONS (Continued)

D. Article 4.5 and STA Funds to be Returned

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

	2024	2023
Maximum eligibility computed above	$1,841,881	$1,692,606
Total TDA Article 4.5 revenues	$225,974	$98,833
Amount, if any, to be returned to Alameda County	$0	$0

State Transit Assistance received by the Authority amounted to $3,373,932 during fiscal year 2023-2024, which was expended for operating expenses of the Fixed Route Program.

NOTE 6 – CAPITAL GRANTS

A. Summary

The Authority's capital transactions and unexpended grant funds at June 30, 2024 are calculated as follows:

	Fixed Route Program	Paratransit Program	Total
Capital costs:			
Capital asset additions, non garage	($806,064)		($806,064)
Funding sources:			
FTA Capital Assistance	$46,212		$46,212
Local Transportation Fund 4.0	759,852		759,852
Total Funding Sources	$806,064		$806,064

NOTE 6 – CAPITAL GRANTS (Continued)

B. State of Good Repair (SGR)

As part of the Road Repair and Accountability Act of 2017 established by the California Legislature by Senate Bill (SB) 1, signed by the Governor on April 28, 2018 included a program that provides additional revenue for transit infrastructure repair and service improvements. The Authority was awarded funding from the State of Good Repair (SGR) Program for years ended June 30, 2018 through June 30, 2024 for bus shelter and stop maintenance within the Authority's service area.

A summary of the Authority's outstanding State of Good Repair revenues, including interest earned on unspent funds and expenditures for the year ended June 30, 2024 are as follows and included in the Other Unearned Revenues as noted above:

	Grant	Interest Earned		Expended in Fiscal		Unearned
Project Name	Amount	Prior Years	2023-24	Prior Years	2023-24	Revenue
SGR Programs						
FY 21 Battery Pack Replacements	$60,996	$1,125	$1,355	$28,701		$34,775
FY 22 Transit Center Local Match	62,405	1,157	90	61,349		2,303
FY 23 Replacement Bus Purchase	64,628	419	2,504			67,551
FY 24 Replacement Bus Purchase	67,087		498			67,585
Total State of Good Repair	$255,116	$2,701	$4,447	$90,050		$172,214
Total Unearned Revenues						$172,214

NOTE 7 – NET POSITION

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

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

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

NOTE 8 – PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions – All qualified regular and probationary employees are eligible to participate in the Authority's Miscellaneous Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Authority resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

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

	Miscellaneous Tier I	**Miscellaneous PEPRA**
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55 - 67+	52 - 67+
Monthly benefits, as a % of eligible compensation	1.426% - 2.418%	1.0% - 2.5%
Required employee contribution rates	7.00%	7.75%
Required employer contribution rates	12.47%	7.68%

NOTE 8 – PENSION PLANS (Continued)

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

For the year ended June 30, 2024, the contributions recognized as part of pension expense for the Plan were as follows:

	Miscellaneous
Contributions - employer	$282,266

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

As of June 30, 2024, the Authority reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	$1,605,376

The Authority's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Authority's proportionate share of the net pension liability for the Plan as of June 30, 2022 and 2023 was as follows:

Proportion - June 30, 2022	0.03545%
Proportion - June 30, 2023	0.03210%
Change - Increase (Decrease)	-0.00335%

NOTE 8 – PENSION PLANS (Continued)

For the year ended June 30, 2024, the Authority recognized pension expense of $109,682. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$282,266	
Differences between actual and expected experience	82,011	($12,722)
Changes in assumptions	96,924	
Net differences between projected and actual earnings on plan investments	259,925	
Change in proportion and differences between actual contributions and proportionate share of contributions		(45,004)
Change in Proportions	56,295	(83,368)
Total	$777,421	($141,094)

$282,266 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2025	$119,536
2026	59,732
2027	167,334
2028	7,459
Total	$354,061

Actuarial Assumptions – The total pension liabilities in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous Plan
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table[1]	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit Increase	The lesser of Contract Cola or 2.30% until Purchasing Power Protection Allowance floor on purchase power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

NOTE 8 – PENSION PLANS (Continued)

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2022 valuation were based on the results of a November 2021 actuarial experience study for the period 2001 to 2019. Further details of the Experience Study can be found on the CalPERS website.

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

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

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

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

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

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

NOTE 8 – PENSION PLANS (Continued)

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

	Discount Rate		
	1% Decrease 5.90%	Current 6.90%	1% Increase 7.90%
Miscellaneous	$2,718,872	$1,605,376	$688,873

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

NOTE 9 – DEFERRED COMPENSATION PLAN

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

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

NOTE 10 – POST-EMPLOYMENT HEALTH CARE BENEFITS

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

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

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

NOTE 10 – POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

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

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

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

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

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

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

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

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

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

For the year ended June 30, 2024, the Authority's contributions to the Plan were $223,596.

NOTE 10 – POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2023:

Active employees	15
Inactive employees or beneficiaries currently receiving benefit payments	12
Inactive employees entitled to but not yet receiving benefit payments	-
Total	27

C. *Net OPEB Asset*

Actuarial Methods and Assumptions – The Authority's net OPEB asset was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2023 that was rolled forward using standard update procedures to determine the net OPEB liability as of June 30, 2023, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Discount Rate	6.15%
Inflation	2.50%
Payroll Growth	3.00%
Investment Rate of Return	6.15%
Mortality Rate	MacLeod Watts Scale 2022 applied generationally from 2017
Asset Valuation Method	Market Value of Assets
Healthcare Trend Rate	6.5% decreasing to 3.9% by 2076

The underlying mortality assumptions were based on the Macleod Watts Scale 2022, which is a two-dimensional mortality improvement scale reflecting both age and year of mortality improvement. The underlying base scale is Scale MP-2021 which has two segments - (1) historical improvement rates for the period 1951-2017 and (2) an estimate of future mortality improvement for years 2018-2020 using the Scale MP-2021 methodology but utilizing the assumptions obtained from Scale MP-2015. The Macleod Watts scale then transitions from the 2020 improvement rate to the Social Security Administration (SSA) Intermediate Scale linearly over the 10-year period 2021-2030. After this transition period, the Macleod Watts Scale uses the constant mortality improvement rate from the SSA Intermediate Scale from 2028-2042. The SSA's Intermediate Scale has a final step down in 2045 which is reflected in the Macleod Watts scale for years 2045 and thereafter. Over the ages 95 to 117, the SSA improvement rate is graded to zero.

Scale MP-2021 can be found at the SOA website and the projection scales used in the 2021 Social Security Administrations Trustees Report at the Sociate Security Administration website.

NOTE 10 – POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

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

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

Discount Rate **–** The discount rate used to measure the total OPEB liability was 6.15%. The discount rate used at June 30, 2023 measurement date was 6.15%. The projection of cash flows used to determine the discount rate assumed that Authority's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

D. Changes in Net OPEB Liability (Asset)

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

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability/(Asset) (a) - (b)**
Balance at 6/30/2022 (Measurement Date)	$2,912,794	$2,612,109	$300,685
Changes Recognized for the Measurement Period:			
Service Cost	127,738		127,738
Interest on the total OPEB liability	184,012		184,012
Changes in benefit terms	(216,346)		(216,346)
Differences between expected and actual experience			
Changes of assumptions	(48,231)		(48,231)
Contributions from the employer		247,271	(247,271)
Net investment income		170,992	(170,992)
Administrative expenses		(767)	767
Benefit payments	(96,940)	(96,940)	
Other Expenses			
Net changes	(49,767)	320,556	(370,323)
Balance at 6/30/2023 (Measurement Date)	$2,863,027	$2,932,665	($69,638)

NOTE 10 – POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report. The benefit payments and refunds include implied subsidy benefit payments in the amount of $6,892.

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

The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.15%) or 1-percentage-point higher (7.15%) than the current discount rate:

Net OPEB Liability/(Asset)		
Discount Rate -1%	Discount Rate	Discount Rate +1%
(5.15%)	(6.15%)	(7.15%)
$342,033	($69,638)	($409,200)

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

Net OPEB Liability/(Asset)		
1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
($456,135)	($69,638)	$411,450

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

For the year ended June 30, 2024, the Authority recognized OPEB expense of $147,118. At June 30, 2024, the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	$223,596	
Differences between actual and expected experience		($310,980)
Changes of assumptions	184,242	(63,201)
Net differences between projected and actual earnings on plan investments	185,548	
Total	$593,386	($374,181)

NOTE 10 – POST-EMPLOYMENT HEALTHCARE BENEFITS (Continued)

$125,4191 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2025	($3,181)
2026	(13,957)
2027	88,751
2028	(27,436)
2029	(15,728)
Thereafter	(32,840)
Total	($4,391)

NOTE 11 – CONTINGENT LIABILITIES

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

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

NOTE 12 – MAJOR CONTRACTOR

During fiscal year 2018, the Authority renewed its contract agreement with MV Transportation Inc. to operate and maintain the fixed route program. The term is from July 1, 2018 to June 30, 2021, with an option to extend for up to four additional one-year terms, exercisable at LAVTA's sole discretion, LAVTA exercised the first year option for FY22. MV Transportation Inc. is paid monthly based on a fixed fee plus a fee calculated per service hour. In April 2022 this contract was amended to reflect the need to increase wages for the contractor's personnel in order to provide a competitive wage. Expenses incurred under this contract amounted to $11,610,838 for the fiscal year ended June 30, 2024.

In April 2021 the Board of Directors entered into a contract with Contra Costa County Transportation Authority for share Paratransit services. This contract involves a sub-contractor, Transdev. The contract is paid on a fixed monthly fee plus service hour basis. In fiscal year 2024 the expenses under this contract amounted to $1,675,328.

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REQUIRED SUPPLEMENTARY INFORMATION

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
Cost-Sharing Multiple-Employer Defined Pension Plan
As of fiscal year ending June 30, 2024
Last 10 Years

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

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

Measurement Date	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Plan's proportion of the Net Pension Liability (Asset)	0.0296746%	0.0316032%	0.0318717%	0.0354450%	0.0321048%
Plan's proportion share of the Net Pension Liability (Asset)	$1,188,321	$1,333,048	$605,181	$1,658,554	$1,605,376
Plan's Covered Payroll	$1,318,697	$1,430,831	$1,580,036	$1,549,607	$1,755,777
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	90.11%	93.17%	38.30%	107.03%	91.43%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	73.37%	73.12%	90.49%	76.68%	76.21%

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
Cost-Sharing Multiple-Employer Defined Pension Plan
As of fiscal year ending June 30, 2024
Last 10 Years

SCHEDULE OF CONTRIBUTIONS

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

Fiscal Year ended June 30:	**2020**	**2021**	**2022**	**2023**	**2024**
Actuarially determined contribution	$183,665	$239,002	$248,864	$251,262	$282,266
Contributions in relation to the actuarially determined contributions	(183,665)	(239,002)	(248,864)	(251,262)	(282,266)
Contribution deficiency (excess)	-	-	-	-	-
Covered payroll	$1,430,831	$1,585,156	$1,580,036	$1,549,607	$1,755,777
Contributions as a percentage of covered payroll	12.84%	15.08%	15.75%	16.21%	16.08%

Notes to Schedule:

	Miscellaneous Plan
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table[1]	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit Increase	The lesser of Contract Cola or 2.30% until Purchasing Power Protection Allowance floor on purchase power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
Other Post-Employment Benefit Plan
As of fiscal year ended June 30, 2024

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

CALPERS
Last 10 fiscal years*

Measure Date	**6/30/17**	**6/30/18**	**6/30/19**	**6/30/20**	**6/30/21**	**6/30/22**	**6/30/23**
Total OPEB Liability							
Service Cost	$94,769	$97,849	$101,028	$97,091	$100,004	$110,805	$127,738
Interest	151,446	159,290	167,222	159,915	169,056	172,894	184,012
Changes in benefit terms							
Differences between expected and actual experience			(261,886)		(73,214)		(216,346)
Changes of assumptions			146,247		(36,962)	190,682	(48,231)
Benefit payments	(123,756)	(150,720)	(143,286)	(122,344)	(122,581)	(101,376)	(96,940)
Net change in total OPEB liability	122,459	106,419	9,325	134,662	36,303	373,005	(49,767)
Total OPEB liability - beginning	2,130,621	2,253,080	2,359,499	2,368,824	2,503,486	2,539,789	2,912,794
Total OPEB liability - ending (a)	$2,253,080	$2,359,499	$2,368,824	$2,503,486	$2,539,789	$2,912,794	$2,863,027
Plan fiduciary net position							
Contributions - employer	$244,507	$280,660	$310,474	$248,726	$244,247	$234,077	$247,271
Contributions - employee							
Net investment income	130,957	114,555	108,365	80,375	604,163	(406,821)	170,992
Administrative expense	(656)	(767)	(369)	(967)	(836)	(748)	(767)
Benefit payments	(123,756)	(150,720)	(143,286)	(122,344)	(122,581)	(101,376)	(96,940)
Other Expenses		(1,904)					
Net change in plan fiduciary net position	251,052	241,824	275,184	205,790	724,993	(274,868)	320,556
Plan fiduciary net position - beginning	1,188,134	1,439,186	1,681,010	1,956,194	2,161,984	2,886,977	2,612,109
Plan fiduciary net position - ending (b)	$1,439,186	$1,681,010	$1,956,194	$2,161,984	$2,886,977	$2,612,109	$2,932,665
Net OPEB liability - ending (a)-(b)	$813,894	$678,489	$412,630	$341,502	($347,188)	$300,685	($69,638)
Plan fiduciary net position as a percentage of the total OPEB liability	63.88%	71.24%	82.58%	86.36%	113.67%	89.68%	102.43%
Covered payroll	$1,320,431	$1,299,760	$1,265,362	$1,406,535	$1,510,348	$1,580,036	$1,549,607
Net OPEB liability as a percentage of covered-employee payroll	62.62%	52.20%	32.61%	24.28%	-22.99%	19.03%	-4.49%

Notes to schedule:

* Fiscal year 2018 was the first year of implementation.

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
Other Post-Employment Benefit Plan
As of fiscal year ended June 30, 2024

SCHEDULE OF CONTRIBUTIONS

CALPERS
Last 10 fiscal years*

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

Fiscal Year Ended June 30,	**2022**	**2023**	**2024**
Actuarially determined contribution	$91,171	$157,790	$193,695
Contributions in relation to the actuarially determined contribution	234,077	247,271	223,596
Contribution deficiency (excess)	($142,906)	($89,481)	($29,901)
Covered payroll	$1,580,036	$1,549,607	$1,678,794
Contributions as a percentage of covered employee payroll	14.81%	15.96%	13.32%
Notes to Schedule			
Valuation date:	6/30/2021	6/30/2022	6/30/2023
Methods and assumptions used to determine contribution rates:			
Valuation Date	6/30/2021	6/30/2022	6/30/2023
Actuarial Assumptions:			
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level % 30 yr closed	Level % 30 yr closed	Level % 30 yr closed
Inflation	2.50%	2.50%	2.50%
Payroll Growth	3.00%	3.00%	3.00%
Investment Rate of Return	6.65%	6.15%	6.15%
Mortality Rate	MacLeod Watts Scale 2020 applied generationally	MacLeod Watts Scale 2020 applied generationally	MacLeod Watts Scale 2022 applied generationally
Healthcare Trend Rate	5.7% decreasing to 4%	5.6% decreasing to 4%	6.5% decreasing to 3.9%

Notes to schedule:

* Fiscal year 2018 was the first year of implementation.

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SUPPLEMENTARY INFORMATION

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
SCHEDULE OF OPERATING REVENUES AND EXPENSES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2024
WITH SUMMARIZED TOTALS FOR THE YEAR OF JUNE 30, 2023

	Fixed Route	Paratransit	WHEELS on Demand	Totals 2024	Totals 2023
REVENUES					
Fares	$1,397,493	$120,887		$1,518,380	$1,455,713
Special contract revenue	685,467	38,440		723,907	793,710
Advertising and concessions	208,918			208,918	208,095
Interest and miscellaneous	775,838			775,838	364,938
Local Transportation Funds 4.0	4,907,462		$317,144	5,224,606	2,434,237
Local Transportation Funds 4.5		225,974		225,974	98,833
State Transit Assistance	3,373,932			3,373,932	2,649,435
Local operating assistance			6,519	6,519	272,445
FTA operating assistance	4,416,742	552,153	38,461	5,007,356	6,505,849
Local sales tax/Measure B funds - allocations					
Local sales tax/Measure BB funds	1,818,771	872,166		2,690,937	2,848,783
Measure BB - GAP Grants	2,981	15,565		18,546	30,245
Measure BB - City of Pleasanton		176,023		176,023	77,410
Bridge tolls	1,383,577			1,383,577	1,036,467
Transit and Intercity Rail Capital Program					
LCTOP					698,630
Total Revenues	$18,971,181	$2,001,208	$362,124	$21,334,513	$19,474,790
EXPENSES					
Labor	$1,586,583	$147,130	$53,926	$1,787,639	$1,588,745
Fringe benefits	1,202,263	64,833	11,994	1,279,090	1,087,770
Services	2,201,714	66,807	55,914	2,324,435	2,482,190
Purchased transportation	11,610,838	1,704,880	240,290	13,556,008	12,063,135
Fuel, parts, supplies and other operation costs	1,349,767	12,118		1,361,885	1,332,508
Insurance	730,744	20		730,764	557,600
Administration and legal	289,272	5,420		294,692	362,842
Depreciation	8,056,421	8,878		8,065,299	3,736,541
Transfer of Parking Garage to County	(20,181,711)			(20,181,711)	
Gain (Loss) on disposal of equipment					22,805
Total Expenses	$6,845,891	$2,010,086	$362,124	$9,218,101	$23,234,136

STATISTICAL SECTION

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

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

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

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

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

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

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

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

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

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

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

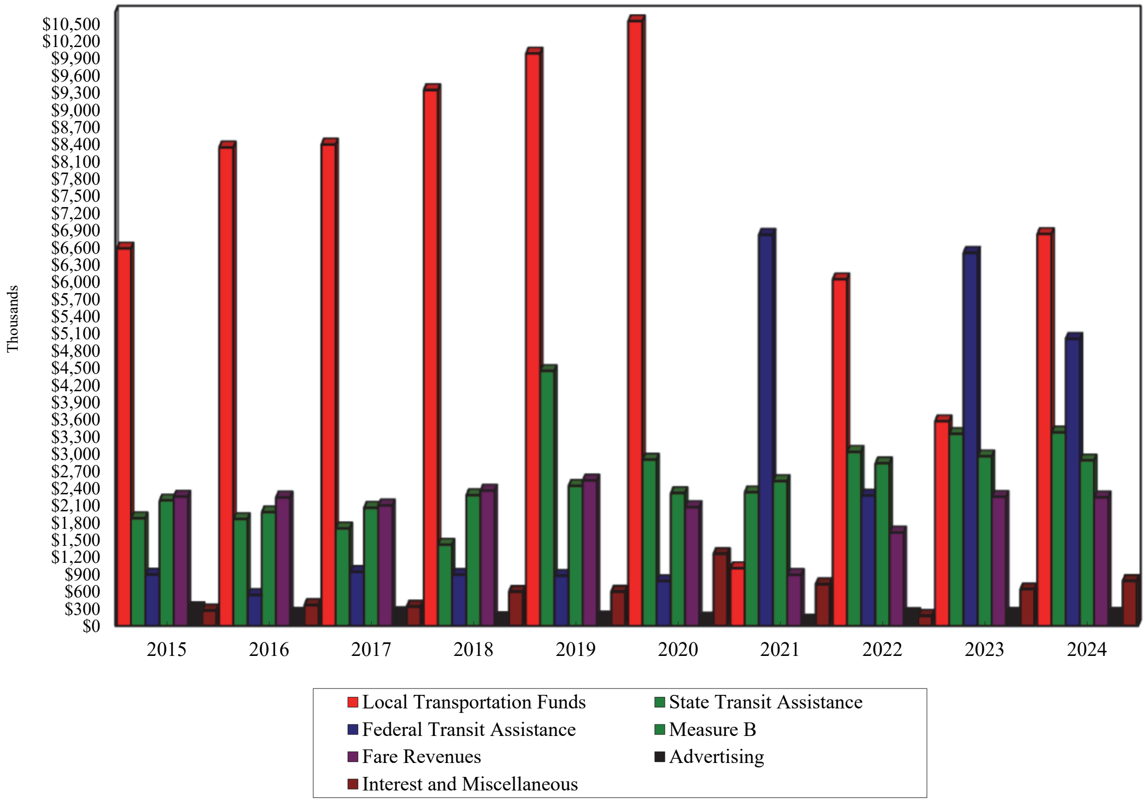
LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
Financial Trends
Changes in Net Position and Statement of Net Position
Last Ten Fiscal Years

	2015	2016	2017	2018
Operating Revenues:				
Fare Revenue & Special Contract Revenue	$2,253,853	$2,239,549	$2,100,641	$2,358,653
Advertising & Ticket Concessions	307,378	207,674	220,205	134,585
Total Operating Revenues	2,561,231	2,447,223	2,320,846	2,493,238
Operating Expenses:				
Board of Directors	13,900	12,400	14,000	12,600
Executive Director	267,874	286,187	389,213	1,595,315
Finance	1,463,419	1,626,818	1,774,636	1,435,628
Planning	549,575	872,266	635,082	813,384
Marketing	308,716	380,240	749,882	581,771
Operations	11,764,743	12,354,542	12,150,840	12,582,572
Depreciation	3,593,338	2,851,726	2,899,301	4,381,174
Total Operating Expenses	17,961,565	18,384,179	18,612,954	21,402,444
Operating loss	(15,400,334)	(15,936,956)	(16,292,108)	(18,909,206)
Nonoperating Revenues (Expenses):				
Local Transportation Funds	6,001,207	7,760,657	7,719,945	8,250,669
State Transit Assistance	1,876,877	1,862,911	1,697,975	1,414,435
Local Operating Assistance	176,611	263,750	137,500	514,070
Federal Transit Assistance	894,942	536,514	941,565	890,169
Measures BB	2,185,850	1,981,247	2,058,647	2,278,736
Bridge tolls	580,836	580,836	671,636	1,089,005
Interest and Miscellaneous	90,673	99,315	198,014	79,987
Transit and Intercity Rail				
LCTOP				
Transfer of Parking Garage to County				
Gain (loss) on disposal of capital assets	(153,065)		54,800	(33,816)
Total Nonoperating Revenues	11,653,931	13,085,230	13,480,082	14,483,255
Add Capital contributions (grants)				
STP/CMAQ Grant				
FTA Capital Assistance	86,710	62,522	14,004,539	11,728,464
Local Transportation Funds 4.0	213,514	82,892	3,087,479	3,079,866
Transit and Intercity Rail				
Bridge Tolls	37,851	15,020	519,943	535,578
Local Sales / Measure B				
State of Good Repair				
State Bond Fund - Prop 1B	111,868	111,765	862,449	132,519
RM2 Viewpoint				
Low Carbon Transit Operations Program				256,773
Tri-Valley Transportation Council				92,399
State Transit Assistance				
STIP				
Contractor Contribution				
Proceeds from Bus Sales			13,312	10,960
Total Capital Contributions	449,943	272,199	18,487,722	15,836,559
Change in net position	(3,296,460)	(2,579,527)	15,675,696	11,410,608
Net position - beginning of period	5,639,644	2,343,184	(236,343)	50,112,398
Net position - end of period	$2,343,184	($236,343)	$15,439,353	$61,523,006
Statement of Net Position				
Net investment in capital assets	$2,343,184	($236,343)	$51,240,131	$62,661,701
Restricted for Pension trust				
Unrestricted			101,457	(1,138,695)
Total net position	$2,343,184	($236,343)	$51,341,588	$61,523,006

Source: LAVTA's basic financial statements.

2019	2020	2021	2022	2023	2024
$2,535,311	$2,070,034	$889,319	$1,626,959	$2,249,423	$2,242,287
146,290	126,872	88,984	206,973	208,095	208,918
2,681,601	2,196,906	978,303	1,833,932	2,457,518	2,451,205
17,190	13,398	12,650	17,400	16,917	26,240
3,848,996	2,643,685	342,877	506,257	275,145	419,245
2,046,045	1,941,196	1,745,186	1,344,662	2,781,353	2,576,129
573,804	724,499	543,962	428,231	440,153	273,510
777,227	681,431	178,649	428,934	399,599	908,134
13,745,979	13,978,804	11,556,825	13,476,763	15,561,623	17,131,255
4,354,157	4,502,614	4,430,184	3,955,850	3,736,541	8,065,299
25,363,398	24,485,627	18,810,333	20,158,097	23,211,331	29,399,812
(22,681,797)	(22,288,721)	(17,832,030)	(18,324,165)	(20,753,813)	(26,948,607)
6,455,113	7,622,740	594,510	5,635,706	2,533,070	5,450,580
4,446,481	2,898,635	2,328,173	3,033,985	2,649,435	3,373,932
162,999	884,121	409,794	136,134	272,445	6,519
870,129	779,525	6,819,121	2,273,383	6,505,849	5,007,356
2,549,883	2,388,665	2,524,565	2,835,442	2,956,438	2,885,506
3,519,961	2,915,325	409,489	409,489	1,036,467	1,383,577
431,776	212,809	161,891	31,171	364,938	775,838
		154,303	6,894		
			206,113	698,630	
					(20,181,711)
(52,472)	(21,777)		(31,581)	(22,805)	
18,383,870	17,680,043	13,401,846	14,536,736	16,994,467	(1,298,403)
407,821	330,540	110,022		11,587,268	46,212
670,993	764,318	1,809,530	765,756	3,664,159	759,852
			925,026	10,944,462	8,311,942
		755,939			
	68,221	12,124			
196,738		112,515	112,782	138,317	
		20,505			
37,537	863,729	146,334			
			410,657	130,343	
		33,308			
1,313,089	2,026,808	3,000,277	2,214,221	26,464,549	9,118,006
(2,984,838)	(2,581,870)	(1,429,907)	(1,573,208)	22,705,203	(19,129,004)
61,523,006	58,570,492	56,248,354	54,818,447	53,245,239	75,950,442
$58,538,168	$55,988,622	$54,818,447	$53,245,239	$75,950,442	$56,821,438
$59,709,187	$57,387,049	$55,957,142	$54,183,932	$76,889,135	$57,760,412
				204,032	322,062
(1,138,695)	(1,138,695)	(1,138,695)	(938,693)	(1,142,725)	(1,261,036)
$58,570,492	$56,248,354	$54,818,447	$53,245,239	$75,950,442	$56,821,438

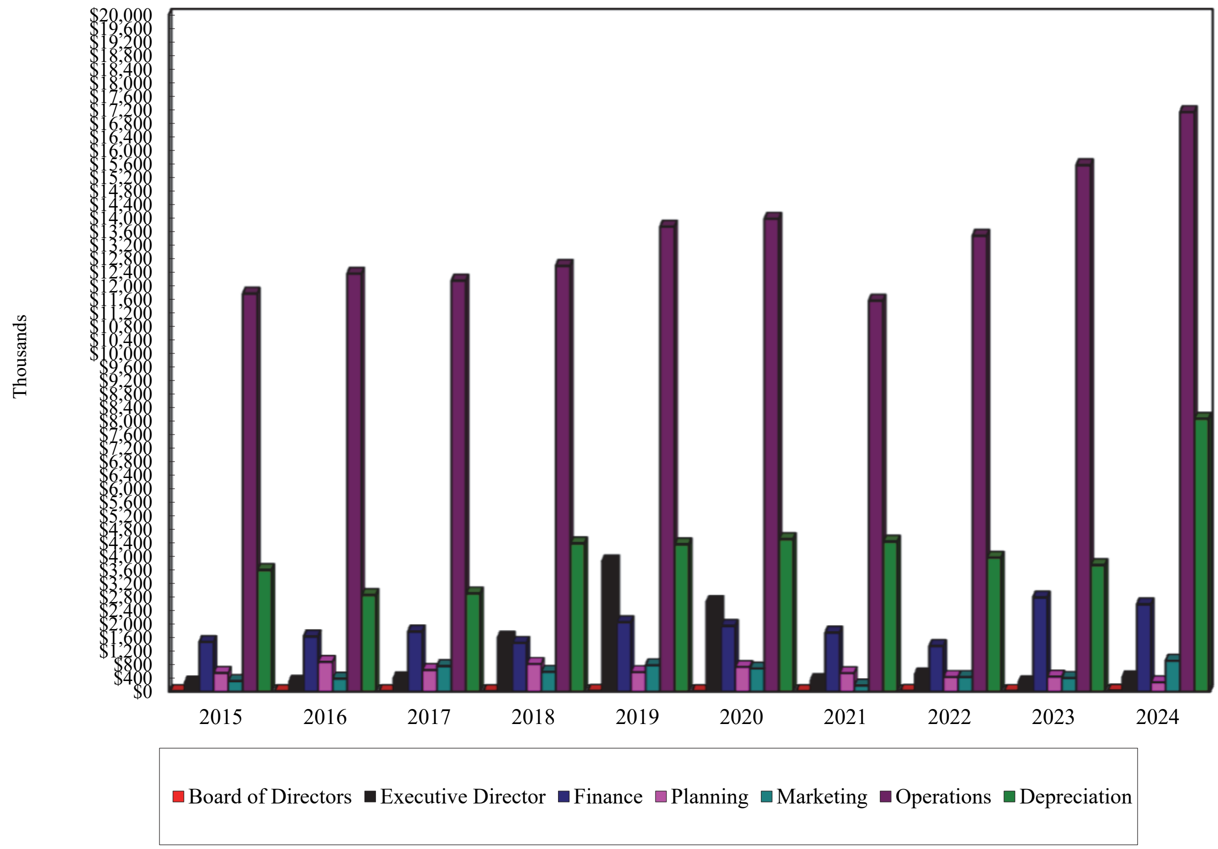
LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
OPERATING AND NON-OPERATING REVENUES BY SOURCE
LAST TEN FISCAL YEARS



Fiscal Year	Local Transportation Funds	State Transit Assistance	Federal Transit Assistance	Measures B & BB	Fare Revenues & Special Contract Revenue	Advertising & Ticket Concessions	Local Operating Assistance, Interest and Miscellaneous	Total
2015	$6,582,043	$1,876,877	$894,942	$2,185,850	$2,253,853	$307,378	$267,284	$14,368,227
2016	8,341,493	1,862,911	536,514	1,981,247	2,239,549	207,674	363,065	15,532,453
2017	8,391,581	1,697,975	941,565	2,058,647	2,100,641	220,205	335,514	15,746,128
2018	9,339,674	1,414,435	890,169	2,278,736	2,358,653	134,585	594,057	17,010,309
2019	9,975,074	4,446,481	870,129	2,441,181	2,535,311	146,290	594,775	21,009,241
2020	10,538,065	2,898,635	779,525	2,315,860	2,070,034	126,872	1,254,022	19,983,013
2021	1,003,999	2,328,173	6,819,121	2,524,565	889,319	88,984	725,988	14,380,149
2022	6,045,195	3,033,985	2,273,383	2,835,442	1,626,959	206,973	174,199	16,196,136
2023	3,569,537	3,348,065	6,505,849	2,956,438	2,249,423	208,095	637,383	19,474,790
2024	6,834,157	3,373,932	5,007,356	2,885,506	2,242,287	208,918	782,357	21,334,513

Source: Livermore Amador Valley Transit Authority Audit Reports

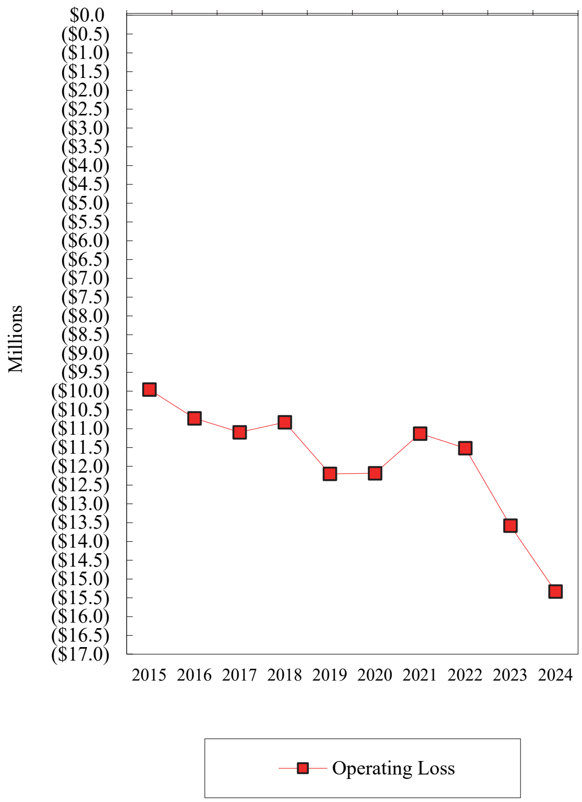
LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
OPERATING EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS

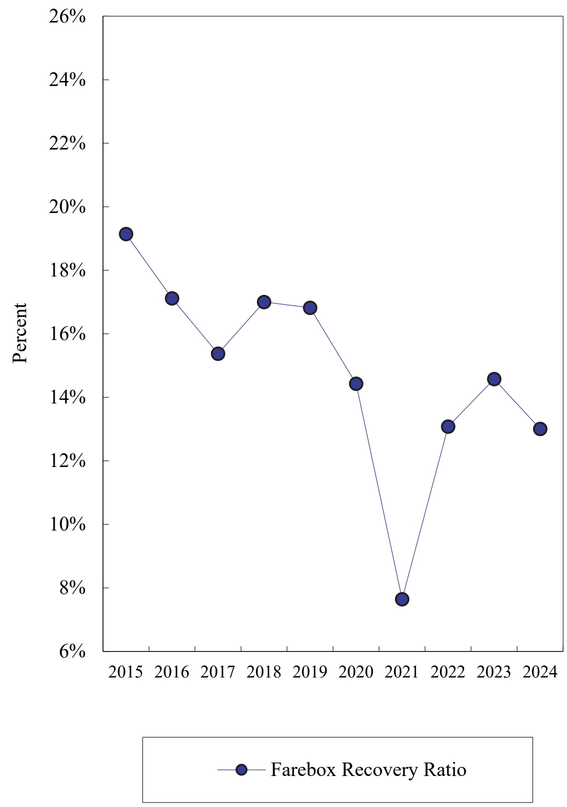


Fiscal Year	Board of Directors	Executive Director	Finance	Planning	Marketing	Operations	Depreciation	Total
2015	$13,900	$267,874	$1,463,419	$549,575	$308,716	$11,764,743	$3,593,338	$17,961,565
2016	12,400	286,187	1,626,818	872,266	380,240	12,354,542	2,851,726	18,384,179
2017	14,000	389,213	1,774,636	635,082	749,882	12,150,840	2,899,301	18,612,954
2018	12,600	1,595,315	1,435,628	813,384	581,771	12,585,572	4,381,174	21,405,444
2019	17,190	3,848,996	2,046,045	573,804	777,227	13,745,979	4,354,157	25,363,398
2020	13,398	2,643,685	1,941,196	724,499	681,431	13,978,804	4,502,614	24,485,627
2021	12,650	342,877	1,745,186	543,962	178,649	11,556,825	4,430,184	18,810,333
2022	17,400	506,257	1,344,662	428,231	428,934	13,476,763	3,955,850	20,158,097
2023	16,917	275,145	2,781,353	440,153	399,599	15,561,623	3,736,541	23,211,331
2024	26,240	419,245	2,576,129	273,510	908,134	17,131,255	8,065,299	29,399,812

Source: Livermore Amador Valley Transit Authority Audit Reports

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



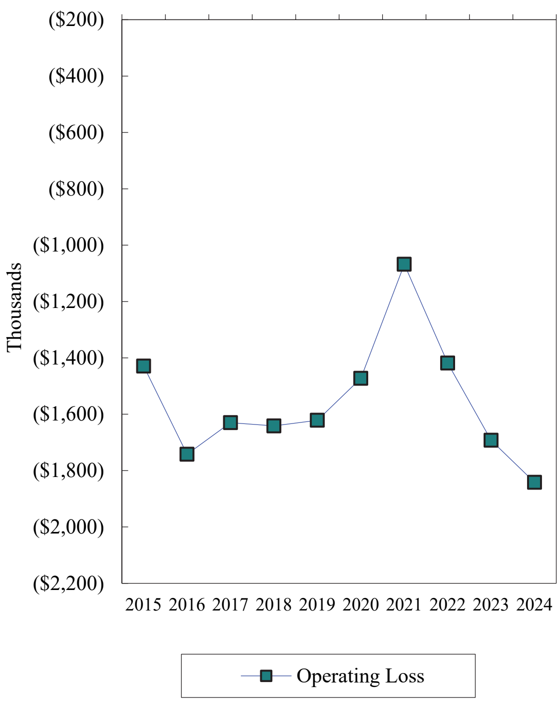


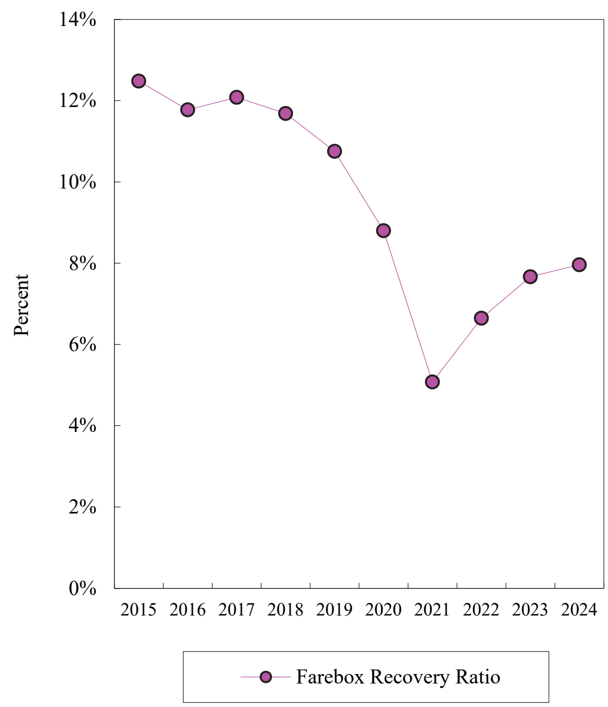
Fiscal Year	Operating Expenses Excluding Insurance and Depreciation	Fare & Auxiliary Transportation Revenues	Operating Loss Before Insurance and Depreciation	Farebox Recovery Ratio
2015	$12,315,547	$2,357,410	($9,958,137)	19.1%
2016	12,937,607	2,214,697	(10,722,910)	17.1%
2017	13,110,490	2,015,491	(11,094,999)	15.4%
2018	13,046,572	2,218,233	(10,828,339)	17.0%
2019	14,665,989	2,466,812	(12,199,177)	16.8%
2020	14,239,620	2,054,794	(12,184,826)	14.4%
2021	12,050,002	921,193	(11,128,809)	7.6%
2022	13,250,097	1,732,935	(11,517,162)	13.1%
2023	15,895,639	2,316,984	(13,578,655)	14.6%
2024	17,621,414	2,291,878	(15,329,536)	13.0%

Source: Livermore Amador Valley Transit Authority Audit Reports

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

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



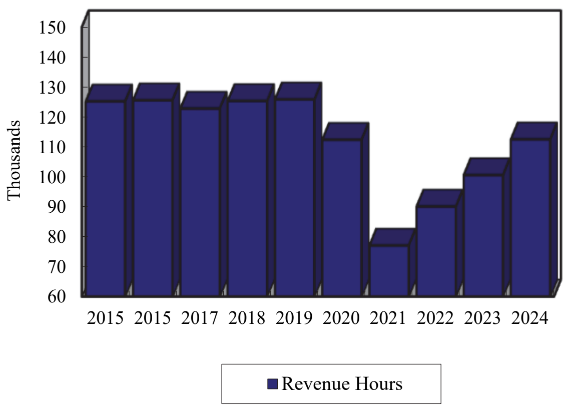


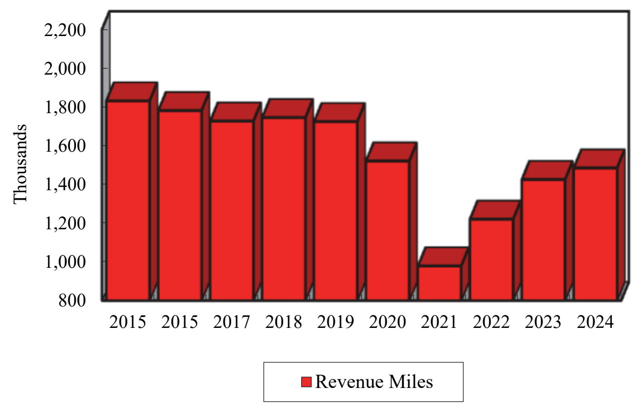
Fiscal Year	Operating Expenses Excluding Insurance and Depreciation	Fare & Auxiliary Transportation Revenues	Operating Loss Before Insurance and Depreciation	Farebox Recovery Ratio
2015	$1,633,002	$203,821	($1,429,181)	12.5%
2016	1,974,712	232,526	(1,742,186)	11.8%
2017	1,854,081	224,023	(1,630,058)	12.1%
2018	1,858,729	217,184	(1,641,545)	11.7%
2019	1,816,966	195,367	(1,621,599)	10.8%
2020	1,614,886	142,112	(1,472,774)	8.8%
2021	1,125,031	57,110	(1,067,921)	5.1%
2022	1,519,606	100,997	(1,418,609)	6.6%
2023	1,833,140	140,534	(1,692,606)	7.7%
2024	2,001,188	159,327	(1,841,861)	8.0%

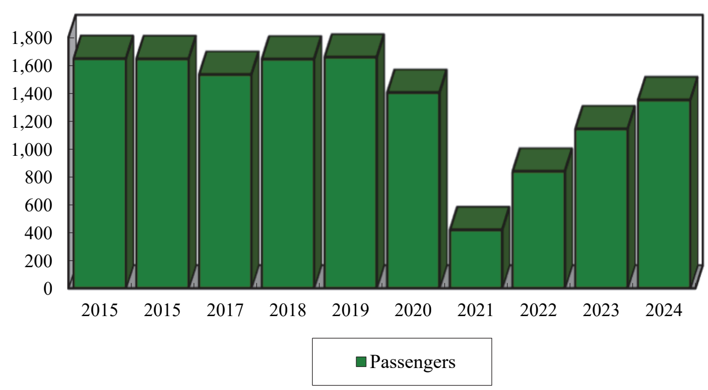
Source: Livermore Amador Valley Transit Authority

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

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







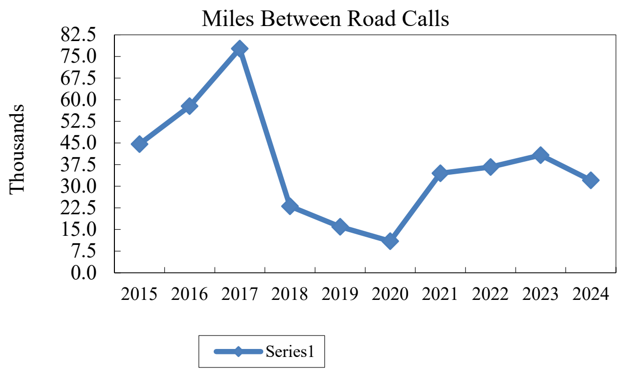
Fiscal Year	Revenue Hours	Revenue Miles	Passengers
2015	125,201	1,831,125	1,650,388
2015	125,604	1,780,948	1,648,811
2017	122,837	1,726,897	1,536,084
2018	125,334	1,744,881	1,647,003
2019	125,853	1,724,046	1,660,443
2020	112,412	1,520,641	1,406,245
2021	77,053	978,477	420,226
2022	90,069	1,219,740	841,343
2023	100,598	1,425,216	1,145,515
2024	112,516	1,484,636	1,353,810

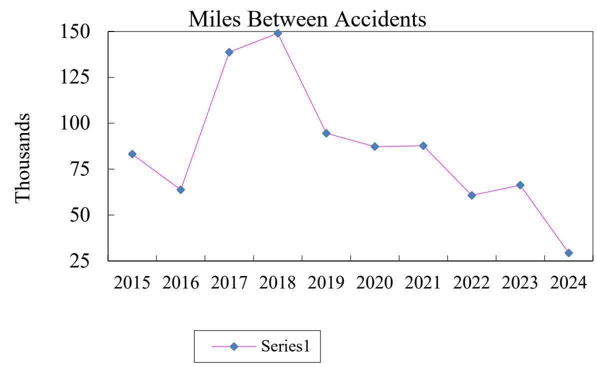
Source: National Transit Database Report (Formerly Section 15)

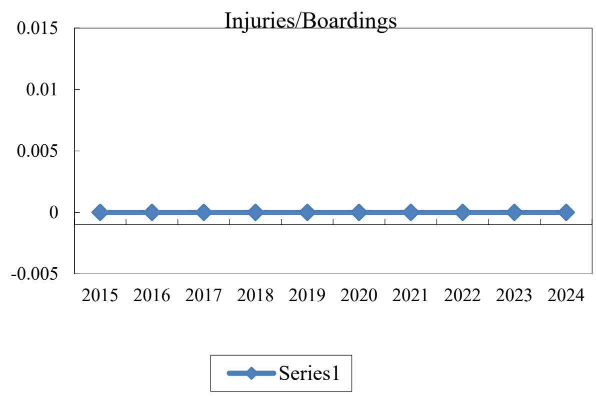
LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

FIXED ROUTE SAFETY STATISTICS

LAST TEN FISCAL YEARS



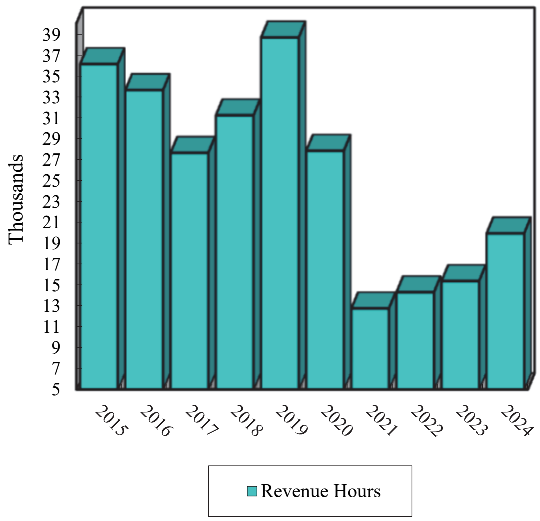


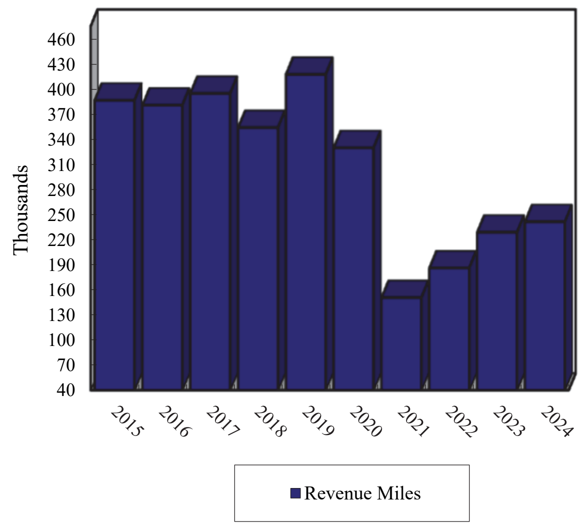


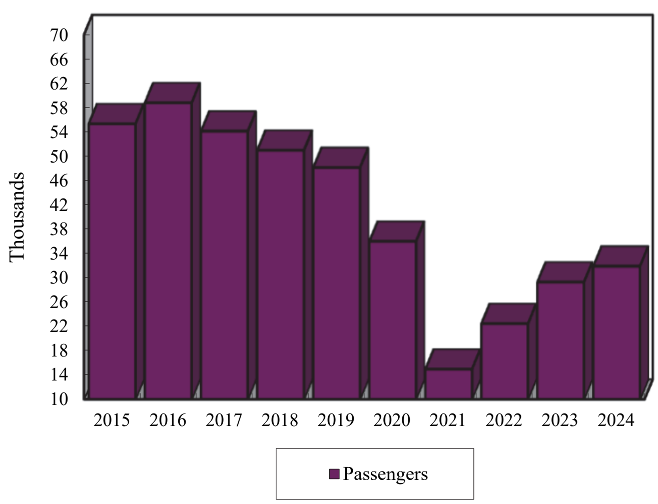
Fiscal Year	Miles Between Road Calls	Goal	Miles Between Accidents	Goal	Injuries/ Boardings	Goal
2015	44,620	17,000-25,000	83,156	100,000	7/1,650,388	N/A
2016	57,764	17,000-25,000	63,740	100,000	9/1,648,811	N/A
2017	77,720	17,000-25,000	138,737	100,000	9/1,536,084	N/A
2018	23,052	17,000-25,000	148,993	100,000	9/1,647,003	N/A
2019	15,939	17,000-25,000	94,506	100,000	3/1,660,443	N/A
2020	10,939	17,000-25,000	87,322	100,000	2/1,406,245	N/A
2021	34,484	17,000-25,000	87,760	100,000	3/420,226	N/A
2022	36,636	17,000-25,000	60,679	100,000	8/841343	N/A
2023	40,780	17,000-25,000	66,267	100,000	2/1145515	N/A
2024	32,067	17,000-25,000	29,350	100,000	11/1353810	N/A

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

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



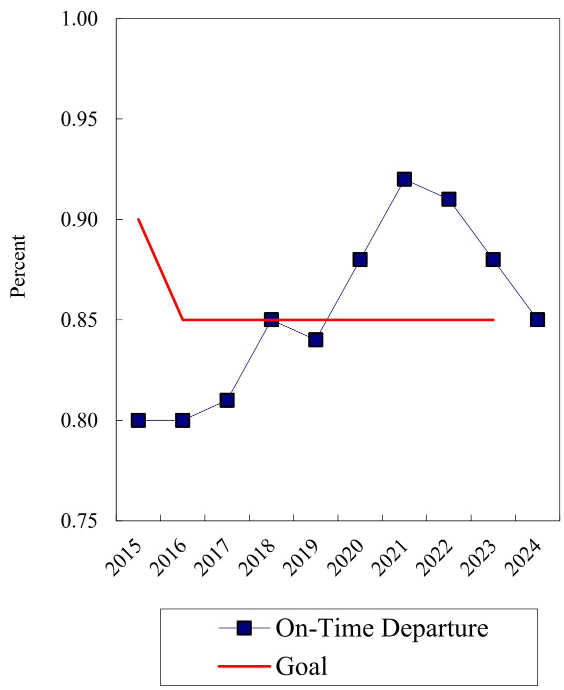


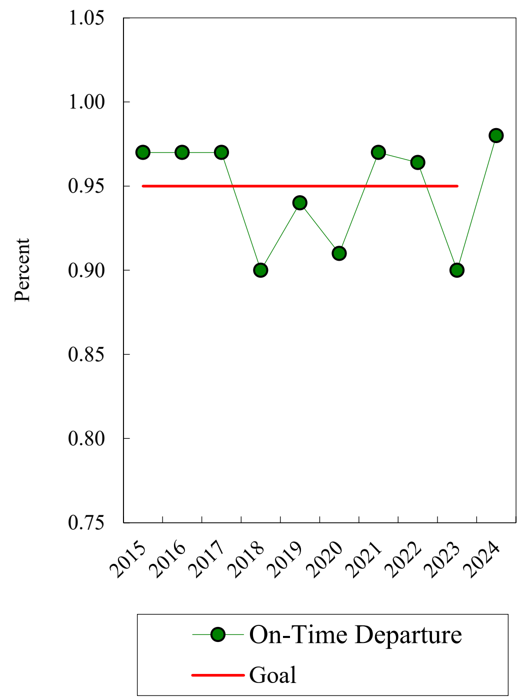


Fiscal Year	Revenue Hours	Revenue Miles	Passengers
2015	36,120	386,586	55,341
2016	33,642	380,831	58,798
2017	27,631	394,847	54,121
2018	31,219	353,966	50,967
2019	38,665	417,558	48,141
2020	27,833	329,784	36,002
2021	12,747	150,703	14,960
2022	14,300	186,068	22,454
2023	15,364	228,836	29,293
2024	19,927	241,401	31,902

Source: National Transit Database Report (Formerly Section 15)

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



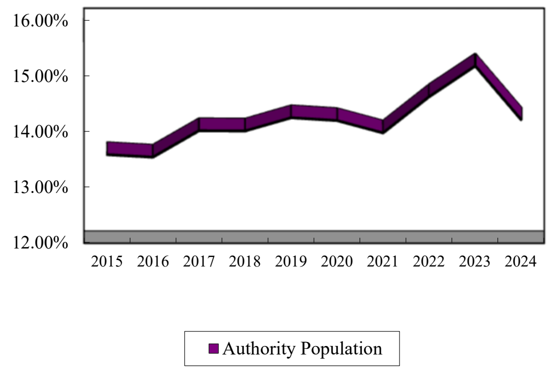


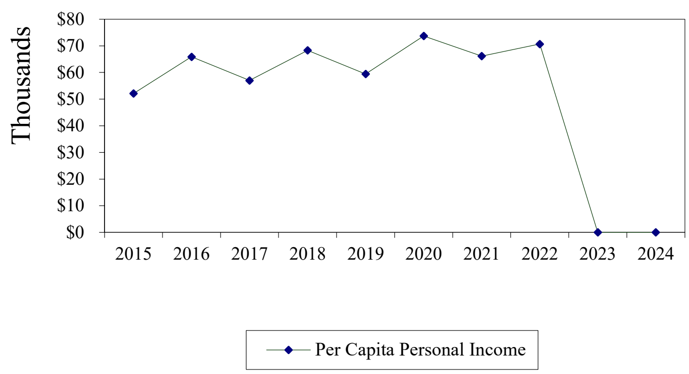
Fiscal Year	Fixed Route On-Time Departure	Fixed Route Goal	Paratransit On-Time Departure	Paratransit Goal
2015	0.80	0.90	0.97	0.95
2016	0.80	0.85	0.97	0.95
2017	0.81	0.85	0.97	0.95
2018	0.85	0.85	0.90	0.95
2019	0.84	0.85	0.94	0.95
2020	0.88	0.85	0.91	0.95
2021	0.92	0.85	0.97	0.95
2022	0.91	0.85	0.96	0.95
2023	0.88	0.85	0.90	0.95
2024	0.85	0.85	0.98	0.95

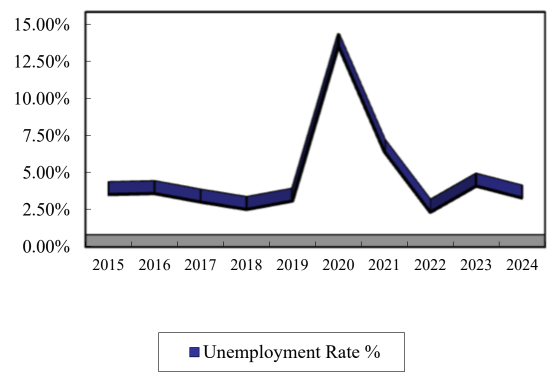
Source: Livermore Amador Valley Transit Authority Short Range Transit Plans or Contractor Service Quality Standards Index

Note: Charts include all available data

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







Fiscal Year	Authority Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%)	Alameda County Population	Authority Population % of County
2015	216,684	11,648,959,062	52,098	3.53%	1,594,569	13.59%
2016	220,469	9,791,798,832	65,884	3.60%	1,627,865	13.54%
2017	230,968	4,299,478,125	57,006	3.03%	1,647,704	14.02%
2018	233,061	4,769,199,955	68,290	2.53%	1,663,190	14.01%
2019	236,300	12,196,374,455	59,421	3.10%	1,658,131	14.25%
2020	237,041	18,079,183,396	73,700	13.5%	1,669,301	14.20%
2021	235,163	18,792,753,154	66,139	6.4%	1,682,353	13.98%
2022	241,142	16,454,948,000	70,678	2.33%	1,648,556	14.63%
2023	252,774	info not avail	info not avail	4.10%	1,665,405	15.18%
2024	233,312	info not avail	info not avail	3.30%	1,641,869	14.21%

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

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
PRINCIPAL EMPLOYERS
Current Fiscal Year

	2023-24		
Employer	**Number of Employees**	**Rank**	**Percentage of Total Authority Population**
Lawrence Livermore National Laboratory	9,291	1	4.0%
Workday Incorporated	5,548	2	2.4%
Kaiser Foundation Hospitals	3,549	3	1.5%
U. S. Government & Federal Correction Institute	3,275	4	1.4%
Sandia National Laboratories	1,842	5	0.8%
Livermore Valley Joint Unified School District	1,380	6	0.6%
County of Alameda	1,274	7	0.5%
Dublin Unified School District	1,235	8	0.5%
Ross Stores Headquarters	1,188	9	0.5%
Lam Research	1,055	10	0.5%
Subtotal	29,637		12.7%
Total Authority Population	233,312		

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

NOTE: Data from nine years prior is not available.

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

	Adopted for Fiscal Year Ended June 30,				
	2015	**2016**	**2017**	**2018**	**2019**
Function					
Executive Director	1.00	1.00	1.00	1.00	1.00
Administrative Services	8.00	8.00	6.00	7.00	7.00
Planning	4.00	4.00	5.00	4.00	3.50
Marketing	2.00	2.00	2.00	2.00	1.50
Operations	0.00	0.00	0.00	0.00	1.00
Total	15.00	15.00	14.00	14.00	14.00

	Adopted for Fiscal Year Ended June 30,				
	2020	**2021**	**2022**	**2023**	**2024**
Function					
Executive Director	1.00	1.00	1.00	1.00	1.00
Finance and Administration	4.00	4.00	4.00	5.00	5.00
Planning	1.50	1.50	1.50	1.50	1.00
Marketing	1.50	1.50	0.50	0.50	5.00
Operations	7.00	7.00	7.00	7.00	4.00
Total	15.00	15.00	14.00	15.00	16.00

Source: Livermore/Amador Valley Transit Authority

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

	Fiscal Year				
	2015	2016	2017	2018	2019
Function/Program					
Fixed Route					
Total Vehicles	66	64	64	60	60
Average Fleet Age	10.27	11.20	8.09	3.93	4.93
Vehicles Operated In Maximum Service	49	49	47	48	49
Paratransit					
Total Vehicles	4	0	0	0	0
Average Fleet Age	9.00	0.00	0.00	0.00	0.00
Vehicles Operated In Maximum Service	0	0	0	0	0
Shared Stations Maintenance Facilities	3	3	3	3	3

	Fiscal Year				
	2020	2021	2022	2023	2024
Function/Program					
Fixed Route					
Total Vehicles	66	65	65	60	60
Average Fleet Age	5.93	6.81	7.81	5.71	7.19
Vehicles Operated In Maximum Service	52	52	47	49	47
Paratransit					
Total Vehicles	0	0	0	0	0
Average Fleet Age	0.00	0.00	0.00	0.00	0.00
Vehicles Operated In Maximum Service	0	0	0	0	0
Shared Stations Maintenance Facilities	3	3	3	3	3

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

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2024

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

Identification of major programs:

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

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

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

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2024

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Federal Expenditures
U.S Department of Transportation **Direct** Program:			
Formula Grants For Rural Areas and Tribal Transit Program			
California Department of Transportation			
5311 Fixed Route Operating Assistance	20.509		$61,371
U.S Department of Transportation **Pass-Through** Programs:			
Federal Transit Cluster			
Federal Transit - Formula Grants (Urban Area Formula Program)			
Paratransit Operating Assistance	20.507	CA-2023-177-00	552,153
Battery Pack Replacement	20.507	CA-2019-100	46,212
COVID - 19 Fixed Route Operating Assistant	20.507	CA-2022-003-01	4,355,371
Total U.S Department of Transportation Programs			5,015,107
Total Expenditures of Federal Awards			$5,015,107

See Accompanying Notes to Schedule of Expenditures of Federal Awards

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2024

NOTE 1 – REPORTING ENTITY

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST ELECTION

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund of the Livermore Amador Valley Transit Authority (Authority) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated (BFS opinion Date).

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

Accountancy Corporation
3478 Buskirk Avenue, Suite 217
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The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated (BFS opinion Date), which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

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

Pleasant Hill, California
(BFS opinion Date)

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Livermore Amador Valley Transit Authority's (Authority) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2024. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

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

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

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

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

Pleasant Hill, California
(SA opinion Date)

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund of the Livermore Amador Valley Transit Authority (Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated (BFS opinion Date).

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the of financial statements. Our procedures included the applicable audit procedures contained in §6667 of Title 21 of California Code of Regulations and tests of compliance with the applicable provisions of the Transportation Development Act and the allocation instructions and resolutions of the Metropolitan Transportation Commission. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated (BFS opinion Date), which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

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

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

Pleasant Hill, California
(BFS opinion Date)

Attachment 2

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

MEMORANDUM ON INTERNAL CONTROL

FOR THE YEAR ENDED JUNE 30, 2024

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LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
MEMORANDUM ON INTERNAL CONTROL

For the Year Ended June 30, 2024

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MEMORANDUM ON INTERNAL CONTROL

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

In planning and performing our audit of the basic financial statements of the Livermore Amador Valley Transit Authority (Authority) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies in internal control included on the Schedule of Significant Deficiencies to be significant deficiencies.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

Management's written responses included in this report have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, the Board of Directors, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

Pleasant Hill, California
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MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF SIGNIFICANT DEFICIENCIES

1. Timely Review and Approval of Credit Card Reconciliations

Credit card reconciliations are essential to the accounting process that ensure transactions made with credit cards match transactions that appear in the general ledger. With this process, preparing, reviewing, and approving credit card reconciliations should be done in a timely manner; usually within 30 to 45 days after the end of each month. During interim testing, we selected two credit card reconciliations in fiscal year 2024 to verify mitigating factors. Noted 1) for November 2023, the reconciliation was prepared on 3/6/24 then reviewed and approved on 3/6/24 and 3/7/24, which is over 45 days and 2) for February 2024, the reconciliation was prepared on 4/26/24 then reviewed and approved on 4/26/24, which is over 45 days. Without timely preparation, review, and approval of credit card reconciliations, the likelihood of fraudulent activities, financial error, and inaccurate data entries increase.

We understand the delay is due to staff was in progress to make the accounts payable process more efficient by switching to digital files and signatures, which was more time consuming than expected. We recommend that the Authority implement procedures to ensure to prepare, review, and approve credit card reconciliations in a timely manner.

2. Missing Documentation of Reviewer and Reviewer Date on Journal Entries

Journal entries are a crucial step in the transaction cycle that impact all aspects of accounting and financial reporting. The Authority should maintain documentation to show the segregation of duties for JE preparation process. For the Authority, we selected twelve journal entries to verify mitigating factors and noted that two entries, JE 21-00 dated 9/13/23 and JE 22-00 dated 10/12/23, did not have any documentation of a reviewer signature and date. Without any documentation of a reviewer signature and date, we cannot be determined if the internal control procedure is in place.

We understand the missing documentation is due to staff forgot to document completed review of journal entries through a signature and date. We recommend that the Authority implement procedures to ensure proper documentation of reviewer with a signature and reviewer date on each journal entry.

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MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE

The following comment represents new pronouncements taking affect in the next few years. We have cited them here to keep you informed of developments.

EFFECTIVE FISCAL YEARS 2022, 2023 and 2024:

GASB 99 – *Omnibus 2022*

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. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument

- Clarification of provisions in Statement No. 87, *Leases,* as amended, related to the determination of the lease term, classification of a lease as a short term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives

- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset

- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements,* related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short term SBITA, and recognition and measurement of a subscription liability

- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt

- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)

- Disclosures related to nonmonetary transactions

- Pledges of future revenues when resources are not received by the pledging government

GASB 99 – *Omnibus 2022 (Continued)*

- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* as amended, related to the focus of the government-wide financial statements

- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*

- Terminology used in Statement 53 to refer to resource flows statements.

The Requirements of this Statement are Effective as Follows:

The requirements in paragraphs 26–32 related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.

The requirements in paragraphs 11–25 related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

The requirements in paragraphs 4–10 related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Earlier application is encouraged and is permitted by individual topic.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

EFFECTIVE FISCAL YEAR 2023/24:

GASB 100 – *Accounting for Changes and Error Corrections*

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.

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

SCHEDULE OF OTHER MATTERS

EFFECTIVE FISCAL YEAR 2024/25:

GASB 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.

Recognition And Measurement

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

Notes To Financial Statements

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

GASB 101 – *<u>Compensated Absences (Continued)</u>*

How the Changes in this Statement Will Improve Financial Reporting

The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

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LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

REQUIRED COMMUNICATIONS

FOR THE YEAR ENDED JUNE 30, 2024

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LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
REQUIRED COMMUNICATIONS

For the Year Ended June 30, 2024

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REQUIRED COMMUNICATIONS

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

We have audited the basic financial statements of the Livermore Amador Valley Transit Authority, California, for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards and Uniform Guidance,* as well as certain information related to the planned scope and timing of our audit. We have communicated such information orally during our discussion with the Finance and Administration Committee on April 22, 2024 . Professional standards also require that we communicate to you the following information related to our audit:

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Accounting Policies – Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except as follows:

The following pronouncements became effective, but did not have a material effect on the financial statements:

GASB 99 – ***Omnibus 2022, paragraphs 4-10***
GASB 100 – ***Accounting for Changes and Error Corrections***

Unusual Transactions, Controversial or Emerging Areas – We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates – Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were:

> *Estimated Net Pension Liabilities and Pension-Related Deferred Outflows and Inflows of Resources:* Management's estimate of the net pension liabilities and deferred outflows/inflows of resources are disclosed in Note 8 to the financial statements and are based on actuarial studies determined by a consultant, which are based on the experience of the Authority. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole.

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Estimated Net OPEB Liability and OPEB-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net OPEB liability is disclosed in Note 10 to the financial statements and is based on actuarial study determined by a consultant, which is based on the experience of the Authority. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole.

Estimate of Depreciation: Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 3 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Claims Liabilities: Management's estimate of the claims liabilities payable is disclosed in Note 1E to the financial statements and is based on claims experience of the Authority. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Authority Board of Directors.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in a management representation letter dated DATE.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplementary information that accompanies the financial statements, but is not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory and Statistical Sections which accompany the financial statements, but are not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

Pleasant Hill, California
DATE

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