County Connection

INTER OFFICE MEMO

To: Administration & Finance Committee **Date:** 11/29/2023

From: Amber Johnson, Chief Financial Officer **Reviewed by:** W.C.

SUBJECT: Year-End Report and Audited Financial Statements for the Year Ended June 30, 2023

Background:

The Central Contra Costa Transit Authority (Authority) financial audit for the year ended June 30, 2023 (FY 2023), has been completed and the Basic Financial Statements (BFS) and accompanying reports are enclosed for review by the Administration and Finance Committee (Attachments 1 – 3). The auditor's review of the federal funding allocation data (form FFA-10) for the Federal Transit Administration is still underway and will be presented at a future Committee meeting.

In addition, the quarterly income statement report has been revised from the prior version reviewed by the Committee in September and is enclosed for your review (Attachment 4).

Basic Financial Statements:

An independent audit was performed by Brown Armstrong Accountancy Corporation. The goal of a financial statement audit is to provide users with a reasonable assurance from an independent source that the information presented in the statements is reliable. The findings are summarized as follows:

- The type of auditor's report is unmodified (BFS Page 55).
- One material weakness was identified during the course of the audit (BFS Page 55 and summary below).
- No material deficiencies or instances of noncompliance were noted.

The Basic Financial Statements include the Management's Discussion and Analysis (beginning on Page 4 of BFS) which provides an introduction and summary of the activities over the course of the year. The total net position is $40,236,072 (Page 5 and 10 of BFS), which is an increase of $13,681,733 over the prior year. The following is a summary of the changes in Net Position between June 30, 2023, and June 30, 2022:

- Fares and Operating Assistance – Passenger revenue and special transit fares increased by $1.7 million, or 45%, from FY 2022 to FY 2023. This is due to the continued trend of increased ridership of both fixed-route and paratransit services in the wake of the COVID-19 pandemic. Federal operating decreased by about $900 thousand, due to decreased utilization of federal stimulus funds. These variances were offset by decreased use of TDA revenue.

- Capital Assets – In addition to routine asset acquisitions, the Authority conducted a procurement of forty 40-foot diesel transit buses that was underway at the end of the fiscal year, resulting in an increase of $20 million in capital assets. This increase was offset by accumulated depreciation of $6.7 million, for a net increase to capital assets of $13.3 million during the fiscal year.

- Deferred Outflow of Resources – Deferred outflow of resources for pension and Other Post Employment Benefits (OPEB) increased from $3.4 million to $10.9 million. Deferred outflow primarily represents pension and OPEB contributions subsequent to the measurement date, and changes to actuarial assumptions that impact future periods.

- Deferred Inflow of Resources – Deferred inflow of resources for pension and OPEB decreased from $12.9 million to $1.8 million which represents changes in estimates based on actual investment performance, and changes in assumptions that provide additional assets to the pension and retiree medical plans. In particular, the CalPERS pension plan reported a -6.1 loss on investment during the reporting period, causing a dramatic decrease to deferred inflow of resources.

- Due to Other Government, TDA payable – The amount increased from $14.1 million to $20 million (Note 13). The Authority's eligible TDA expenses in the fiscal year were significantly lower than the advance received. This caused the unused portion of TDA (the amount payable) to increase.

- Net pension and OPEB liability – The net OPEB and pension liabilities as of June 30, 2022 (the measurement date) are $3.6 million and $14.4 million, respectively.

Audit Findings:

The auditors identified a deficiency considered to be a material weakness while reviewing the Authority's Schedule of Expenditures of Federal Awards (SEFA). They noted that the initial preparation of the SEFA did not include certain accrued expenditures for the period ending June 30, 2023. Upon identification of this omission, the SEFA was properly updated, and the deficiency was resolved. Staff has modified its procedures around the SEFA preparation to ensure this situation does not occur again in the future.

Other Auditor Information:

Page 48-50 of the BFS – Independent Auditor's Report on State Compliance regarding testing for compliance with TDA laws and internal control based on standards contained in Government Auditing Standards issued by the Comptroller General of the United States. The results of the tests disclosed no instances of noncompliance or material weaknesses.

Page 54 of the BFS – This is the fifth year for the Schedule of Revenues, Expenses and Changes in Net Changes which provides 10 years of revenues, expenses, and net position. Staff will be considering additional schedules in the future to provide the readers with useful information.

Page 55 of the BFS – Schedule of Findings and Questioned Costs from the auditor regarding the compliance with the requirements of the Office of Management and Budget (OMB) Circular A-133. There are no audit findings that are required to be reported to the OMB.

Other Auditor Letters:

- Letter to the Administration and Finance Committee regarding the responsibilities of the auditor and the scope and timing of the audit (SAS 114 Letter - Attachment 2).

- Letter to the Administration and Finance Committee reviewing TDA and STA revenue, diesel fuel and PERS benefits (Attachment 3). The review noted that:
  - TDA and STA revenue allocations were not reduced as compared to the prior year;
  - The average price per gallon of diesel fuel did not increase by more than 40% as compared to the prior year; and
  - The dollar amount the Authority paid to PERS for non-healthcare benefits did not increase by more than $1,000,000 as compared to the prior year.

Revised Quarterly Income Statement

As a result of routine adjustments to the financial statements during the audit, the quarterly income statement has been revised (Attachment 4). A summary of significant changes are as follows:

- Decrease of $1.1 million in STA funds recognized during the fiscal year due to a misstatement of prior year accrual of this revenue.
- Reduction in fringe benefit costs by $818 thousand due to year-end adjustments required by GASB from OPEB and pension valuations, and year-end accrual reduction to workers compensation reserves.
- Increase in insurance costs by $168 thousand due to year-end accrual increase to general liability reserves.

These changes also impacted the Authority's statistics, primarily fixed route, as follows:

	FY 2023	
	Unaudited (prior report)	**Audited (this report)**
Fixed Route:		
Farebox recovery ratio	9.6%	9.9%
Cost per revenue hour	$ 182.47	$ 177.28
Cost per passenger	$ 14.26	$ 13.85
Paratransit:		
Farebox recovery ratio	5.1%	5.5%
Cost per revenue hour	$ 137.81	$ 137.81
Cost per passenger	$ 70.14	$ 70.14

Financial Implications:

No fiscal impact occurs because of the Committee's acceptance of these reports. The FY 2023 Basic Financial Statements and related reports are presented as the actual results of the Authority's financial activities for the year.

Recommendation:

Staff recommends that the A&F Committee review the reports for approval.

Action Requested:

Staff requests that the A&F Committee forward the audited financial statements, accompanying auditor reports, and revised quarterly income statements for the year ended June 30, 2023, to the full Board and recommend their approval.

Attachments:

Attachment 1:	Central Contra Costa Transit Authority Basic Financial Statements for the year-ended June 30, 2023
Attachment 2:	Letter to the Administration and Finance Committee regarding the responsibilities of the auditor and the scope and timing of the audit (SAS 114 Letter)
Attachment 3:	Letter to the Administration and Finance Committee reviewing TDA and STA revenue, diesel fuel and PERS benefits.
Attachment 4:	CCCTA Income Statements for FY2023 Q4 (Schedules 1 through 5)

Attachment 1

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
CONCORD, CALIFORNIA

BASIC FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
JUNE 30, 2023

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BROWN ARMSTRONG
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Administration and Finance Committee and Board of Directors
Central Contra Costa Transit Authority
Concord, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Central Contra Costa Transit Authority (the Authority), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements 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 Authority, as of June 30, 2023, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 (GAAS) and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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 schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 schedule of expenditures of federal awards 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 statistical section 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 exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited the Authority's June 30, 2022, basic financial statements, and our report dated December 7, 2022, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2022, is consistent in all material respects, with the audited basic financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Stockton, California
November 22, 2023

County Connection

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Introduction

As management of the Central Contra Costa Transit Authority (County Connection or the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the notes thereto, which follow this section.

The Authority was established on March 27, 1980, under a joint exercise of power agreement to provide, either directly or through contract, public transportation services within certain areas of the County of Contra Costa (the County). A Board of Directors (the Board) composed of representatives of the member jurisdictions governs the Authority. Member jurisdictions include the Cities of Clayton, Concord, Lafayette, Martinez, Orinda, Pleasant Hill, San Ramon, and Walnut Creek; Town of Moraga and Town of Danville; and County of Contra Costa. Each member jurisdiction appoints one regular representative to the Board and one alternative representative to act in the regular representative's absence.

The Authority is considered a primary government since it has a separate governing body, is legally separate, and is fiscally independent of other state and local governments. The Authority is not subject to income tax.

The Authority currently operates an active fixed route bus fleet of 125 and has approximately 213 employees. An independent contractor operates the paratransit service. The Authority receives funds primarily from federal, state, and local taxes and grants, in addition to fares collected from passengers. The disbursement of funds received by the Authority is set by Board policy, subject to applicable statutory requirements and by provisions of various grant contracts.

The Basic Financial Statements

The Authority's basic financial statements include:

(1) the Statement of Net Position,
(2) the Statement of Revenues, Expenses, and Changes in Net Position,
(3) the Statement of Cash Flows, and
(4) the Notes to the Basic Financial Statements.

The Statement of Net Position presents information on the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between assets and liabilities reported as net position. Over time, increases or decreases in net position can be an indication of whether the financial condition of the Authority is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the Authority's net position changed during the fiscal year. All changes in net position are recognized on an accrual basis, meaning they are recognized on the date the underlying event that gives rise to the change occurs, regardless of the timing of the related cash flows. The basic financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP).

The Statement of Cash Flows is presented using the direct method and includes a reconciliation of operating cash flows to operating income. The Statement of Cash Flows provides detailed information about the cash received in the current and previous fiscal year and the uses of the cash received. This is the only cash-basis financial statement presented and it reconciles cash receipts and cash expenses to the beginning and ending cash on hand.

County Connection

Most of the cash received by the Authority during the fiscal year was from state and local operating grants; most of the cash expenses were for operating activities.

Financial Highlights

Operating revenues were $5,556,502 while operating expenses were $48,826,925 (see p. 6). The Authority is able to cover its operating expenses with tax revenue and grants from federal, state, and local agencies.

While the Authority relies heavily on the Transportation Development Act (TDA) to fund its operational needs, TDA revenue is the Authority's revenue of "last resort," and the funds are claimed after all other revenue sources have been utilized. Any unused TDA revenue allocation is held by the Metropolitan Transportation Commission (MTC) and made available in future years. Therefore, the Authority does not hold its own reserve funds, rather, its reserve is held by MTC and is therefore not reflected in the basic financial statements.

Statements of Net Position

A comparison of the Authority's Statements of Net Position as of June 30, 2023 and 2022, is as follows:

			2023 to 2022 Increase/Decrease	
	2023	2022	Amount	%
Current assets	$ 43,278,488	$ 25,173,418	$ 18,105,070	72%
Noncurrent assets	47,573,463	37,396,823	10,176,640	27%
Total assets	90,851,951	62,570,241	28,281,710	45%
Deferred outflows of resources	10,888,758	3,439,892	7,448,866	217%
Total assets and deferred outflows of resources	$ 101,740,709	$ 66,010,133	$ 35,730,576	54%
Current liabilities	$ 40,743,454	$ 23,134,194	$ 17,609,260	76%
Noncurrent liabilities	18,957,282	3,373,963	15,583,319	462%
Total liabilities	59,700,736	26,508,157	33,192,579	125%
Deferred inflows of resources	1,803,901	12,947,637	(11,143,736)	-86%
Net position				
Net investment in capital assets	47,573,463	34,315,353	13,258,110	39%
Unrestricted net position	(7,337,391)	(7,761,014)	423,623	5%
Total net position	40,236,072	26,554,339	13,681,733	52%
Total liabilities, deferred inflows of resources, and net position	$ 101,740,709	$ 66,010,133	$ 35,730,576	54%

The Authority's net position increased $13,681,733 for a balance of $40,236,072 as of June 30, 2023. Because of the unique way that the Authority's utilizes TDA revenue, its revenues are always equivalent to its expenditures, creating no impact to the net position. Therefore, any change in net position is generally attributable to two factors – capital assets activity (acquisition, retirements, and depreciation), and retirement benefit liabilities.

In addition to other routine capital asset acquisitions, the Authority is in the process of procuring forty 40-foot diesel buses, of which twenty-eight were purchased and recorded during the fiscal year. These acquisitions increased the investment in capital assets by $19,988,969. This amount was reduced by deprecation of $6,730,962 and resulted in a net investment in capital assets of $13,258,110.

Unrestricted net position increased by $423,623 due to an increase in pension and OPEB deferred outflow of resources and noncurrent assets of $4,367,396, offset by an increase in pension and OPEB deferred inflow of resources and noncurrent liabilities of $3,943,777.

Statements of Revenues, Expenses, and Changes in Net Position

A high-level summary of the Authority's Statements of Revenues, Expenses, and Changes in Net Position for fiscal years 2023 and 2022 is shown in the following table:

			2023 to 2022 Increase/Decrease	
	2023	2022	Amount	%
Operating revenues	$ 5,556,502	$ 3,837,899	$ 1,718,603	45%
Operating expenses	48,826,925	42,372,112	6,454,813	15%
Operating loss	(43,270,423)	(38,534,213)	4,736,210	12%
Nonoperating revenues	36,963,187	35,478,354	1,484,833	4%
Capital contributions	19,988,969	441,602	19,547,367	4426%
Increase (Decrease) in net position	13,681,733	(2,614,257)	16,295,990	623%
Total net position, beginning of year	26,554,339	29,168,596	(2,614,257)	-9%
Total net position, end of year	$ 40,236,072	$ 26,554,339	$ 13,681,733	52%

Due to the nature of public transit operations and how transactions are classified in accordance with GAAP, operating expenditures typically far exceed operating revenues. However, these operating revenues are supplemented by nonoperating revenues to complete the financial position.

Operating expenses include all expenditures incurred by the Authority, including depreciation expense and gains/losses on the pension and OPEB plans. The only expenditures not classified as "operating expenses" are expenditures made for capital asset acquisitions. In the year-ended June 30, 2023, total operating expenses increased by $6,454,813 or 15% as compared to the prior year. While increases in salaries and benefits, fuel, and purchased transportation costs contributed to this increase, those categories made up about 7.5% of the total. The remaining 7.5% of the increase in operating expenses as compared to the prior year is attributable to the effect of the recognition of investment losses in the California Public Employees Retirement System (CalPERS) portfolio (loss on pension assets).

Operating revenues are limited to those revenues which are directly generated from operating the transit service, such as passenger fares, or revenue received from contracts for services by other organizations. In the year-ended June 30, 2023, operating revenues increased by $1,718,603 or 45% over the prior year. Of this amount, fare revenue increased $961,213 or 43%. This is due to continued improvements in ridership in both fixed-route and paratransit services post-pandemic. Special transit fees made up the remainder of the increase to operating revenues with an increase of $757,390 or 47%. Most of this is attributable to increases in fees collected from the Livermore Amador Valley Transit Authority (LAVTA) to operate their paratransit service, plus increases in revenues collected from BART for bus bridge service.

Nonoperating revenues consist of revenues not qualifying as operating revenue, such as taxes, grants (that are not equivalent to contracts for services), advertising, and interest revenue. In the year-ended June 30, 2023, nonoperating revenue increased by $1,484,833 or 4% over the prior year. Changes to nonoperating revenue from the prior year are as follows:

			2023 to 2022 Increase / (Decrease)	
Nonoperating Revenues	2023	2022	Amount	%
Federal operating assistance	$ 8,342,650	$ 9,247,548	$ (904,898)	-10%
State and local operating assistance	27,818,081	26,014,999	1,803,082	7%
Advertising revenue	307,166	292,311	14,855	5%
Interest income	393,095	(140,571)	533,666	380%
Other revenue	102,093	77,488	24,605	32%
Gain/(Loss) on disposal of capital assets	102	(13,421)	13,523	101%
Total Nonoperating Revenues	$ 36,963,187	$ 35,478,354	$ 1,484,833	4%

The largest nonoperating revenue category is state and local operating assistance in the amount of $27,818,081 in the year-ended June 30, 2023. Most of this revenue is provided through the TDA, which returns to the County ¼ cent of the sales tax collected in the County and provided $11,722,601 in FY 2023. The second largest source of state & local revenue is from Contra Costa Transportation Authority (CCTA) Measure J, a countywide ½ cent sales tax, from which the Authority received $8,458,442. The third largest state revenue source is State Transit Assistance (STA), which is sales tax on diesel fuel and provided $5,301,913.

In addition to state and local assistance, the Authority received $8,342,650 in federal operating assistance in the year-ended June 30, 2023, which is a decrease of $904,898 due mostly to decreased utilization of ARPA funds. This decrease was offset by increased use of TDA revenue and is reflected in the increase to state and local operating assistance.

Capital Assets

Details of the capital assets, including assets acquired under capital lease, net of accumulated depreciation as of June 30, 2023 and 2022, are as follows:

			2023 to 2022 Increase/(Decrease)	
	2023	2022	Amount	%
Land and land improvements	$ 5,144,554	$ 5,144,554	$ -	0%
Construction in process	18,859,147	512,283	18,346,864	3581%
Shop, office, other equipment, and service vehicles	5,886,032	5,522,957	363,075	7%
Buildings and structures	21,986,300	20,731,033	1,255,267	6%
Revenue vehicles	74,624,775	74,608,126	16,649	0%
Total	126,500,808	106,518,953	19,981,855	19%
Less accumulated depreciation	(78,927,345)	(72,203,600)	6,723,745	9%
Net total	$ 47,573,463	$ 34,315,353	$ 13,258,110	39%

The Authority's investment in capital assets amounted to $47,573,463 as of June 30, 2023, which is an increase of $13,258,110 or 39% over the prior year. This investment in capital assets includes vehicles, facilities, communication and data equipment, fare revenue collection equipment, furniture and fixtures, less accumulated depreciation.

The most significant additions to the Authority's capital costs during the year were in Construction in Process (CIP) with the purchase of forty 40-foot diesel transit buses underway at the end of the fiscal year. This procurement will be finalized in the next fiscal year, at which time these purchases will become depreciable and will be reflected in the Revenue Vehicle category.

Noncurrent Liabilities

At June 30, 2023, the Authority's noncurrent liabilities balance was $18,957,282 compared to $3,373,963 at June 30, 2022, primarily due to the loss on investments by CalPERS of 6.1% in the reporting period. This resulted in the elimination of the $3,081,470 net pension asset recorded in the prior fiscal year, and creation of a net pension liability in the amount of $14,378,529. Net OPEB liabilities and self-insurance liabilities increased by $708,984 and $582,794, respectively. See Notes 7, 8, 11 and 12 in the basic financial statements for further details on each of these noncurrent liabilities.

Overall Financial Condition

The Authority operates within Contra Costa County, one of the nine counties in the San Francisco Bay Area. As the Bay Area continues to see economic improvement after the public health and financial upset caused by COVID-19, the Authority is committed to providing service that responds to shifting community needs and can accommodate rider demand.

The fiscal year ended June 30, 2023 was the first full year since the shelter-at-home orders were lifted, mask mandates were relaxed, and schools came back in person. The Authority's ridership has seen a steady increase, aided by systemwide and regionwide fare promotions. Overall, total fixed-route passengers increased by 29% from the prior fiscal year, and paratransit passengers increased by 27%. In general, the Authority has noted a shift in ridership patterns, with fewer commuters and increased demand on weekend and local-only routes.

The Authority continues to face an uncertain future due to the lasting effects of the COVID pandemic as well as troubling economic news and ongoing geopolitical turmoil. Staffing shortages in the transportation and maintenance departments, volatile fuel prices, persistent supply chain problems, high inflation, potential economic downturn, and the end of COVID emergency funding are major factors that influence the ability of the Authority to provide for the transportation needs of Contra Costa County transit riders.

The utilization of federal stimulus funds, combined with stable sales tax revenues during the pandemic, have decreased the Authority's dependence on TDA funds in the near term. Using current financial assumptions, there are sufficient TDA reserves to sustain the Authority through fiscal year 2028. Nevertheless, a structural deficit exists with expenses outpacing revenues, and the Authority faces inflationary pressures in all areas of operational expenses.

Initially, the COVID-19 pandemic threatened to inflict severe and lasting damage to the Authority's financial condition. However, thanks to federal financial relief from three stimulus bills and stronger-than-expected bounce-back of tax revenues from state and local sources, the Authority's financial condition has remained stable. Despite the loss of fare revenues, fiscal shortfalls are not presently affecting the Authority's ability to operate. However, difficulty filling open operator and maintenance positions is having an impact on the Authority's ability to deliver reliable transit service, and to grow the service to meet the demands of evolving ridership patterns.

Attachment 1

County Connection

Contacting the Authority's Financial Management

The Authority's financial report is designed to provide the Authority's Board of Directors, management, creditors, legislative and oversight agencies, citizens, and customers with an overview of the Authority's finances and to demonstrate its accountability for funds received. For additional information about this report, please contact Amber Johnson, Chief Financial Officer, at 2477 Arnold Industrial Way, Concord, California 94520.

Respectfully submitted,

Amber Johnson

Amber Johnson
Chief Financial Officer

BASIC FINANCIAL STATEMENTS

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023 (WITH COMPARATIVE TOTALS)

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 2)	$ 20,162,412	$ 16,462,885
Capital and operating grants receivable	20,492,220	6,500,684
Materials and supplies	979,467	1,145,485
Other receivables	1,553,115	895,784
Prepaid expenses	91,274	168,580
Total Current Assets	43,278,488	25,173,418
Noncurrent Assets		
Net pension asset	-	3,081,470
Capital assets (Note 5)	47,573,463	34,315,353
Total Noncurrent Assets	47,573,463	37,396,823
Total Assets	90,851,951	62,570,241
DEFERRED OUTFLOWS OF RESOURCES (Note 7 and Note 11)		
Other postemployment benefits (OPEB)	1,394,201	1,033,825
Defined benefit pension	9,494,557	2,406,067
Total Deferred Outflows of Resources	10,888,758	3,439,892
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 101,740,709	$ 66,010,133
LIABILITIES		
Current Liabilities		
Accounts payable	$ 16,352,760	$ 1,796,495
Due to other government, TDA payable (Note 13)	20,070,144	14,104,136
Advances from customers	50,273	-
Advances from LCTOP	256,600	315,955
Advances from MTC	794,939	899,868
Advances from PTMISEA (Note 6)	-	2,504,225
Compensated absences (Note 12)	1,080,548	1,008,887
Other accrued liabilities	1,164,960	960,173
Self-insurance liabilities (Notes 8 and 12)	973,230	1,544,455
Total Current Liabilities	40,743,454	23,134,194
Noncurrent Liabilities		
Compensated absences (Note 12)	242,591	329,579
Self-insurance liabilities (Notes 8 and 12)	693,917	111,123
Net OPEB liability (Note 11)	3,642,245	2,933,261
Net pension liability (Note 7)	14,378,529	-
Total Noncurrent Liabilities	18,957,282	3,373,963
Total Liabilities	59,700,736	26,508,157
DEFERRED INFLOWS OF RESOURCES (Note 7 and Note 11)		
OPEB	1,102,067	1,873,577
Defined benefit pension	701,834	11,074,060
Total Deferred Inflows of Resources	1,803,901	12,947,637
NET POSITION		
Net investment in capital assets	47,573,463	34,315,353
Unrestricted	(7,337,391)	(7,761,014)
Total Net Position	40,236,072	26,554,339
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 101,740,709	$ 66,010,133

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

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023 (WITH COMPARATIVE TOTALS)

	2023	2022
Operating Revenues		
Passenger fares	$ 3,179,075	$ 2,217,862
Special transit fees	2,377,427	1,620,037
Total Operating Revenues	5,556,502	3,837,899
Operating Expenses		
Salaries and benefits	26,144,670	24,816,193
Materials and supplies	3,580,623	3,342,724
Services	2,436,795	2,130,814
Purchased transportation	7,912,505	7,181,927
Insurance	909,275	802,032
Other	735,759	180,176
Utilities	406,341	389,068
Taxes	340,748	415,987
Leases and rentals	52,866	57,332
Defined benefit pension adjustment	(717)	(3,486,207)
OPEB adjustment	(422,902)	(581,142)
Depreciation	6,730,962	7,123,208
Total Operating Expenses	48,826,925	42,372,112
Operating Loss	(43,270,423)	(38,534,213)
Nonoperating Revenues		
Federal operating assistance	8,342,650	9,247,548
State and local operating assistance	27,818,081	26,014,999
Advertising revenue	307,166	292,311
Interest income	393,095	(140,571)
Other revenue	102,093	77,488
Gain (Loss) on disposal of capital assets	102	(13,421)
Total Nonoperating Revenues	36,963,187	35,478,354
Net Loss Before Capital Contributions	(6,307,236)	(3,055,859)
Capital Contributions		
Grants restricted for capital expenses (Note 3)	19,988,969	441,602
Increase (Decrease) in Net Position	13,681,733	(2,614,257)
Total Net Position, Beginning of Year	26,554,339	29,168,596
Total Net Position, End of Year	$ 40,236,072	$ 26,554,339

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

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023 (WITH COMPARATIVE TOTALS)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 4,949,444	$ 3,631,233
Payments to employees (salaries and benefits)	(25,943,641)	(25,102,586)
Payments to suppliers	(14,339,688)	(14,613,841)
Net Cash Used in Operating Activities	(35,333,885)	(36,085,194)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal operating grants	11,836,914	5,696,240
State and local operating grants	33,429,464	26,733,734
Other noncapital revenue	409,259	369,799
Net Cash Provided by Noncapital Financing Activities	45,675,637	32,799,773
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grants received	189,285	21,665
Capital asset purchases	(7,224,605)	(453,594)
Net Cash Flows Provided by (Used in) Capital and Related Financing Activities	(7,035,320)	(431,929)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	393,095	(140,571)
Net Increase (Decrease) in Cash and Cash Equivalents	3,699,527	(3,857,921)
Cash and Cash Equivalents, Beginning of Year	16,462,885	20,320,806
Cash and Cash Equivalents, End of Year	$ 20,162,412	$ 16,462,885

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

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023 (WITH COMPARATIVE TOTALS)

	2023	2022
Operating Loss	$ (43,270,423)	$ (38,534,213)
Adjustments to Reconcile Operating Loss to		
Net Cash Used in Operating Activities:		
Depreciation	6,730,962	7,123,208
Changes in assets, deferred outflows of resources, liabilities,		
and deferred inflows of resources:		
Decrease in receivables	(657,331)	(106,666)
(Increase) Decrease in materials and supplies	166,018	(266,261)
(Increase) in prepaid expenses	77,306	52,758
Increase in accounts payable	1,791,900	99,722
(Decrease) Increase in net pension liability and related items	(717)	(3,486,207)
(Decrease) in net OPEB liability and related items	(422,902)	(581,142)
(Decrease) in advances from contracts	-	(100,000)
Increase in advances from customers	50,273	-
Increase (Decrease) in other liabilities and compensated absences	201,029	(286,393)
Net Cash Used in Operating Activities	$ (35,333,885)	$ (36,085,194)

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

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Central Contra Costa Transit Authority (the Authority) was created in 1980 under a joint exercise of power agreement to provide, either directly or through contract, public transportation services within certain areas of the County of Contra Costa (the County). The Authority is governed by a Board of Directors (the Board) composed of representatives of the member jurisdictions, which include the Cities of Clayton, Concord, Lafayette, Martinez, Orinda, Pleasant Hill, San Ramon, and Walnut Creek; the Town of Moraga and the Town of Danville; and the County of Contra Costa. Each member jurisdiction appoints one regular representative to the Board and one alternate representative to act in the regular representative's absence.

The Authority is considered a primary government since it has a separate governing body, is legally separate, and is fiscally independent of other state or local governments.

A. Basis of Accounting and Presentation

The basic financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority's basic financial statements are accounted for as a Business-Type Activity, as defined by GASB, and are presented on the accrual basis of accounting. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Contributed Capital/Reserved Retained Earnings

The Authority receives grants from the Federal Transit Administration (FTA) and other agencies of the U.S. Department of Transportation and state and local transportation funds for the acquisition of transit-related equipment and improvements. Prior to July 1, 2001, capital grants were recognized as donated capital to the extent that project costs under the grant had been incurred. Capital grant funds earned, less amortization equal to accumulated depreciation of the related assets, were included in contributed capital. As required by current GASB standards, the Authority includes capital grants in the determination of net income resulting in an increase in net revenue of $19,988,969 for the fiscal year ended June 30, 2023.

Contributed capital and reserved retained earnings are presented in the net position section as net investment in capital assets and unrestricted net position.

Net Position

Net position represents the residual interest in the Authority's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. Net position is presented in three broad components: net investment in capital assets, restricted, and unrestricted. Net investment in capital assets includes capital assets net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction, or improvement of those assets. Net position is restricted when constraints are imposed by third parties or by law through constitutional provisions or enabling legislation. All other net position is unrestricted.

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

The basic financial statements consist of (1) the Statement of Net Position; (2) the Statement of Revenues, Expenses, and Changes in Net Position; (3) the Statement of Cash Flows; and (4) the Notes to Basic Financial Statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Accounting and Presentation (Continued)

Classification of Revenue

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Enterprise Funds' principal ongoing operational activities. Charges to customers represent the Authority's principal operating revenues and include passenger fees and special transit fees. Operating expenses include the cost of operating maintenance and support of transit services and related capital assets, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating or other revenues and expenses.

B. Use of Estimates

The preparation of financial statements in conformity with 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 basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Cash and Cash Equivalents

Certain cash and cash equivalents are classified as restricted because their use is limited by applicable contracts or stipulations of the granting agency. Some of these restricted funds are required to be maintained in separate bank accounts. For the purpose of the Statement of Cash Flows, the Authority considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents, including cash and cash equivalents restricted for capital projects. At June 30, 2023, the Authority considered all of its cash and investments to be cash and cash equivalents.

D. Materials and Supplies

Materials and supplies are stated at cost using the first-in, first-out (FIFO) method.

E. Capital Assets

Capital assets are stated at cost and depreciated using the straight-line method over the following estimated useful lives:

Buildings and structures	30 years
Revenue transit vehicles	9-13 years
Shop, office, other equipment, and service vehicles	3-10 years

Depreciation expense on assets acquired with capital grant funds is transferred to net position, net investment in capital assets, after being charged to operations.

Major improvements and betterments to existing property, buildings, and equipment are capitalized. Costs for maintenance and repairs which do not extend the useful lives of the applicable assets are charged to expense as incurred. Upon disposition, costs and accumulated depreciation are removed from the accounts and resulting gains or losses are included in operations.

F. Deferred Outflows of Resources and Inflows of Resources

A deferred outflow of resources is defined as a consumption of net position by the Authority that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position that is applicable to a future reporting period. The Authority has deferred outflows of

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Deferred Outflows of Resources and Inflows of Resources (Continued)

resources and deferred inflows of resources related to the California Public Employees' Retirement System (CalPERS) defined benefit plan for pensions and for its postemployment healthcare OPEB plan. Refer to Notes 7 and 11 for more information.

G. Self-Insurance Liabilities

The Authority is self-insured for public liability and property damage for the first $250,000 of each occurrence. Claims between $250,000 and $1,000,000 are insured through a risk-sharing pool with the California Transit Systems Joint Powers Insurance Authority (CalTIP) and claims in excess of $1,000,000 are insured with excess insurance purchased through CalTIP up to $25 million per occurrence. Additionally, the Authority is self-insured for workers' compensation claims for the first $250,000 of each occurrence. Claims between $250,000 and $5,000,000 are insured through a risk-sharing pool with the Local Agency Workers' Compensation Excess (LAWCX), and claims in excess of $5,000,000 are insured with excess coverage purchased through LAWCX. Refer to Note 8 for further descriptions. The Authority has recorded a liability for estimated claims to be paid.

H. Capital and Operating Grants

Federal, state, and local governments have made various grants available to the Authority for operating assistance and acquisition of capital assets. Grants for operating assistance, the acquisition of equipment, or other capital outlay are not formally recognized in the accounts until the grant becomes a valid receivable as a result of the Authority's compliance with appropriate grant requirements.

Operating assistance grants are included in nonoperating revenues in the year in which the grant is applicable and the related reimbursable expense is incurred. Under the accrual basis of accounting, revenue may be recognized only when earned. Therefore, enterprise funds defer revenue recognition in connection with resources that have been received as of year-end, but not yet earned. Grants received in excess of allowable expenses are recorded as due to other government and advances (refer to Notes 6 and 13).

I. Defined Benefit Pension

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

Other pension costs are recognized when pension contributions are made, which are determined by the annual actuarial valuations.

J. Defined Benefit Other Postemployment Benefits (OPEB)

The Authority's Healthcare Insurance Benefits Program is a defined benefit postemployment healthcare plan. For purposes of measuring the OPEB liability, deferred outflow/inflow of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by MacLeod Watts and Public Agency Retirement Services (PARS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Benefits are provided through CalPERS Health Benefits Program for all administrative employees and transit operators, and continue to the surviving spouses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences

Vacation benefits are accrued when earned and reduced when used. Sick leave, holiday pay, and other absence pay are expensed when used.

L. Funding Sources/Programs

Transportation Development Act (TDA)

The Local Transportation Fund was created under the TDA to collect ¼ cent of the State's 7.25 percent retail sales tax collected statewide. The ¼ cent is returned by the State Board of Equalization to each county based on the amount of tax collected in that county. TDA funds are apportioned, allocated, and paid in accordance with allocation instructions from the Metropolitan Transportation Commission (MTC) to the Authority for specific transportation purposes.

State Transit Assistance (STA)

This program provides a second source of funding for transportation planning and mass transportation purposes as specified by California legislation.

Federal Transit Administration (FTA)

This program represents funding from within the U.S. Department of Transportation to assist local transportation needs.

Measure J Funds

This represents a local sales and use tax allocation administered by the Contra Costa Transportation Authority to claimants for transportation purposes within the County.

M. Subsequent Events

Subsequent events were evaluated through November 22, 2023, which is the date the basic financial statements were available to be issued.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at June 30:

Cash on hand	$ 450
Cash in banks	2,388,312
Investments	17,773,650
	$ 20,162,412

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Cash on Hand and Cash in Banks

Investments Authorized by the California Government Code and the Authority's Investment Policy

The table below identifies the investment types that are authorized for the Authority by the California Government Code (or the Authority's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Authority's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	100%	50%
U.S. Treasury Obligations	5 years	100%	50%
U.S. Agency Securities	5 years	100%	50%
Negotiable Certificates of Deposit*	5 years	30%	30%
County Pooled Investment Funds	N/A	100%	50%
Local Agency Investment Fund (LAIF)	N/A	100%	100%

* Limited to nationally or state-chartered bank of a state or federal association (as defined by California Financial Code Section 5102) or by a state-licensed branch of a foreign bank. The maximum investment in a certificate of deposit shall not exceed the shareholder's equity in any depository bank; the total net worth of any depository savings association; or the total or unimpaired capital and surplus of any credit union or industrial loan company.

The Authority shall not invest any funds in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages. The Authority shall not invest any funds in any security that could result in zero interest accrual if held to maturity. The limitation does not apply to investments in shares of beneficial interest issued by diversified management companies as set forth in California Government Code Section 53601.6. In addition, the portfolio should consist of a mix of authorized types of investments. With the exception of investments in the California State LAIF, no more than fifty percent (50%) of the Authority's portfolio shall be deposited or invested in a single security type or with a single financial institution.

Investment in State Investment Pool

The Authority is a voluntary participant in the LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying basic financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2023, had a balance of $178 billion. Of that amount, 2.78% was invested in medium-term and short-term structured notes and asset-backed securities. The average maturity of PMIA investments was 260 days as of June 30, 2023.

NOTE 2 – <u>CASH AND CASH EQUIVALENTS</u> (Continued)

<u>Cash on Hand and Cash in Banks</u> (Continued)

Investment in State Investment Pool (Continued)

LAIF has the following restrictions on withdrawals:

a) For same day transactions, the requesting agency must contact LAIF by 10 a.m. PST.
b) Transaction calls received after 10 a.m. are processed the following business day.
c) A requesting agency can only conduct a maximum of 15 transactions (combination of deposits and withdrawals) per month.
d) 24-hour notice is needed for withdrawals of $10 million or more.
e) The minimum transaction amount is $5,000, with amounts above the minimum transacted in increments of $1,000.
f) Prior to the funds transfer, an authorized person from the requesting agency must call LAIF to do a verbal transaction.

The State Treasurer's Office reports its investments at fair value. The fair value of securities in the State Treasurer's pooled investment program, including LAIF, generally is based on quoted market prices. The State Treasurer's Office performs a quarterly fair valuation of the pooled investment program portfolio. In addition, the State Treasurer's Office performs a monthly fair valuation of all securities held against carrying cost. These valuations and financial statements are posted to the State Treasurer's Office website at <u>www.treasurer.ca.gov</u>.

Fair Value Measurements

GASB Statement No. 72 improved the measuring of fair value for financial reporting purposes and enhanced disclosures about the fair value hierarchy as established by GAAP. The Authority's investments are held with LAIF, which is recorded on an amortized cost basis. As such, GASB Statement No. 72 does not apply.

Disclosures Relating to 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 to changes in market interest rates.

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

		Remaining Maturity			
Investment Type	Amount	12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
LAIF	$ 17,773,650	$ 17,773,650	$ -	$ -	$ -

Disclosure Relating to 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. Presented below is the minimum rating required by (where applicable) the California Government Code or the Authority's investment policy, and the actual rating as of year-end for each investment type. The column marked "exempt from disclosure" identifies those investment types for which GASB Statement No. 40, *Deposit and Investment Risk Disclosures—an Amendment of GASB Statement No. 3,* does not require disclosure as to credit risk:

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Cash on Hand and Cash in Banks (Continued)

Disclosure Relating to Credit Risk (Continued)

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year-End AAA	Aa	Not Rated
LAIF	$ 17,773,650	N/A	$ -	$ -	$ -	$ 17,773,650

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments: $2,673,511 of the Authority's deposits with financial institutions were in excess of federal depository insurance limits and were held in collateralized accounts as of June 30, 2023.

Concentration of Credit Risk

The investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The Authority did not have any investments in any one issuer (other than external investment pools) that represent 5% or more of total Authority's investments at June 30, 2023.

NOTE 3 – CAPITAL GRANTS

The Authority receives grants from the FTA, which provide financing primarily for the acquisition of rolling stock. The Authority also receives grants under the State TDA and State Toll Bridge revenue programs primarily for the acquisition of rolling stock and support equipment, and the purchase of furniture and fixtures.

A summary of federal, state, and local grant activity for the fiscal year ended June 30 is as follows:

Federal grants	$ 15,779,886
State grants	3,298,497
TDA (local transportation grants)	910,586
Total Capital Assistance	$ 19,988,969

NOTE 4 – OPERATING GRANTS

The Authority receives local transportation fund allocations pursuant to the 1971 State TDA. These funds are generated within the County and are allocated based on annual claims filed by the Authority and approved by the Metropolitan Transportation Commission (MTC). Generally, the maximum annual TDA assistance the Authority can receive is limited to its actual operating costs less fare revenues received, federal operating assistance received, and other local operating assistance (toll bridge revenue allocations, local sales tax allocations, and related interest income). In computing the maximum TDA assistance eligibility, the Authority excludes safe harbor lease income, which for the fiscal year ended June 30, 2023, was $36,704. For the fiscal year ended June 30, 2023, the Authority's maximum TDA assistance eligibility was $11,722,601.

During the fiscal year ended June 30, 2023, the Authority earned $8,458,442 of Measure J funds from the Contra Costa Transportation Authority, which is included in state and local operating assistance. These funds, derived from sales and use taxes, are to be used for bus services to alleviate congestion and improve mobility; transportation for seniors and people with disabilities; express bus service; and bus transit improvements.

During the fiscal year ended June 30, 2023, the Authority earned $133,648 of State of Good Repair (SGR) funds from STA funds out of Senate Bill 1 (SB1). Eligible projects for SGR funding include security equipment and systems, as well as preventative maintenance. The Authority used SGR funds to support the ongoing maintenance of its onboard technology. The Authority also earned other state and local operating assistance of $7,503,390, which mostly consisted of STA revenues.

Federal operating assistance funds have also been received pursuant to Sections 9 of the Urban Mass Transportation Act of 1974 (now FTA) for $1,911,760. These Section 5307 funds are apportioned to the local urbanized area and allocated to individual transit operators by MTC after FTA approval. Expenses of federal operating assistance funds are subject to final audit and approval by MTC and the FTA. Jointly with the FTA, the Federal Highway Administration (FHWA) provides funding for planning in metropolitan areas, which is distributed by MTC. The Authority received $20,000 in Section 5303 funds to develop a short range transit plan during the fiscal year. Also, due to the Coronavirus (COVID-19) pandemic, the Authority received federal funding through the American Rescue Plan Act (ARPA) for $6,410,890. These federal relief funds, in combination with lower expenses, meant less TDA funds were needed in fiscal year 2023.

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Capital assets activity, including assets acquired under capital lease, at June 30 is shown below:

	Balance June 30, 2022	Additions	Reclassifications and Deletions	Balance June 30, 2023
Capital Assets Not Being Depreciated:				
Construction in process	$ 512,283	$ 18,789,046	$ (442,182)	$ 18,859,147
Land	2,704,785	-	-	2,704,785
Total Capital Assets Not Being Depreciated	3,217,068	18,789,046	(442,182)	21,563,932
Capital Assets Being Depreciated:				
Land improvements	2,439,769	-	-	2,439,769
Shop, office, other equipment, and service vehicles	5,522,957	330,895	32,180	5,886,032
Buildings and structures	20,731,033	852,379	402,888	21,986,300
Revenue vehicles	74,608,126	16,649	-	74,624,775
Total Capital Assets Being Depreciated	103,301,885	1,199,923	435,068	104,936,876
Less Accumulated Depreciation for:				
Land improvements	2,296,061	25,813	-	2,321,874
Shop, office, other equipment, and service vehicles	4,830,998	267,293	(7,217)	5,091,074
Buildings and structures	15,997,149	610,751	-	16,607,900
Revenue vehicles	49,079,392	5,827,105	-	54,906,497
Total Accumulated Depreciation	72,203,600	6,730,962	(7,217)	78,927,345
Total Capital Assets Being Depreciated, Net	31,098,285	(5,531,039)	442,285	26,009,531
Total Capital Assets, Net	$ 34,315,353	$ 13,258,007	$ 103	$ 47,573,463

Depreciation expense for the fiscal year ended June 30, 2023, was $6,730,962.

NOTE 6 – ADVANCES FROM PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA)

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B). Of the $19.925 billion of state general obligation bonds authorized, $4 billion was set aside by the State as instructed by statute as the PTMISEA. These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety, or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; or for rolling stock procurement, rehabilitation, or replacement.

During the fiscal year ended June 30, 2023, the Authority received $0 in funds, and earned interest of $42,411 from the State's PTMISEA account. As of June 30, 2023, there were $2,546,636 of expenses incurred related to rolling stock replacement, facility rehabilitation, and lifeline bus stop. Qualifying expenses must be encumbered within three years from the date of the allocation and expended within three years from the date of the encumbrance. The Authority exhausted its PTMISEA account this fiscal year.

Advances from PTMISEA, beginning of year	$ 2,504,225
Proposition 1B (PTMISEA) funds allocated	-
Proposition 1B (PTMISEA) interest earned	42,411
Proposition 1B (PTMISEA) expenses	(2,546,636)
Advances from PTMISEA, end of year	$ -

NOTE 7 – EMPLOYEES' RETIREMENT PENSION PLAN

A. General Information about the Defined Benefit Pension Plan (the Plan)

Plan Description – All qualified permanent and probationary employees are eligible to participate in the Authority's Plan. The Plan is an agent multiple-employer defined benefit pension plan administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and Authority resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website. The Authority's Plan is referred to by CalPERS as the Miscellaneous Plan.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments (COLA), 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. Classic members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. California Public Employees' Pension Reform Act (PEPRA) Members with five years of service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 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 COLAs for the Plan are applied as specified by the California Public Employees' Retirement Law.

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

	Miscellaneous	
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit Formula	2%@60	2%@62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50	52
Monthly Benefits, as a Percentage of Eligible Compensation	1.092%-2.418%	1.000%-2.500%
Required Employee Contribution Rates	7.460%	8.250%
Required Employer Contribution Rates	9.880%	9.880%

Employees Covered – At June 30, 2023, the following employees were covered by the benefit terms for the Plan as of the June 30, 2021 actuarial valuation:

	Miscellaneous
Inactive Employees or Beneficiaries Currently Receiving Benefits	237
Inactive Employees Entitled to but not yet Receiving Benefits	185
Active Employees	215
Total	637

Contributions – Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. 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

NOTE 7 – EMPLOYEES' RETIREMENT PENSION PLAN (Continued)

A. General Information about the Defined Benefit Pension Plan (the Plan) (Continued)

contribution rate of employees. For the measurement period ended June 30, 2022 (the measurement date), the classic (prior to January 1, 2013) active employee contribution rate is 7.460% of annual pay, the PEPRA (on or after January 1, 2013) active employee contribution rate is 8.250% of annual pay, and the employer's contribution rate is 9.880% of annual payroll. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

B. Net Pension Liability

The Authority's net pension liability for the Plan is measured as the total pension liability, less the Plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	6.90%
Mortality	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 Purchasing 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 for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021.

All other actuarial assumptions used in the June 30, 2021 valuation were based on the recommendations in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases and inflation assumption for Public Agencies. The Experience Study and Review of Actuarial Assumptions report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

NOTE 7 – EMPLOYEES' RETIREMENT PENSION PLAN (Continued)

B. Net Pension Liability (Continued)

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

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the reporting period ended June 30, 2023, the 6.90% discount rate was not reduced for administrative expense.

Long-Term Expected Rate of Return – 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 rate of return by asset class are as followed:

Asset Class [a]	Assumed Asset Allocation	Real Return Years [a][b]
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Infrastructure and Forestland	0.00%	0.00%
Leverage	-5.00%	-0.59%
Total	100.00%	

[a] An expected inflation of 2.30% used for this period.

[b] Figures are based on the 2021 Asset Liability Management study.

Annual Money-Weighted Return – For the fiscal year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expenses, was -7.5%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 7 – EMPLOYEES' RETIREMENT PENSION PLAN (Continued)

C. Changes in the Net Pension Liability

The changes in the net pension liability are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021 (Measurement Date)	$ 112,562,192	$ 115,643,662	$ (3,081,470)
Changes in the year:			
Service Cost	2,497,734	-	2,497,734
Interest on the Total Pension Liability	7,777,960	-	7,777,960
Differences between Expected and Actual Experience	(596,908)	-	(596,908)
Changes of Assumptions	2,290,688	-	2,290,688
Changes of Benefit Terms	-	-	-
Net Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	2,030,958	(2,030,958)
Contribution - Employee (Paid by Employer)	-	369,411	(369,411)
Contribution - Employee	-	677,462	(677,462)
Net Investment Income	-	(8,496,317)	8,496,317
Administrative Expenses	-	(72,039)	72,039
Other Miscellaneous Income/(Expense)	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(5,561,530)	(5,561,530)	-
Net Changes During 2021-22	6,407,944	(11,052,055)	17,459,999
Balance at June 30, 2022 (Measurement Date)	$ 118,970,136	$ 104,591,607	$ 14,378,529

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Plan's Net Pension Liability	$ 29,712,604	$ 14,378,529	$ 1,581,841

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

NOTE 7 – EMPLOYEES' RETIREMENT PENSION PLAN (Continued)

D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2023, the Authority recognized a defined benefit pension adjustment of $717. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	$ 2,658,419	$ -
Changes of Assumptions	1,616,956	-
Differences between Expected and Actual Experience	-	701,834
Net Differences between Projected and Actual Earnings on Plan Investments	5,219,182	-
Total	$ 9,494,557	$ 701,834

$2,658,419 reported as a deferred outflow of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 1,088,032
2025	1,216,820
2026	553,587
2027	3,275,865
Thereafter	-
Total	$ 6,134,304

E. Payable to the Pension Plan

At June 30, 2023, the Authority reported a payable of $87,527 for the outstanding amount of contributions to the pension plan required for the fiscal year ended June 30, 2023.

NOTE 8 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority is self-insured for public liability and property damage up to $250,000 per occurrence. Claims between $250,000 and $1,000,000 are insured through CalTIP, a joint powers agency (risk sharing pool) established in 1987 to provide an independently managed self-insurance program for member transit operators. Claims in excess of the pool limit are covered by excess insurance purchased by CalTIP up to $25 million per occurrence. Specifically, the Authority has the following forms of coverage through CalTIP:

- bodily injury liability,
- property damage liability,
- public officials errors and omissions liability, and
- personal injury liability.

NOTE 8 – <u>RISK MANAGEMENT</u> (Continued)

The purpose of CalTIP is to spread the adverse effect of losses among the member agencies and to purchase excess insurance as a group, thereby reducing its expense.

The Authority makes payments to CalTIP based on actuarial estimates of the amounts needed to pay prior year and current year claims. The claims liability of $391,785 at June 30, 2023, is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, for Public Entity Risk Pools, and for Entities Other Than Pools,* which requires that a liability for claims be reported if information prior to the issuance of the basic financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. This liability relates to the Authority's self-insured retention for its insurance program.

As of July 1, 2001, the Authority obtained insurance coverage relating to workers' compensation claims through the LAWCX, a joint powers agency (risk sharing pool) established in 1992 as a state-wide joint powers authority. Currently, there are 32 members consisting of 22 municipalities, 9 joint powers authorities, and 1 special district. The Authority is self-insured up to $250,000 per occurrence. Claims between $250,000 and $5,000,000 are covered by LAWCX. The Authority pays an annual premium to the pool. LAWCX participates in the Public Risk Innovation, Solutions and Management (PRISM) risk pool for excess workers' compensation coverage in excess of $5 million up to statutory limits. PRISM is a member-directed risk sharing pool of counties and public entities committed to providing risk coverage programs and risk management services.

The Authority makes payments to LAWCX on the actuarial estimates of the amounts needed to pay prior year and current year claims. The claims liability of $1,275,362 at June 30, 2023, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the basic financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. This liability relates to the Authority's self-insured retention for its insurance program.

NOTE 9 – <u>COMMITMENTS AND CONTINGENCIES</u>

The Authority has received state and federal funds for specific purposes that are subject to review and audit by grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, the Authority believes that any required reimbursements will not be material.

Additionally, the Authority is involved in various lawsuits, claims, and disputes, which for the most part are normal to the Authority's operations. In the opinion of Authority management, the costs that might be incurred, if any, would not materially affect the Authority's financial position or results of operations.

NOTE 10 – <u>CASH RESERVE FUNDS</u>

The Authority has designated two cash reserve funds as follows:

<u>Safe Harbor Lease Reserve</u>

The Authority maintains a reserve fund consisting of proceeds from the sale of federal income tax benefits under the safe harbor lease provisions of the Tax Equity and Fiscal Responsibility Act of 1982. The funds held are designated by the Authority's Board as a reserve against future unanticipated operating and capital funding shortfalls. As of June 30, 2023, this fund, including accrued interest, totaled $1,589,193.

NOTE 10 – CASH RESERVE FUNDS (Continued)

Self-Insurance Reserve

The Authority is self-insured for public liability and property damage up to $250,000 for each occurrence. For workers' compensation claims, it is also self-insured up to $250,000 per occurrence. Claims in excess of this amount are insured. Refer to Note 8 for further description. The Authority has designated a cash reserve fund to cover anticipated liability and damage claims not covered by insurance. The Authority reserves for reported actual and estimated incurred claims. The reserve for public liability and property damage as of June 30, 2023, totaled $391,785, and for the workers' compensation totaled $1,275,362.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)

A. General Information about the OPEB Plan

Plan Description

The Authority's Healthcare Insurance Benefits Program is a single-employer defined benefit postemployment healthcare plan in which retirees are eligible to participate. Benefits are provided through CalPERS Health Benefits Program for all administrative employees and transit operators. Benefits continue to the surviving spouses.

Benefits Provided

Eligibility for retiree health benefits requires service or disability retirement from the Authority on or after age 50 (age 52 if a PEPRA member) with at least five years of CalPERS service.

The Authority pays a portion of the cost of health insurance for retirees under any group plan offered by CalPERS, subject to certain restrictions as determined by the Authority.

Employees Covered by Benefit Terms

At July 1, 2021 (the census date), the benefit terms covered the following employees:

Retirees and survivors currently receiving benefits	64
Active employees	199
Total	263

Contributions

The Actuarially Determined Contribution (ADC) consists of two basic components, which have been adjusted with interest to the Authority's fiscal year-end:

- The amounts attributed to service performed in the current fiscal year (the normal cost) and
- Amortization of the unfunded actuarial accrued liability (UAAL).

The development of the ADC reflects the assumption that the Authority will contribute at least 100% of this amount each year, with contributions comprising of direct payments to insurers toward retiree premiums, each current year's implicit subsidy, and contributions to the OPEB trust.

B. Net OPEB Liability

The Authority's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (Continued)

B. Net OPEB Liability (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2022
Valuation Date	June 30, 2021
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets
Long-Term Return on Assets	4.75%
Discount Rate	4.75%
Participants Valued	Only current active employees, retired participants, and covered dependents are valued.
Salary Increase	3.00% per year, used only to allocate the cost of benefits between service years.
Assumed Increase for Amortization Payments	3.0% per year where determined on a percent of pay basis
General Inflation Rate	2.50% per year

Demographic actuarial assumptions used in this valuation are based on the 2017 experience study of the California Public Employees Retirement System using data from 1997 to 2015, except for a different basis used to project future mortality improvements. Mortality rates used were the CalPERS published rates, adjusted to back out 15 years of Scale MP 2016 to central year 2015.

Mortality	MacLeod Watts Scale 2022 applied generationally from 2015.
Healthcare Trend	Medical plan premiums and claims costs by age are assumed to increase once each year. Increases over the prior year's level were derived using the Getzen model and are assumed to be effective on the dates shown below. The required PEMHCA minimum employer contribution (MEC) is assumed to increase by 4.5% annually.

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2022	Actual	2044-2049	4.70%
2023	5.80%	2050-2059	4.60%
2024	5.60%	2060-2066	4.50%
2025	5.40%	2067-2068	4.40%
2026-2027	5.20%	2069-2070	4.30%
2028-2029	5.10%	2071	4.20%
2030-2038	5.00%	2072-2073	4.10%
2039	4.90%	2074-2075	4.00%
2040-2043	4.80%	2076 & later	3.90%

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (Continued)

B. Net OPEB Liability (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of 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 the 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
Equity - Large Cap Funds	15.50%	6.80%
Equity - Mid Cap Funds	3.00%	7.10%
Equity - Small Cap Funds	4.50%	7.90%
Equity - Real Estate	1.00%	6.60%
Equity - International	4.00%	7.30%
Equity - Emerging Markets	2.00%	7.30%
Fixed Income - Short Term Bond	14.00%	3.30%
Fixed Income - Intermediate Term Bond	49.25%	3.90%
Fixed Income - High Yield	1.75%	6.10%
Cash Equivalents	5.00%	2.40%
Total	100.00%	

Annual Money-Weighted Return

For the fiscal year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expenses, was -7.5%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.75%. The projection of cash flows used to determine the discount rate assumed that the Authority contribution will be made at rates equal to the ADC rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (Continued)

B. Net OPEB Liability (Continued)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2022	$ 8,108,179	$ 5,174,918	$ 2,933,261
Measurement Date June 30, 2021			
Changes in the Year:			
Service Cost	314,171	-	314,171
Interest	390,857	-	390,857
Expected Investment Income	-	249,989	(249,989)
Employer Contributions	-	563,588	(563,588)
Benefit Payments	(387,567)	(387,567)	-
Assumption Changes	-	-	-
Plan Experience	-	-	-
Investment Experience	-	(817,533)	817,533
Net Changes	317,461	(391,523)	708,984
Balance at June 30, 2023	$ 8,425,640	$ 4,783,395	$ 3,642,245
Measurement Date June 30, 2022			

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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 one percentage point lower (3.75%) or one percentage point higher (5.75%), follows:

	1% Decrease 3.75%	Discount Rate 4.75%	1% Increase 5.75%
Net OPEB Liability	$ 4,669,648	$ 3,642,245	$ 2,784,435

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

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 one percentage point lower (4.80%) or one percentage point higher (6.80%) than current healthcare cost trend rates, follows:

	1% Decrease 4.80% Decreasing to 2.90%	Discount Rate 5.80% Decreasing to 3.90%	1% Increase 6.80% Decreasing to 4.90%
Net OPEB Liability	$ 2,987,453	$ 3,642,245	$ 4,534,728

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (Continued)

B. Net OPEB Liability (Continued)

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the Authority recognized an OPEB adjustment of $422,902. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 376,638	$ 163,807
Differences Between Expected and Actual Experience	-	938,260
Net Difference Between Projected and Actual Earnings on Investments	485,374	-
Contributions Made Subsequent to the Measurement Date	532,189	-
Total	$ 1,394,201	$ 1,102,067

The $532,189 reported as a deferred outflow of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction to the net OPEB liability during the fiscal year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related OPEB expenses will be recognized as follows:

For the Fiscal Year Ending June 30,	Recognized Net Deferred Outflows (Inflows) of Resources
2024	$ (362,640)
2025	(81,008)
2026	(13,766)
2027	199,172
2028	18,187
Total	$ (240,055)

NOTE 12 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities at June 30, 2023, follows:

	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023	Due Within One Year
Self-Insurance Liabilities	$ 1,655,578	$ 699,290	$ 687,721	$ 1,667,147	$ 973,230
Compensated Absences	1,338,466	1,015,886	1,031,213	1,323,139	1,080,548
Totals	$ 2,994,044	$ 1,715,176	$ 1,718,934	$ 2,990,286	$ 2,053,778

NOTE 13 – TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS

The Authority received TDA funds under Articles 4 and 4.5 (two subsections: 99260(a) and 99275) of the California Public Utilities Code for the fiscal year ended June 30, 2023. TDA funds received pursuant to these Sections of the California Public Utilities Code may be used for public transportation services and community transit services, respectively. According to the underlying TDA allocation instructions issued by the MTC, eligible costs must be incurred on or before June 30 of the fiscal year for which funds are allocated. Unused portions must revert back to the County's Local Transportation Fund (LTF).

A summary of LTF allocations, corresponding expenses, and portion to be returned to the County's LTF as of the fiscal year ended June 30 follows:

LTF Allocations for Public Transportation Services:	
99260(a)	$ 19,694,537
Less: applicable expenses	(10,411,289)
Unused portion to revert back to (balance due to) the County's LTF (Current Year)	9,283,248
Prior year unused portion not returned	10,786,896
Total Unused Portion to Revert Back to the County's LTF	$ 20,070,144
LTF Allocations for Community Transit Services:	
99275 and 99260(a)	$ 1,311,312
Less: applicable expenses	(1,311,312)
Unused portion to revert back to the County's LTF	-
Total Due Back to the County's LTF	$ 20,070,144

NOTE 14 – EMPLOYEE BENEFITS – DEFERRED COMPENSATION PLAN

Employees of the Authority may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code (IRC) Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the Authority. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. Employees are allowed loans under the IRC Section 457 rules.

The deferred compensation plan is administered by an unrelated financial institution. Under the terms of IRC Section 457 Deferred Compensation Plans, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employee.

NOTE 15 – RECLASSIFICATIONS

Certain fiscal year 2022 amounts have been reclassified to conform with the fiscal year 2023 presentation.

REQUIRED SUPPLEMENTARY INFORMATION

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
AS OF JUNE 30, 2023
LAST 10 FISCAL YEARS*

Measurement Period	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total Pension Liability				
Service Cost	$ 2,497,734	$ 2,318,458	$ 2,334,896	$ 2,340,898
Interest on Total Pension Liability	7,777,960	7,595,094	7,294,049	6,932,405
Changes of Benefit Terms	-	-	-	-
Changes of Assumptions	2,290,688	-	-	-
Differences between Expected and Actual Experience	(596,908)	(772,818)	(68,868)	25,006
Benefit Payments, Including Refunds of Employee Contributions	(5,561,530)	(4,834,432)	(4,440,542)	(3,846,430)
Net Change in Total Pension Liability	6,407,944	4,306,302	5,119,535	5,451,879
Total Pension Liability - Beginning	112,562,192	108,255,890	103,136,355	97,684,476
Total Pension Liability - Ending (a)	$ 118,970,136	$ 112,562,192	$ 108,255,890	$ 103,136,355
Plan Fiduciary Net Position				
Contributions - Employer	$ 2,030,958	$ 1,799,854	$ 1,590,639	$ 1,424,384
Contributions - Employee (Paid by Employer)	369,411	408,586	408,586	449,362
Contributions - Employee	677,462	617,163	690,196	596,997
Net Investment Income	(8,496,317)	21,410,686	4,664,610	5,804,423
Benefit Payments, Including Refunds of Employee Contributions	(5,561,530)	(4,834,432)	(4,440,542)	(3,846,430)
Administrative Expenses	(72,039)	(96,236)	(131,892)	(63,649)
Other Miscellaneous Income/(Expense)**	-	-	-	207
Net Change in Plan Fiduciary Net Position	(11,052,055)	19,305,621	2,781,597	4,365,294
Plan Fiduciary Net Position - Beginning***	115,643,662	96,338,041	93,556,444	89,191,150
Plan Fiduciary Net Position - Ending (b)	$ 104,591,607	$ 115,643,662	$ 96,338,041	$ 93,556,444
Net Pension Liability (Asset) [(a) - (b)]	$ 14,378,529	$ (3,081,470)	$ 11,917,849	$ 9,579,911
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.91%	102.74%	88.99%	90.71%
Covered Payroll****	$ 14,727,203	$ 14,890,548	$ 15,073,568	$ 15,239,229
Net Pension Liability as a Percentage of Covered Payroll	97.63%	-20.69%	79.06%	62.86%

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS (Continued)
AS OF JUNE 30, 2023
LAST 10 FISCAL YEARS*

Measurement Period	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability					
Service Cost	$ 2,257,838	$ 2,337,306	$ 1,945,766	$ 1,918,011	$ 1,994,470
Interest on Total Pension Liability	6,570,234	6,322,423	6,022,970	5,722,716	5,409,869
Changes of Benefit Terms	-	-	-	-	-
Changes of Assumptions	(660,476)	5,271,395	-	(1,429,806)	-
Differences between Expected and Actual Experience	(932,669)	(516,597)	(800,944)	(576,058)	-
Benefit Payments, Including Refunds of Employee Contributions	(3,812,132)	(3,309,790)	(3,141,095)	(2,716,414)	(2,653,773)
Net Change in Total Pension Liability	3,422,795	10,104,737	4,026,697	2,918,449	4,750,566
Total Pension Liability - Beginning	94,261,681	84,156,944	80,130,247	77,211,798	72,461,232
Total Pension Liability - Ending (a)	$ 97,684,476	$ 94,261,681	$ 84,156,944	$ 80,130,247	$ 77,211,798
Plan Fiduciary Net Position					
Contributions - Employer	$ 1,158,215	$ 1,070,201	$ 1,272,683	$ 947,246	$ 917,689
Contributions - Employee (Paid by Employer)	586,800	527,557	491,555	432,811	509,838
Contributions - Employee	470,086	469,913	506,311	515,306	447,265
Net Investment Income	6,979,197	8,507,531	460,130	1,698,644	11,507,514
Benefit Payments, Including Refunds of Employee Contributions	(3,812,132)	(3,309,790)	(3,141,095)	(2,716,414)	(2,653,773)
Administrative Expenses	(131,190)	(113,741)	(47,229)	(87,217)	-
Other Miscellaneous Income/(Expense)**	(249,340)	-	-	-	-
Net Change in Plan Fiduciary Net Position	5,001,636	7,151,671	(457,645)	790,376	10,728,533
Plan Fiduciary Net Position - Beginning***	84,189,514	77,037,843	77,495,488	76,705,112	65,976,579
Plan Fiduciary Net Position - Ending (b)	$ 89,191,150	$ 84,189,514	$ 77,037,843	$ 77,495,488	$ 76,705,112
Net Pension Liability [(a) - (b)]	$ 8,493,326	$ 10,072,167	$ 7,119,101	$ 2,634,759	$ 506,686
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.31%	89.31%	91.54%	96.71%	99.34%
Covered Payroll****	$ 14,673,672	$ 14,786,527	$ 13,915,228	$ 13,613,535	$ 13,553,073
Net Pension Liability as a Percentage of Covered Payroll	57.88%	68.12%	51.16%	19.35%	3.74%

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS (Continued)
AS OF JUNE 30, 2023
LAST 10 FISCAL YEARS*

Notes to Schedule:

* When information is available, the required 10 years will be shown.

** During fiscal year 2017-18, as a result of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions* (GASB 75), California Public Employees Retirement System (CalPERS) reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and, during fiscal year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68).

*** Includes any beginning of year adjustment.

**** Covered Payroll represented above is based on pensionable earnings provided by the employer. Payroll was assumed to increase by the 2.80 percent payroll growth assumption for fiscal years ended June 30, 2022; 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Benefit changes: The figures generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden handshakes) that occurred after the Valuation Data are not included in the figures, unless the liability impact is deemed to be material by the plan actuary.

Changes of assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The ac counting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF INVESTMENT RETURNS – PENSION
AS OF JUNE 30, 2023
LAST 10 FISCAL YEARS*

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Annual Money-Weighted Rate of Return, Net of Investment Expense	-7.5%	22.4%	5.0%	6.5%	8.4%

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.2%	0.5%	2.2%	17.7%

Note to Schedule:

* When information is available, the required 10 years will be shown.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CONTRIBUTIONS – PENSION
AS OF JUNE 30, 2023
LAST 10 FISCAL YEARS*

Fiscal Year Ended June 30	2022	2021	2020	2019	2018
Actuarially Determined Contributions	$ 2,030,958	$ 1,799,854	$ 1,590,639	$ 1,424,384	$ 1,158,215
Contributions in Relation to the Actuarially Determined Contributions	(2,030,958)	(1,799,854)	(1,590,639)	(1,424,384)	(1,158,215)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll**	$ 14,727,203	$ 14,890,548	$ 15,073,568	$ 15,239,229	$ 14,673,672
Contributions as a Percentage of Covered Payroll	13.79%	12.09%	10.55%	9.35%	7.89%

Fiscal Year Ended June 30	2017	2016	2015	2014
Actuarially Determined Contributions	$ 1,070,201	$ 1,272,683	$ 947,246	$ 917,689
Contributions in Relation to the Actuarially Determined Contributions	(1,070,201)	(1,272,683)	(947,246)	(917,689)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll**	$ 14,786,527	$ 13,915,228	$ 13,613,535	$ 13,553,073
Contributions as a Percentage of Covered Payroll	7.24%	9.15%	6.96%	6.77%

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CONTRIBUTIONS – PENSION (Continued)
AS OF JUNE 30, 2023
LAST 10 FISCAL YEARS*

Notes to Schedule:

* When information is available, the required 10 years will be shown.
** Covered Payroll represented above is based on pensionable earnings provided by the employer. Payroll was assumed to increase by the 2.80 percent payroll growth assumption for fiscal years ended June 30, 2022; 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

The actuarial methods and assumptions used to set the actuarially determined contributions for the Authority's fiscal year ending June 30, 2022 were derived from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll
Asset valuation method	Fair Value of Assets. CalPERS employs a policy that amortizes all gains and losses over a fixed 30-year period. The increase or decrease in the rate is then spread directly over a 5-year period. This method is referred to as "direct rate smoothing."
Inflation	2.50%
Projected salary increases	Varies by entry age and service.
Payroll growth	2.75%
Investment rate of return	7.00% (Net of Pension Plan Investment and Administrative Expenses; includes Inflation)
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
SINGLE-EMPLOYER DEFINED BENEFIT PLAN
SCHEDULE OF CHANGES IN THE NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS
JUNE 30, 2023
LAST 10 FISCAL YEARS*

Measurement Period	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability					
Service Cost	$ 314,171	$ 328,799	$ 318,449	$ 331,211	$ 320,785
Interest on the Total OPEB Liability	390,857	390,119	369,885	406,509	385,114
Changes of Benefit Terms			-	-	-
Differences Between Expected and Actual Experience	-	(184,833)	-	(1,357,116)	-
Changes in Assumptions	-	417,022	-	205,894	-
Benefit Payments	(387,567)	(327,048)	(276,823)	(306,893)	(286,733)
Net Change in Total OPEB Liability	317,461	624,059	411,511	(720,395)	419,166
Total OPEB Liability - Beginning	8,108,179	7,484,120	7,072,609	7,793,004	7,373,838
Total OPEB Liability - Ending (a)	$ 8,425,640	$ 8,108,179	$ 7,484,120	$ 7,072,609	$ 7,793,004
OPEB Plan Fiduciary Net Position					
Net Investment Income	$ (567,544)	$ 496,621	$ 215,873	$ 224,930	$ 80,538
Contributions - Employer	563,588	546,415	529,577	606,839	588,345
Benefit Payments	(387,567)	(327,048)	(276,823)	(306,893)	(286,733)
Administrative Expenses	-	-	-	-	(1,550)
Net Change in OPEB Plan Fiduciary Net Position	(391,523)	715,988	468,627	524,876	380,600
OPEB Plan Fiduciary Net Position - Beginning	5,174,918	4,458,930	3,990,303	3,465,427	3,084,827
OPEB Plan Fiduciary Net Position - Ending (b)	$ 4,783,395	$ 5,174,918	$ 4,458,930	$ 3,990,303	$ 3,465,427
Net OPEB Liability [(a) - (b)]	$ 3,642,245	$ 2,933,261	$ 3,025,190	$ 3,082,306	$ 4,327,577
OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	56.77%	63.82%	59.58%	56.42%	44.47%
Covered Payroll	$ 15,287,627	$ 14,326,765	$ 15,543,046	$ 15,503,972	$ 14,836,604
Net OPEB Liability as a Percentage of Covered Payroll	23.82%	20.47%	19.46%	19.88%	29.17%

Notes to Schedule:

* When information is available, the required 10 years will be shown.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
SINGLE-EMPLOYER DEFINED BENEFIT PLAN
SCHEDULE OF INVESTMENT RETURNS – OPEB
JUNE 30, 2023
LAST 10 YEARS*

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Annual Money-Weighted Rate of Return, Net of Investment Expense	4.05%	-10.42%	11.76%	6.23%	7.16%

Notes to Schedule:

* When information is available, the required 10 years will be shown.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
SINGLE-EMPLOYER DEFINED BENEFIT PLAN
SCHEDULE OF CONTRIBUTIONS – OPEB
JUNE 30, 2023
LAST 10 FISCAL YEARS*

Fiscal Year Ended June 30	2023	2022	2021	2020	2019	2018
Actuarially Determined Contributions	$ 530,899	$ 561,678	$ 545,410	$ 529,577	$ 606,839	$ 588,345
Contributions in Relation to the Actuarially Determined Contributions	(532,189)	(563,588)	(546,415)	(529,577)	(606,839)	(588,345)
Contribution Deficiency (Excess)	$ (1,290)	$ (1,910)	$ (1,005)	$ -	$ -	$ -
Covered Payroll	$ 15,867,493	$ 16,518,765	$ 14,326,765	$ 16,007,851	$ 15,503,972	$ 14,836,604
Contributions as a Percentage of Covered Payroll	3.35%	3.41%	3.81%	3.31%	3.91%	3.97%

Notes to Schedule:

* When information is available, the required 10 years will be shown.

The actuarial methods and assumptions used to set the actuarially determined contributions for the Authority's fiscal years ending June 30, 2023, were derived from the June 30, 2021 actuarial valuation report.

Methods and assumptions used to determine contribution rates:

Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets
Long-Term Return on Assets	4.75%
Discount Rate	4.75%
Participants Valued	Only current active employees, retired participants, and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3.00% per year, used only to allocate the cost of benefits between service years
Assumed Increase for Amortization Payments	3.0% per year
General Inflation Rate	2.50% per year

Demographic actuarial assumptions used in this valuation are based on the 2017 experience study of the CalPERS using data from 1997 to 2015, except for a different basis used to project future mortality improvements. Rates for selected age and service are shown in the July 1, 2018 funding valuation. The representative mortality rates were the published CalPERS rates, adjusted to back out 15 years of Scale MP 2016 to central year 2015.

Mortality	MacLeod Watts Scale 2022 applied generationally from 2015.

SUPPLEMENTARY INFORMATION AND OTHER REPORTS

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Project Number/Program Title	Assistance Listing Number	Identification Number	Passed-Through To Subrecipients	Grant Expenditures
U.S. Department of Transportation/ Federal Transit Administration (FTA)				
Federal Transit Cluster				
Direct:				
Formula Grants:	20.507			
FY15 Projects - Access and Planning Software		CA-2016-013-01	$ -	$ 120,213
FY16 FTA Low/No Emissions Bus Program		CA-2017-034-00	-	155,192
FY22 5307 Formula Grant for Paratransit Operations		CA-2023-071-00	-	1,823,750
FY22 5307 & 5339 Formula Grant - Vehicle Replacement		2584-2022-4	-	15,465,933
COVID-19 Formula Grants:				
CCCTA 5307 ARP Act Grant - Operating Assistance		CA-2022-040-00	-	6,410,890
Indirect:				
Passed Through Metropolitan Transportation Commission				
FTA FY14 Section 5339 Bus and Bus Facilities	20.507	CA-34-0024	-	2,286
FTA FY15 Section 5339 Bus and Bus Facilities	20.507	CA-34-0032	-	123,272
Subtotal Federal Transit Cluster			-	24,101,536
Indirect:				
Passed Through Metropolitan Transportation Commission				
Short Range Transit Plan	20.503	FPP-25318	-	20,000
Total U.S. Department of Transportation / FTA			-	24,121,536
Total Expenditures of Federal Awards			$ -	$ 24,121,536

See accompanying notes to schedule of expenditures of federal awards.

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023**

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal financial assistance programs of the Central Contra Costa Transit Authority (the Authority). Federal financial assistance is received directly from the Federal Transit Administration (FTA) and is included on the SEFA.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying SEFA has been prepared on the accrual basis of accounting. Federal capital grant funds are used to purchase property, plant, and equipment. Federal grants receivable are included in capital and operating grants receivable, which also includes receivables from state and local grant sources. The information in the SEFA is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 3 – INDIRECT COST RATE

The Authority did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414.

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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 BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Administration and Finance Committee and Board of Directors
Central Contra Costa Transit Authority
Concord, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Central Contra Costa Transit Authority (the Authority) as of and for the fiscal year ended June 30, 2023, and related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 22, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

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Report on Compliance and Other Matters

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

Authority's Response to Findings

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

Purpose of this Report

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Stockton, California
November 22, 2023

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INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

To the Administration and Finance Committee and Board of Directors
Central Contra Costa Transit Authority
Concord, California

Report on Compliance with Transportation Development Act Requirements

We have audited the Central Contra Costa Transit Authority's (the Authority) compliance with Transportation Development Act (TDA) requirements that funds allocated to and received by the Authority were expended in conformance with applicable statutes, rules, and regulations of the TDA and the allocation instructions and resolutions of the Metropolitan Transportation Commission as required by Section 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations during the year ended June 30, 2023.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the applicable statutes, rules, and regulations of the TDA.

Auditor's Responsibility

Our responsibility is to express an opinion on each of the Authority's compliance requirements referred to in Section 6667, which requires that, for a transit claimant, the independent auditor will perform at least the following tasks:

(a) Determine whether the claimant was an entity eligible to receive the funds allocated to it;
(b) Determine whether the claimant is maintaining its accounts and records on an enterprise fund basis and is otherwise in compliance with the uniform system of accounts and records adopted by the State Controller, pursuant to Public Utilities Code Section 99234;
(c) Determine whether the funds received by the claimant pursuant to the TDA were expended in conformance with those sections of the TDA specifying the qualifying purposes, including Public Utilities Code Sections 99262 and 99263 for operators receiving funds under Article 4; Sections 99275, 99275.5, and 99277 for Article 4.5 claimants; Section 99400(c), (d), and (e) for Article 8 claimants for service provided under contract; and Section 99405(d) for transportation services provided by cities and countries with populations of less than 5,000;
(d) Determine whether the funds received by the claimant pursuant to the TDA were expended in conformance with the applicable rules, regulations, and procedures of the transportation planning agency and in compliance with the allocation instructions and resolutions;
(e) Determine whether interest earned on funds received by the claimant, pursuant to the TDA, were expended only for those purposes for which the funds were allocated in accordance with Public Utilities Code Sections 99234.1, 99301, 99301.5, and 99301.6;
(f) Verify the amount of the claimant's operating cost for the fiscal year, the amount of fare revenues required to meet the ratios specified in Sections 6633.2 and 6633.5, and the amount of the sum of fare revenues and local support required to meet the ratios specified in the Section 6633.2;

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(g) Verify the amount of the claimant's actual fare revenues for the fiscal year;
(h) Verify the amount of the claimant's actual local support for the fiscal year;
(i) Verify the amount of the claimant was eligible to receive under the TDA during the fiscal year in accordance with Sections 6634 and 6649;
(j) Verify, if applicable, the amount of the operator's expenditure limitation in accordance with Section 6633.1;
(k) In the case of an operator, determine whether the operator's employee retirement system or private pension plan is in conformance with the provisions of Public Utilities Code Sections 99271, 99272, and 99273;
(l) In the case of an operator, determine whether the operator has had a certification by the Department of the California Highway Patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required in Public Utilities Code Section 99251;
(m) In the case of an operator, verify, if applicable, its State Transit Assistance eligibility pursuant to Public Utilities Code Section 99314.6 or 99314.7; and
(n) In the case of a claimant for community transit services, determine whether it is in compliance with Public Utilities Code Sections 99155 and 99155.5.

We conducted our audit of compliance 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the requirements referred to above. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.
We believe that our audit provides a reasonable basis for our opinion on compliance requirements referred to above. However, our audit does not provide a legal determination of the Authority's compliance.

Report on Public Transportation Modernization, Improvement, and Service Enhancement Account

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

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B). Of the $19.925 billion of state general obligation bonds authorized, $4 billion was set aside by the State as instructed by the statute as the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA).

Additionally, Section 8879.23 (h) directs that $1 billion dollars be deposited in the Transit System Safety, Security, and Disaster Response Account. This section further directs that $100 million dollars be made available upon appropriation by the legislature to entities for eligible transit system safety, security, and disaster response projects. These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety, or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; or for rolling stock procurement, rehabilitation, or replacement.

As of June 30, 2023, all Proposition 1B funds received and expended were verified in the course of our current audit as follows:

Balance – beginning of the year	$ 2,504,225
Proceeds received:	
PTMISEA	-
Interest earned	42,411
Expenses incurred:	
Rolling stock replacement, facility rehab, and lifeline bus stop	2,546,636
Unexpended proceeds, June 30, 2023	$ -

Opinion on Compliance

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 the compliance requirements referred above for the fiscal year ended June 30, 2023.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Stockton, California
November 22, 2023

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

To the Administration and Finance Committee and Board of Directors
Central Contra Costa Transit Authority
Concord, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Central Contra Costa Transit Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Authority's major federal programs for the fiscal year ended June 30, 2023. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION
Brown Armstrong
Accountancy Corporation

Stockton, California
November 22, 2023

STATISTICAL SECTION

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JUNE 30, 2023
LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating Revenues										
Passenger fares	$ 3,179,075	$ 2,217,862	$ 1,348,037	$ 3,043,712	$ 3,383,189	$ 3,221,580	$ 3,275,964	$ 3,549,944	$ 3,759,432	$ 3,935,630
Special transit fees	2,377,427	1,620,037	350,308	1,652,117	1,833,494	1,635,867	1,480,747	1,440,678	1,386,527	1,169,473
Total Operating Revenues	5,556,502	3,837,899	1,698,345	4,695,829	5,216,683	4,857,447	4,756,711	4,990,622	5,145,959	5,105,103
Operating Expenses										
Salaries and benefits	26,144,670	24,816,193	24,128,547	25,322,594	25,441,759	24,101,090	23,779,117	22,863,358	20,582,768	20,883,813
Materials and supplies	3,580,623	3,342,724	2,289,007	2,468,857	2,777,883	2,529,044	2,118,404	2,273,864	2,761,506	3,136,172
Services	2,436,795	2,130,814	1,746,263	1,869,379	1,933,459	1,744,973	1,751,238	1,697,825	1,775,371	1,933,534
Purchased transportation	7,912,505	7,181,927	6,072,093	6,544,224	6,211,639	5,561,256	5,309,756	5,458,921	5,151,072	5,206,741
Insurance	909,275	802,032	957,458	790,287	763,534	722,556	676,984	685,551	627,088	740,595
Other	735,759	180,176	73,552	147,590	189,045	202,460	210,422	305,691	312,727	286,464
Utilities	406,341	389,068	348,434	365,131	366,642	356,151	320,063	284,645	256,395	284,788
Taxes	340,748	415,987	228,805	237,192	217,950	226,116	184,435	193,913	250,077	325,316
Leases and rentals	52,866	57,332	60,409	60,444	53,508	42,499	48,466	44,983	40,454	36,402
Defined benefit pension adjustment	(717)	(3,486,207)	1,445,493	2,120,710	642,776	1,807,421	(17,761)	(1,169,716)	-	-
Other postemployment benefits (OPEB) adjustment	(422,902)	(581,142)	(554,446)	(461,471)	(376,320)	(224,832)	-	-	-	-
Depreciation	6,730,962	7,123,208	7,197,115	7,499,707	7,511,790	6,186,320	5,363,010	5,294,062	5,388,083	5,374,167
Total Operating Expenses	48,826,925	42,372,112	43,992,730	46,964,644	45,733,665	43,255,054	39,744,134	37,933,097	37,145,541	38,207,992
Operating Loss	(43,270,423)	(38,534,213)	(42,294,385)	(42,268,815)	(40,516,982)	(38,397,607)	(34,987,423)	(32,942,475)	(31,999,582)	(33,102,889)
Nonoperating Revenues										
Federal operating assistance [b]	8,342,650	9,247,548	2,371,121	8,339,542	1,703,403	1,655,674	1,002,950	2,237,709	1,376,873	1,881,018
State and local operating assistance	27,818,081	26,014,999	31,591,217	23,943,345	30,136,010	27,996,289	27,891,975	25,713,041	25,324,446	25,117,180
Advertising revenue	307,166	292,311	95,263	479,408	618,416	615,631	608,420	599,100	586,768	579,738
Interest income	393,095	(140,571)	36,814	268,607	253,675	118,161	38,789	40,642	15,307	14,602
Other revenue	102,093	77,488	84,977	78,968	102,245	108,077	83,538	82,784	93,083	91,313
Interest expense	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on sale of capital assets	102	-	26,883	-	(6,944)	211,840	14,479	135,603	3,706	(44,703)
Loss on disposal of capital assets	-	(13,421)	-	-	-	-	-	-	-	-
Total Nonoperating Revenues	36,963,187	35,478,354	34,206,275	33,109,870	32,806,805	30,705,672	29,640,151	28,808,879	27,400,183	27,639,148
Net Loss Before Capital Contributions	(6,307,236)	(3,055,859)	(8,088,110)	(9,158,945)	(7,710,177)	(7,691,935)	(5,347,272)	(4,133,596)	(4,599,399)	(5,463,741)
Capital Contributions										
Grants restricted for capital expenses (Note 3)	19,988,969	441,602	420,944	968,706	7,088,596	2,850,624	19,010,487	17,447,423	2,935,527	4,967,261
Prior Period Adjustment [a]	-	-	-	-	-	(5,971,222)	-	-	(5,057,126)	-
Increase (Decrease) in Net Position	13,681,733	(2,614,257)	(7,667,166)	(8,190,239)	(621,581)	(10,812,533)	13,663,215	13,313,827	(6,720,998)	(496,480)
Beginning Net Position, as Restated	26,554,339	29,168,596	36,835,762	45,026,001	45,647,582	56,460,115	42,796,900	29,483,073	36,204,071	36,700,551
Ending Net Position, as Restated	$ 40,236,072	$ 26,554,339	$ 29,168,596	$ 36,835,762	$ 45,026,001	$ 45,647,582	$ 56,460,115	$ 42,796,900	$ 29,483,073	$ 36,204,071

[a] Prior Period adjustments:

FY 2018 was implementation of GASB Statement No. 75 for Other Postemployment Benefits.

FY 2015 was implementation of GASB Statement No. 68 for Pension Benefits.

[b] Federal operating assistance includes $3,538,209, $1,358,665 and $6,911,064 in FTA CARES Act funds in FY 2022, FY 2021 and FY 2020, respectively, and $6,410,890 and $3,930,747 in FTA ARPA Act funds in FY 2023 and FY 202

FINDINGS AND QUESTIONED COSTS SECTION

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

Section I – Summary of Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Deficiencies or significant deficiencies identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

B. Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Deficiencies or significant deficiencies identified not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No

C. Identification of Major Programs

Assistance Listing Numbers	Name of Federal Program or Cluster
Assistance Listing Number 20.507	Federal Transit Formula Grants

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

Section II – Financial Statement Audit Findings and Questioned Costs

Finding 2023 -001 – Reporting of Schedule of Expenditures of Federal Awards.

<u>CONDITION</u>

The Authority did not initially prepare a complete and accurate Schedule of Expenditures of Federal Awards. Expenditures paid with capital federal grant funds that incurred in FY2023 were not reported on the schedule.

CRITERIA

2 CFR Part 200, Subpart F (Uniform Guidance) Section 200.502 requires the auditee to prepare an accurate Schedule of Expenditures of Federal Awards for the period covered by the auditee's financial statements.

CAUSE OF CONDITION

Inconsistent treatment of accruals at year-end resulted in misstatements on the Schedule of Expenditures of Federal Awards.

POTENTIAL EFFECT OF CONDITION

The Authority's Schedule of Expenditures of Federal Awards was initially materially misstated and therefore not in compliance with Federal regulations. This noncompliance could impact the Authority's eligibility to receive federal awards.

RECOMMENDATION

We recommend that the Authority develop a reconciliation process to verify all expenditures incurred through the fiscal year at hand and paid with federal funding are included in the Schedule of Expenditures of Federal Awards, with specific emphasis on accrued payables and receivables. All worksheets that are currently used to track expenditures paid with federal funding are properly reviewed at yearend and traced to inclusion on Schedule of Expenditures of Federal Awards. The reconciliation process should be reviewed by an individual familiar with the general ledger and independent of the preparer.

MANAGEMENT RESPONSE

A reconciliation process has already been created and performed on the current year revised Schedule of Expenditures of Federal Awards. Staff will ensure that this process is performed in future years and double-checked by a finance staff member who is familiar with the general ledger.

Section III – Federal Awards Findings and Questioned Costs

None.

Section IV – Summary of Prior Audit (June 30, 2022) Findings and Current Year Status

None.

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REQUIRED COMMUNICATION TO THE ADMINISTRATION AND FINANCE COMMITTEE AND BOARD OF DIRECTORS IN ACCORDANCE WITH PROFESSIONAL STANDARDS (SAS 114)

To the Administration and Finance Committee
and Board of Directors
Central Contra Costa Transit Authority
Concord, California

We have audited the basic financial statements of the Central Contra Costa Transit Authority (the Authority) for the fiscal year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards,* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 19, 2023. Professional standards also require that we communicate to you the following information related to our audit.

<u>Significant Audit Matters</u>

Qualitative Aspects of Accounting Practices
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 basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2023. We noted no transactions entered into by the Authority during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic 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 basic 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 basic financial statements were:

- Estimated Useful Lives of Capital Assets – Management estimates the lives of capital assets for purposes of calculating annual depreciation expense to be reported in the Authority's Statement of Revenues, Expenses, and Changes in Net Position. Estimated useful lives range from 9 to 13 years for revenue transit vehicles; 3 to 10 years for shop, office, other equipment, and service vehicles; and 30 years for building and structures.

- Self-Insurance Liability – This represents management's estimate of the liability for public liability claims and workers' compensation claims to be paid for which the Authority is self-insured, and includes management's estimate of the ultimate costs for both reported claims and claims incurred but not reported.

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- Net Pension Liability (Asset) and Postemployment Benefits Other than Pension Benefits (OPEB) Liability – These are based on actuarial evaluations, which involve estimates of the value of reported amounts and probabilities about the occurrence of future events far into the future.

We evaluated the key factors and assumptions used to develop the accounting estimates used in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain basic financial statement disclosures are particularly sensitive because of their significance to basic financial statement users. The most sensitive disclosures affecting the basic financial statements were the disclosures of capital assets and depreciation, employees' retirement pension plan and the net pension liability (asset), risk management self-insurance liability, and the OPEB plan and the net OPEB liability in Notes 5, 7, 8, and 11, respectively, of the basic financial statements.

The basic 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.

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 basic financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated November 22, 2023.

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 basic 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.

There was a material weakness that we have reported to management of the Authority described in the schedule of findings and questioned costs as item 2023-001.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis (MD&A), Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios, Schedule of Investment Returns – Pension, Schedule of Contributions – Pension, Schedule of Changes in the Net OPEB Liability and Related Ratios, Schedule of Investment Returns – OPEB, and Schedule of Contributions – OPEB, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on schedule of expenditures of federal awards, which accompanies the basic financial statements but is not RSI. 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 basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

We were not engaged to report on the statistical section, which accompanies the basic financial statements but is not RSI. 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 it.

Restriction on Use

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Stockton, California
November 22, 2023

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AGREED UPON CONDITIONS REPORT DESIGNED TO IMPROVE EFFICIENCY, INTERNAL CONTROLS, AND/OR FINANCIAL REPORTING (MANAGEMENT LETTER)

To the Administration and Finance Committee
and Board of Directors
Central Contra Costa Transit Authority
Concord, California

We have audited the financial statements of the Central Contra Costa Transit Authority (the Authority) as of and for the fiscal year ended June 30, 2023, and have issued our report dated November 22, 2023. In planning and performing our audit of the financial statements of the Authority, we considered its internal control structure over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 entity's financial statements will not be prevented or detected and corrected on a timely basis.

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

The results of our audit disclosed no recommendations for the current year and we are providing the disposition of the prior year comments.

Restriction on Use

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION
Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 22, 2023

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Current Year Agreed Upon Conditions and Recommendations

None.

Status of Prior Year Agreed Upon Conditions and Recommendations

AUC-01 Financial Closing Review and Reconciliations

During the audit, we noted that the underlying schedules relating to insurance reserves and grant revenue required reclassifications or adjustments to be properly reported in the financial statements.

The general ledger represents the accounting record of the Authority's financial transactions and is the source document for the preparation of the financial statements. Thus, it is important that the general ledger be accurate on a consistent basis in order for management and the Board of Directors to make informed decisions.

Recommendation

We recommend that management reconcile the general ledger balances to the underlying schedules on a monthly basis to ensure the accuracy of the general ledger balances. Additionally, the Authority should review its current system of controls and procedures to ensure that the required reconciliations are completed accurately.

Management's Response

Authority Management agrees to the recommendation and will review its current system of controls and procedures to ensure that the required reconciliations are completed accurately.

Current Year Status

Implemented.

BROWN ARMSTRONG
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Administration and Finance Committee
Central Contra Costa Transit Authority
Concord, California

We have performed the procedures enumerated below on the accounting records solely to assist management of Central Contra Costa Transit Authority (the Authority) in determining appropriate wage increases for the fiscal year ends of June 30, 2023 and 2022. The Authority is responsible for the Authority's accounting records.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of reviewing the State Transit Assistance (STA) and Transportation Development Act (TDA) funds allocated by the Metropolitan Transportation Commission (MTC), to review the cost of diesel fuel purchased by the Authority, and to review the California Public Employees' Retirement System (CalPERS) benefits paid by the Authority for the fiscal year ended June 30, 2023, and compare to the prior fiscal year ended June 30, 2022. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Obtain the allocated amount of TDA and STA funds according to MTC for the fiscal year ending June 30, 2023 and the final amounts of TDA and STA funds received according to the Authority for the fiscal year ending June 30, 2022. Determine if the MTC allocation for the fiscal year ending June 30, 2023 is reduced compared to funds received by the Authority in the fiscal year ending June 30, 2022.

   Finding: The STA or TDA funds allocation from MTC was not reduced for the fiscal year ending June 30, 2023 compared to funds received by the Authority in the fiscal year ending June 30, 2022. Refer to attached schedule.

2) Obtain the average per gallon price of diesel fuel purchased by the Authority during the 12 months of the fiscal year ending June 30, 2023 and 2022. Determine if the average per gallon price of diesel fuel purchased during the 12 months of the fiscal year ending June 30, 2023 increased by 40% when compared to the average per gallon price of diesel fuel purchased during the 12 months of the fiscal year ending June 30, 2022.

   Finding: The average per gallon price of diesel fuel purchased by the Authority during the 12 months of fiscal year ending June 30, 2023 increased by 20% when compared to average per gallon price of diesel fuel purchased by the Authority during the 12 months of the fiscal year ending June 30, 2022. Refer to attached schedule.

3) Obtain a schedule of dollar amount the Authority paid to PERS for non-healthcare retirement benefits in the fiscal year ending June 30, 2023 and 2022. Determine if dollar amount paid in the fiscal year ending June 30, 2023 increased by $1,000,000 when compared to dollar amount paid in the fiscal year ending June 30, 2022.

   Finding: The dollar amount the Authority paid to PERS for non-healthcare retirement benefits in the fiscal year ending June 30, 2023 increased by $254,060 when compared to the dollar amount paid the in fiscal year ending June 30, 2022. Refer to attached schedule.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Authority and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Authority's Administration and Finance Committee and management and is not intended to be, and should not be, used by anyone other than those specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Stockton, California
November 22, 2023

Criteria	Description of Criteria	Revenue	2023	2022	$ Change
(a)	Allocated amount of STA or TDA funds from MTC increased compared to funds received by the Authority in prior year.				
	TDA Funds		$ 24,686,575	$ 12,454,095	$ 12,232,480
	STA Funds		5,420,252	4,508,268	911,984
	Total STA and TDA Funds		$ 30,106,827	$ 16,962,363	$ 13,144,464
(b)	Average per gallon price of diesel fuel purchased by the Authority did not increase by 40% compared to average per gallon priced purchased in prior year.		$ 3.90	$ 3.26	20%
(c)	Dollar amount paid to PERS for non-healthcare retirement benefits by the Authority did not increase by over $1,000,000 compared to dollar amount paid in prior year.		$ 2,656,554	$ 2,402,494	$ 254,060

Schedule 1-Combined Fixed Route & Paratransit

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Combined Fixed Route and Paratransit Income Statement
FY 2023 Year to Date - Comparison of Actual vs. Budget
For the Twelve Months Ended June 30, 2023

	Actual	Total Budget	Variance	% Budget Used
Revenues				
Passenger fares	2,825,188	1,833,181	992,007	154.1%
Special fares	884,030	491,014	393,016	180.0%
Total Fare Revenue	**3,709,219**	**2,324,195**	**1,385,024**	**159.6%**
Advertising	270,452	300,000	(29,548)	90.2%
Other revenue	507,175	100,100	407,075	506.7%
Federal operating	8,342,650	7,675,630	667,020	108.7%
TDA earned revenue	11,298,982	20,358,064	(9,059,082)	55.5%
STA revenue	5,301,913	5,524,029	(222,116)	96.0%
Measure J	8,458,442	7,009,369	1,449,073	120.7%
Fees from LAVTA and One Seat partners	1,872,009	1,933,540	(61,531)	96.8%
Other operating assistance	2,335,125	2,090,567	244,558	111.7%
Total Other Revenue	**38,386,748**	**44,991,299**	**(6,604,551)**	**85.3%**
Total Revenue	**42,095,967**	**47,315,494**	**(5,219,527)**	**89.0%**
Expenses				
Wages	15,231,926	15,874,426	(642,500)	96.0%
Fringe Benefits	10,489,132	12,859,148	(2,370,016)	81.6%
Total Wages and benefits	**25,721,058**	**28,733,574**	**(3,012,516)**	**89.5%**
Services	2,436,792	2,765,800	(329,008)	88.1%
Materials & Supplies	3,580,621	3,916,400	(335,779)	91.4%
Utilities	406,341	383,500	22,841	106.0%
Insurance	909,276	1,169,280	(260,004)	77.8%
Taxes	340,748	300,015	40,733	113.6%
Leases and Rentals	52,866	60,000	(7,134)	88.1%
Miscellaneous	735,763	257,500	478,263	285.7%
Purchased Transportation	6,030,517	7,277,906	(1,247,389)	82.9%
Purchased Transportation - for partners	1,881,986	1,951,519	(69,533)	96.4%
Operations Expenses	**16,374,910**	**18,081,920**	**(1,707,010)**	**90.6%**
Contingency	-	500,000	(500,000)	0.0%
Total Expenses	**42,095,967**	**47,315,494**	**(5,219,527)**	**89.0%**
Net Income (Loss)	**-**	**-**		

Schedule 2-Fixed Route

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Fixed Route Income Statement
FY 2023 Year to Date - Comparison of Actual vs. Budget
For the Twelve Months Ended June 30, 2023

	Actual	Total Budget	Variance	% Budget Used
Revenues				
Fare revenue	2,440,019	1,735,000	705,019	140.6%
Special service revenue	884,030	491,014	393,016	180.0%
Total Fare Revenue	**3,324,049**	**2,226,014**	**1,098,035**	**149.3%**
Advertising revenue	270,452	300,000	(29,548)	90.2%
Non-Operating rev	507,175	100,100	407,075	506.7%
STA Population and Revenue	4,933,870	4,778,335	155,535	103.3%
Measure J	5,972,374	5,237,111	735,263	114.0%
TDA 4.0	9,987,670	17,333,307	(7,345,637)	57.6%
Federal Operating Funds	6,517,900	5,875,630	642,270	110.9%
Low Carbon Transit Ops Prog	644,754	600,000	44,754	107.5%
BART Express Funds	734,428	864,033	(129,605)	85.0%
Other State Grants	134,020	134,731	(711)	99.5%
Dougherty Valley Dev Fees	393,794	150,000	243,794	262.5%
Other Local Grants/Contributions	5,000	-	5,000	--
RM 2/Other- Express	216,560	117,538	99,022	184.2%
Total Other Revenue	**30,317,996**	**35,490,785**	**(5,172,789)**	**85.4%**
Total Revenue	**33,642,046**	**37,716,799**	**(4,074,753)**	**89.2%**
Expenses				
Wages	14,910,623	15,587,804	(677,181)	95.7%
Fringe benefits	10,299,092	12,727,405	(2,428,313)	80.9%
Total Wages and benefits	**25,209,715**	**28,315,209**	**(3,105,494)**	**89.0%**
Services	2,289,120	2,669,800	(380,680)	85.7%
Materials and supplies	3,580,187	3,912,400	(332,213)	91.5%
Utilities	363,997	344,500	19,497	105.7%
Casualty and liability	894,268	1,152,375	(258,107)	77.6%
Taxes	340,748	300,015	40,733	113.6%
Leases and rentals	52,866	60,000	(7,134)	88.1%
Miscellaneous	729,791	237,500	492,291	307.3%
Purchased transportation	181,353	225,000	(43,647)	80.6%
Total Other Expenses (non-wages)	**8,432,331**	**8,901,590**	**(469,259)**	**94.7%**
Contingency	-	500,000	(500,000)	0.0%
Total Expenses	**33,642,046**	**37,716,799**	**(4,074,753)**	**89.2%**
Net Income (Loss)	**-**	**-**	**-**	

Attachment 4

Schedule 3- Paratransit

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

Paratransit Income Statement

FY 2023 Year to Date - Comparison of Actual vs. Budget

For the Twelve Months Ended June 30, 2023

	Actual	Total Budget	Variance	% Budget Used
Revenues				
Fare revenue	359,247	98,181	261,066	365.9%
Fare revenue - LAVTA	25,922	-	25,922	--
Total Fare Revenue	**385,169**	**98,181**	**286,988**	**392.3%**
Special service - One Seat Ride	353,885	162,906	190,979	217.2%
LAVTA Fees	1,518,124	1,770,634	(252,510)	85.7%
FTA Section 5307	1,824,750	1,800,000	24,750	101.4%
TDA 4.5	1,311,312	1,332,243	(20,931)	98.4%
TDA 4.0	(0)	1,692,514	(1,692,514)	0.0%
Measure J	2,486,068	1,772,258	713,810	140.3%
STA Paratransit & Rev based	368,043	745,694	(377,651)	49.4%
BART ADA Service/Other	206,569	224,265	(17,696)	92.1%
Total Other Revenue	**8,068,752**	**9,500,514**	**(1,431,762)**	**84.9%**
Total Revenue	**8,453,921**	**9,598,695**	**(1,144,774)**	**88.1%**
Expenses				
Wages	321,303	286,622	34,681	112.1%
Fringe benefits	190,040	131,743	58,297	144.3%
Total Wages and benefits	**511,343**	**418,365**	**92,978**	**122.2%**
Services	147,672	96,000	51,672	153.8%
Materials and supplies	434	4,000	(3,566)	10.8%
Utilities	42,344	39,000	3,344	108.6%
Liability	15,008	16,905	(1,897)	88.8%
Miscellaneous	5,971	20,000	(14,029)	29.9%
Purchased transportation	5,849,163	7,052,906	(1,203,743)	82.9%
Purchased transp - for partners	1,881,986	1,951,519	(69,533)	96.4%
Total Other Expenses (non-wages)	**7,942,579**	**9,180,330**	**(1,237,751)**	**86.5%**
Total Expenses	**8,453,922**	**9,598,695**	**(1,144,773)**	**88.1%**
Net Income (Loss)	**-**	**-**	**-**	

Schedule 4- Operator Wages

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Operator Wages
For the Twelve Months Ended June 30, 2023

	Actual	Total Budget*	Variance	% Budget Used
Platform/report/turn in	7,012,700	7,100,307	(87,607)	98.8%
Guarantees	208,926	246,070	(37,145)	84.9%
Overtime	354,398	405,139	(50,741)	87.5%
Spread	132,577	127,540	5,037	103.9%
Protection	326,724	281,874	44,851	115.9%
Travel	10,308	6,128	4,180	168.2%
Training	116,969	99,426	17,543	117.6%
Other Misc	32,964	22,876	10,088	144.1%
	8,195,566	**8,289,360**	**(93,794)**	**98.9%**

* For the purpose of this schedule, the amounts "budgeted" to each category are purely based on the prior year allocation of each earning type. Wages are not budgeted to this level in the adopted budget document.

Schedule 5 - Statistics

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

FY 2023 Year to Date - Statistical Comparisons

For the Twelve Months Ended June 30, 2023

	Actual FY 2023 through Q4	Actual FY 2022 through Q4	*Variance FY 2023 to FY 2022*	Actual FY 2021 through Q4	*Variance FY 2023 to FY 2021*
Fixed Route					
Fares	$ 2,440,019	$ 1,936,353	*26.0%*	$ 941,649	*159.1%*
Special Fares	884,030	499,941	*76.8%*	350,307	*152.4%*
Total Fares	**$ 3,324,049**	**$ 2,436,294**	***36.4%***	**$ 1,291,956**	***157.3%***
Farebox recovery ratio	***9.9%***	***7.6%***	***30.1%***	***4.3%***	***131.5%***
Operating Exp (Less leases)	$ 33,589,180	$ 32,032,269	*4.9%*	$ 30,226,942	*11.1%*
Revenue Hours	***189,474***	***188,523***	***0.5%***	***178,422***	***6.2%***
Cost per Rev Hour	***$ 177.28***	***$ 169.91***	***4.3%***	***$ 169.41***	***4.6%***
Passengers	***2,424,578***	***1,834,108***	***32.2%***	***1,135,251***	***113.6%***
Cost per Passenger	***$ 13.85***	***$ 17.46***	***-20.7%***	***$ 26.63***	***-48.0%***
Passengers per Rev Hr	***12.80***	***9.73***	***31.5%***	***6.36***	***101.1%***
Paratransit					
Fares	$ 359,247	$ 107,206	*235.1%*	$ 80,313	*347.3%*
Farebox recovery ratio	***5.5%***	***1.7%***	***226.6%***	***1.7%***	***221.4%***
Operating Exp (Less Partners)	$ 6,571,936	$ 6,405,709	*2.6%*	$ 4,722,651	*39.2%*
Revenue Hours	***47,690***	***46,120***	***3.4%***	***29,142***	***63.6%***
Cost per Rev Hour	***$ 137.81***	***$ 138.89***	***-0.8%***	***$ 162.06***	***-15.0%***
Passengers	***93,702***	***62,179***	***50.7%***	***34,553***	***171.2%***
Cost per Passenger	***$ 70.14***	***$ 103.02***	***-31.9%***	***$ 136.68***	***-48.7%***
Passengers per Rev Hr	***1.96***	***1.35***	***31.4%***	***1.19***	***65.7%***