SOLANO TRANSPORTATION AUTHORITY
SOLANO, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2023

SOLANO TRANSPORTATION AUTHORITY
SOLANO COUNTY, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2023

Solano Transportation Authority
. . . working for you!

Prepared by Susan Furtado
Accounting & Administrative Services Manager

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INTRODUCTORY SECTION

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SOLANO TRANSPORTATION AUTHORITY

Member Agencies:
Benicia • Dixon • Fairfield • Rio Vista • Suisun City • Vacaville • Vallejo • Solano County

423 Main Street, Suisun City, CA 94585-2473 • Phone (707) 424-6075 / Fax (707) 424-6074
Email: info@sta.ca.gov • Website: sta.ca.gov

December 13, 2023

To the STA Board and the Citizens of Solano County

I am pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Solano Transportation Authority (Authority) for the fiscal year ending June 30, 2023. State law requires that every local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ending June 30, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Maze and Associates have issued an Unmodified ("clean") opinion on the Authority's financial statements for the year ending June 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The Authority serves the citizens of Solano County (County) which lies in the northeast section of the nine-county San Francisco Bay Area. It is located approximately 45 miles northeast of San Francisco and 45 miles southwest of Sacramento. The County consists of a total area of 907 square miles. Land area is represented by 825 square miles and water area by 84 square miles. It is bordered by Napa County to the northwest, Yolo County to the northeast, Sacramento County to the east and Contra Costa County to the south. Between Solano and Contra Costa Counties lies Suisun Bay, which is an extension of the San Francisco Bay, and the confluence of the Sacramento and San Joaquin Rivers, which empty into San Pablo Bay through the Carquinez Straits. The western edge of the County consists of low mountains, which are part of the Coast Range.

The Authority was created in 1990 through a Joint Powers Agreement between the cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, Vallejo, and the County of Solano to serve as the Congestion Management Agency (CMA) for Solano. As the CMA for the Solano area, the Authority partners with various transportation and planning agencies, such as the Metropolitan Transportation Commission (MTC) and Caltrans District 4.

The Authority is responsible for countywide transportation planning, programming transportation funds, managing and providing transportation programs and services, delivering transportation projects, and setting transportation priorities.

Local Economy

The County's seven cities are long-established communities. Relatively moderate costs for land and housing, proximity to major population and recreation centers, and job opportunities continue to make the County an attractive place to live. Similar to the state and national economies, the County's economy continues to improve. Solano County's unemployment rate was 4.7 percent at the start of 2023. The State of California has 4.1 percent unemployment and the United States had 3.9 percent as of October 2023.

According to the 2021 U.S. Department of Commerce Bureau of Economic Analysis, Solano County's household median income was $92,959, while the State's was $91,551 and the United States was $74,755. As of 2023, the County's population is 465,536 which is an increase of 4% over 2022. Solano County's population is forecasted to grow to 512,165 by 2060, with percentage growth faster than the state average in part because of new residential developments. Between September 2022 and September 2023, the median housing prices drop by -2.2 percent of single homes sold in the vicinity of the County from $590,000 to $585,680 according to the California Association of Realtors.

Solano County has seen a slight increase in the growth rate of its population, due to new residential developments. However, immigration has been a key reason for population growth since 2010. Solano County is a place where most of the working residents' access both the greater Bay Area's and Sacramento Valley's labor markets. Given the level of outbound commuters, Solano County linking workforce and economic development together can lead to fewer Solano County residents driving outside the county for potentially higher wages. Economic development efforts in Solano County are focused on expanding infrastructure to support future business growth.

Long-term Financial Planning and Major Initiatives

The Authority is charged with developing, adopting and implementing the County transportation plans. The Authority submits applications and funding claims for transportation related purposes to local governments, the Metropolitan Transportation Commission, the One Bay Area Grant Cycle 2 (OBAG 2), Surface Transportation Program (STP) fund, the State of California, the Federal Government, and other entities supporting transportation. The Authority executes transportation related agreements and enters contracts, adopts policies and programs for all modes of transportation including transit, paratransit, streets and roads, bicycles, pedestrian facilities, and railroads. In addition, the Authority coordinates all modes of transportation within the County and with agencies outside the County.

Major funding is received from Regional Measure (RM) 3 which is a regional measure passed by the Bay Area is voted in 2017, raising the toll on the seven State-owned bridges in the Bay Area, the Transportation Fund for Clean Air Program (TFCA), the Transportation Development Act (TDA) Article-3/4/4.5/8 funds, the Congestion Mitigation and Air Quality (CMAQ) funds, the State Transit Assistance Fund (STAF), the Transit and Intercity Rail Capital Program (TIRCP), and the Regional Transportation Impact Fee (RTIF).

Relevant Financial Policies

The Authority has an adopted policy requiring a two-year annual fiscal year budget. The budget authorizes and provides the basis for control of financial operations during the fiscal year and for multi-year funded projects. The financial plan is presented to the Board for adoption, is revised mid-year, and finalized at the end of the fiscal year.

Planning, Programs, and Projects

The Authority is dedicated to addressing Solano County's most urgent transportation needs by providing funding for highway and safety improvements, providing mobility options for older adults and people with disabilities, expanding travel options for commuters, and supporting local projects such as micro-transit, road safety and maintenance, transit facilities, Safe Routes to School, and the Bay Trail/Vine Trail-a safe and accessible bike and pedestrian trail.

The Authority continued to focus on project delivery in 2023 and continued to partner with Caltrans District 4 to deliver future improvements to the Interstate 80 corridor. Several projects have already been completed, including the I-80 High Occupancy Vehicle (HOV) Lanes, the North Connector East Project, the I-80 Eastbound Cordelia Truck Scales Relocation, and the I-80/I-680/State Route (SR)12 Interchange Construction Packages 1 & 2 Project construction completed in June 2023. STA is administering the design of the I-80 Westbound Cordelia Truck Scales Relocation Project, in partnership with Caltrans and the California Highway Patrol (CHP). This project is funded with the Senate Bill (SB) 1 Trade Corridor Enhancement Program (TCEP) and the Regional Measure 3 funds. The I-80 Managed Lanes from Red Top Rd to I-505 Environmental clearance and the Design was completed and the Project is now in Construction Phase after successfully receiving $124M in SB1 funding. The State Route (SR) 37 Traffic Congestion Relief Project (Project) proposes improvements to SR 37 from west of the SR 121 intersection to Mare Island where the existing highway narrows to one lane in each direction. The Project is focused on traffic congestion relief by improving traffic flow during peak travel times and increasing vehicle occupancy within the travel corridor. Long term, the partnership is focused on addressing sea level rise in the corridor.

The Authority has coordinated with the seven cities: Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, Vallejo, and the County of Solano on the Regional Housing Needs Allocation (RHNA) cycle process for Solano County as required by the State Housing and Community Development (HCD) every eight years to accommodate housing growth based on growth forecasts provided by the State and the Association of Bay Area Governments (ABAG) for the Bay Area. Further, STA is implementing capital improvements that modernize California's intercity rail, buses to intercity rail services, ferry, and rail transit systems objectives, such as to reduced emissions of greenhouse gases, expand, and improve transit service to increase ridership, integrate the rail service of the state's various rail operations, including integration with High-Speed Rail, and to improve transit safety. With the 2018 adopted Innovative Clean Transit Regulation, STA has initiated planning, design, and installation of equipment with funding from the Transit and Intercity Rail Capital Program (TIRCP) grant for inductive chargers in regionally significant facilities in Solano County.

The Authority's Solano Older Adult Medical Trips Concierge Program marketing to promote program participation to target populations most in need, particularly those living in lower income housing, affiliated with organizations such as senior centers, non-profits, faith community, and the county unincorporated areas. Partnered with Lyft to provide Lyft rides up to $25 to/from designated transit hubs in Solano County. The program currently targets employees promoting services to Older Adults and People with Disabilities for travel to medical appointments and other activities beyond Solano County.

The Authority developed the Sonoma-Marin Area Rail Transit (SMART) Feasibility study and identified "Solano County Hub" to link Capitol Corridor. The Plan confirmed feasibility of providing passenger rail connectivity between the SMART passenger rail system and the passenger rail system in Solano County. With the completion of this Feasibility Study and the identification of the station site, the Suisun-Fairfield Capitol Corridor Station as the location of the future Solano Rail Hub Station Project, the STA, in partnership with the City of Suisun City, the City of Fairfield, and the County of Solano, is moving forward with next steps to advance the Solano Rail Hub Project.

The Authority based on new technology and trends in transit, implemented the Suisun City Community-Based Transportation Plan (CBTP) which recommended improvements to several transportation challenges in the area, such as First/Last-Mile Program, Transit Oriented Development, active transportation, transit network capability, and micro-transit. The Authority and the City of Suisun City transitioned to micro-transit to service the public transportation needs within the city.

The Authority completed the Solano Express Connection Protection Pilot Study to assess the integration of Solano Express service to larger regional transit services by offering connection protection along key routes. Network integration on this scale requires coordination with Bay Area Rapid Transit, San Francisco Bay Ferry, and Capitol Corridor to align schedules and equipment that would allow different systems to communicate delays. The Study provided comprehensive analysis available to Solano County transit operators and recommend operational improvements.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada issued a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. The fiscal year ending June 30, 2023 is the eighth year that the Authority will be applying for this prestigious award. To be awarded a Certificate of Achievement, the Authority has to publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, the Authority believes that the current ACFR will meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and the Authority is submitting its report to the GFOA to determine its eligibility for the certificate.

The preparation of this Report would not have been possible without the skill, effort, and dedication of the entire staff of Solano Transportation Authority. We wish to thank all staff involved for their assistance in providing the data necessary to prepare this report. Credit is also due to the Authority's Board for their unfailing support for maintaining the highest standards of professionalism in the management of the Authority's finances.

Respectfully submitted,

Daryl K. Halls, Executive Director

Susan Furtado, Accounting & Administrative Services Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Solano Transportation Authority
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

ATTACHMENT C

Proposed (07-13-2022)
STA Organizational Chart
FY 2022-23

Full Time (FTE) - 27
Part Time (PTE) – 9
Total - 36

STA
Solano Transportation Authority
. . . working for you!

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Suisun, CA 94585
Tel.: (707) 424-6075
Fax: (707) 424-6074

Legal Counsel
Bernadette Curry

Executive Director (1 FTE)
Daryl K. Halls

- **Clerk of the Board/ Office Manager (1 FTE)** – Johanna Masiclat
  - ***Administrative Assistant II (1 FTE)** – Cecilia DeLeon
  - ***Administrative Assistant I (1 FTE)** – Natalie Hannigan
- **Legislative Policy & Communication Manager (1 FTE)** – Vincent Ma
  - ***Program Coord II Legislative Aide (1 FTE)** – VACANT
- **Director of Planning (1 FTE)** – Robert Guerrero
  - **Assistant Program Manager – SR2S (1 FTE)** – Amy Antunano
    - ***Program Coord I- SR2S (1 FTE)** – VACANT
    - ***Program Coord I – SR2S (1 PTE)** – Jennifer Hanley
    - ***Program Coord I- SR2S (1 PTE)** – Janelle Gregorio
    - ***Program Coord I – SR2S (1 PTE)** – Suzanne Antone
  - ***Program Coord I Mktg Asst (1 FTE)** – Neil Quintanilla
  - ***Planning Assistant (1 FTE)** – Dulce Jimenez (07-06-22)
  - ***Assistant Planner (1 FTE)** – Kathrina Gregana
- **Deputy Exec Director / Director for Projects** (1 FTE)** – Janet Adams
  - ***Asst Project Manager (1 FTE) UF** – Leslie Gould
  - ***Project Manager (1 FTE)** – Jasper Alve
  - **Accounting and Administrative Services Manager (1 FTE)** – Susan Furtado
    - ***Accountant I (1 FTE)** – Brenda McNichols
    - **Senior Accountant (1 FTE)** – Emilyn Russo
- **Director of Programs (1 FTE)** – Ron Grassi
  - ***Transit Mobility Coordinator II (1 FTE)** – Brandon Thomson
    - ***Program Coord I** Mobility (1 FTE) UF** – VACANT
  - ***Transit Mobility Coordinator II (1 FTE)** – Debbie McQuilkin
    - ***Program Coord I** (1 FTE) UF** – VACANT
      - ***CSR I (0 PTE) UF** – Sean Person
  - **Program Services Supervisor** (1 FTE) UF** – VACANT
    - ***Program Coord II (0 FTE) UF** – Erika Dohina
    - ***Senior CSR (1 FTE)** – April Wells
    - ***Program Coord I (1 PTE)** – Liz Sanchez
    - ***CSR I (1 PTE)** – Angela Gensler
    - ***CSR I (1 PTE)** – Regina Benson
    - ***CSR I (1 PTE)** – VACANT
    - ***CSR I (1 PTE)** – VACANT
  - ***Program Coordinator I Employer Services (1 FTE)** – Lorene Garrett
    - ***Senior CSR (1 PTE)** – VACANT

*Classification in a Flexible Series
** Position in Transition
UF- Underfill
PT - Part Time Position
CSR - Customer Service Representative

[revised2 07-05-2022]

2023 STA Board Members

Steve Young, Chair
Mayor, City of Benicia

Ron Kott, Vice-Chair
Mayor, City of Rio Vista

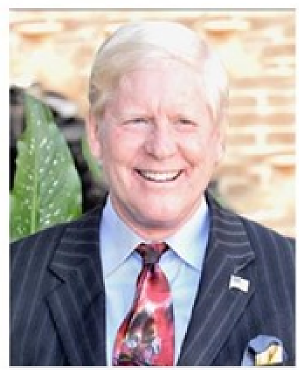
Mitch Mashburn
Supervisor, Solano County

Alma Hernandez
Mayor, Suisun City

Catherine Moy
Mayor, City of Fairfield

Steve Bird
Mayor, City of Dixon

John Carli
Mayor, City of Vacaville



Robert McConnell
Mayor, City of Vallejo

Lake Solano Park
Allendale
Dixon
Vacaville
Elmira
Lagoon Valley Regional Park
Mankas Corner
Travis AFB
Green Valley
Rockville
Fairfield
Suisun City
Cordelia
Joice Island St Game Refuge
Rio Vista
Birds Landing
Grizzly Bay
Vallejo
South Vallejo
Montezuma
Collinsville
Benica State Recreation Area
Suisun Bay
Honker Bay
Sacramento River
San Pablo Bay
Benicia
505
80
113
12
680
84
220

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Solano Transportation Authority
Suisun City, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Solano Transportation Authority (Authority), California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 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 the Authority's internal control over financial reporting and compliance.

Maze + Associates

Pleasant Hill, California
November 22, 2023

As management of 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 additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report.

Financial Highlights

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $35,535,528 (net position). Of this amount, $6,249,237 represents unrestricted net position, which may be used to meet the Authority's ongoing obligations to citizens.
- The Authority's total net position is increased by $7,273,230 because the total revenues exceeded the total expenditures by the amount.
- At the close of the fiscal year, the Authority's combined fund balances had increased to $26,445,126 in comparison with the prior year amount of $21,692,440. Approximately $5,016,761 of this amount is available for spending at the Authority's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance for the general fund was $7,169,465, or approximately 59.1% of total general fund expenditures.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. *The statement of net position* presents financial information on all of the Authority's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. *The statement of activities* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods. Both government-wide financial statements can be found on pages 11-12 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Authority can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Authority maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, and the three capital projects funds, which are major funds. Data from the other six governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The Authority adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The Authority maintains only one type of fiduciary fund which is the payroll agency fund. The fund is used to report resources held to pay taxes and on-behalf of the Authority's employees.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 17 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Authority's budgetary comparison schedules, schedule of the proportionate share of the net pension liability and schedule of pension contributions. Required supplementary information can be found on pages 46-53 of this report. The combining statements and budgetary schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 56-66 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $35,535,528 for the fiscal year 2022-23.

The Authority's net position (17.6%) reflects cash, investments and accounts receivable that are unrestricted and may be used to meet the Authority's ongoing obligations to its citizens and creditors. An additional portion of the Authority's net position (82.4%) represents resources that are subject to external restrictions on how they may be used.

	2023	2022
ASSETS		
Cash and Other Assets	$34,265,775	$34.066.929
Capital Assets	18,761,180	17,128,771
Total Assets	53,026,955	51,195,700
DEFERRED OUTFLOWS	1,218,207	316,710
LIABILITIES		
Current Liabilities	8,920,990	12,519,405
Noncurrent Liabilities	9,364,906	9,913,087
Total Liabilities	18,285,896	22,432,492
DEFERRED INFLOWS OF RESOURCES	423,738	817,620
NET POSITION		
Investment in Capital Assets	10,803,278	7,910,971
Total Restricted Net Position	18,483,013	13,747,326
Total Unrestricted Net Position	6,249,237	6,604,001
Total Net Position	$ 35,535,528	$ 28,262,298

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

	2023	2022
REVENUES:		
Program Revenues	$ 18,121,674	$ 11,672,721
General Revenues	11,572,042	17,037079
TOTAL	29,693,716	28,709,800
LIABILITIES		
Special Projects	12,809,263	10,626,387
Admin, Mobility Program, Project, and Planning	9,611,223	12,712,967
TOTAL	22,420,486	23,339,354
Change in Net Position	7,273,230	5,370,446
Net Position - Beginning	28,262,298	22,891,852
Net Position - Ending	$ 35,535,528	$ 28,262,298

During the current fiscal year, net position for governmental activities increased $7,273,230 from the prior fiscal year for an ending balance of $35,535,528. The reasons for this overall increase are discussed in the following sections.

Financial Analysis of Governmental Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Authority itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Authority's governing board.

In June 30, 2023, the Authority's governmental funds reported combined fund balances of $35,535,528, an increase of $7,273,230 in comparison with the prior year. Approximately 17.6% of the fund balance constitutes unassigned fund, which is available for spending at the Authority's discretion. The amount of $29,286,291 (82.4%) of the fund balance is restricted for purposes.

The general fund is the chief operating fund of the Authority. At the end of the current fiscal year, the total general fund balance was $8,041,538. The nonspendable fund balance was $131,855 representing prepaid items. The restricted fund balance was $740,218 (9%) which is restricted for the office building loan deposit. The unassigned fund balance was $7,169,465 (89%) which is available for the Authority's discretion. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures.

The fund balance of the Authority's general fund increased by $1,157,250 during the current fiscal year since the total revenues simply exceeded the total expenditures because of the timing of the expenditures incurred.

The Regional Measure 2 fund, a major fund, had an increase of $895,898 in fund balance during the fiscal year which put the overall fund balance at $742,472. This is because the total program revenues were more than the total related expenditures due to timing. Since the Regional Measure 2 revenues are recognized on a reimbursement basis, the revenues typically are related to program expenditures.

The Regional Transportation Impact Fee Program fund (RTIF), a major fund, experienced a $2,846,343 increase in fund balance during the fiscal year having a positive fund balance of $16,747,095. This happened due to no disbursements to the projects were incurred and the RTIF revenues are not on a reimbursement basis.

General Fund Budgetary Highlights

The following tables provide summaries of the comparison between the initial budget, the final budget and the actual financials within General Fund.

	Budgeted Amounts		Variance Between Original Budget and Final Budget		Variance Between Final Budget and Actual
	Original	Final	(Negative)	Actual	(Negative)
REVENUES:					
Intergovernmental	$17,627,743	$16,117,174	($1,510,569)	$13,185,390	$(2,931,784)
Interest			.	93,735	93,735
Other	80,000	17,000	(63,000)	9,892	(7,108)
Total Revenues	17,707,743	16,134,174	(1,573,569)	13,289,017	(2,845,157)
LIABILITIES					
Admin, Mobility Program, Project, and Planning	17,707,743	13,364,889	(4,342,854)	10,684,015	(2,680,874)
Capital Outlay		2,769,285	2,769,285	1,447,752	(1,321,533)
Total Expenditures	17,707,743	16,134,174	(1,573,569)	12,131,767	(4,002,407)
Net Change in Fund Balance	$ -	$ -	$ -	1,157,250	1,157,250
Fund Balance - Beginning				6,884,288	
Fund Balance - Ending				$ 8,041,538	

The Authority experienced a significant variance in intergovernmental revenues between the final budget and the actual and related expenditures. Since most of the Authority's revenues are grant driven, a decline in expenditures would cause the same effect on the revenues and the same effect on budget variances. The expenditure budget variance is due the decline in program activities of the Solano Intercity Taxi Scrip/Paratransit Program, the Countywide Travel Training/Transit Ambassador Program, the Vehicle Share Program, the Medical Transports Program, and the Soltrans Local Taxi Program due to the 3rd year of the Corona Virus (COVID-19) pandemic.

Capital Assets and Long-Term Obligations

Capital assets and long-term debt are shown in the table below.

Capital assets are office equipment and furnishings identified as capital assets. Capital assets are depreciated over five years using the straight-line depreciation method.

In 2018-19, acquisition of the land was added to the non-depreciable capital assets. The Authority completed the construction of its new office building and occupied the facility in 2022. The office building was depreciated at the beginning of this current fiscal year.

Long-term liabilities are composed of compensated absences, which are the vested interests in vacation leave and sick leave for employees of the Authority. This item changes as employees accumulate vacation and sick leave and when employees enter or leave employment with the Authority. Compensated absences are further defined as the current portion in the amount of $76,600, estimated to be due within one year, and the long-term portion in the amount of $288,440. Additionally, long-term liabilities include pension liabilities related to the Authority's participation in the CalPERS and PARS pension plans. ,Additional information about the capital assets of the Authority, compensated absences and the net pension liabilities is available in Note 4 – Capital Assets, Note 7 – Pensions and Note 1-G for Compensated Absences.

	Value as of July 1, 2022	Change in Fiscal Year	Value as of July 1, 2023
Nondepreciable Capital Asset			
Land	$ 975,062	$ -	$ 975,062
Construction in Progress	15,400,205	15,400,205)	-
Total Nondepreciable	16,375,267	(15,400,205)	975,062
Depreciable capital asset -Equipment	753,504	316.955	1.070,459
Depreciable capital asset -Building	-	16,715,659	16,715,659
Total Capital Assets	$ 17,128,771	$ 1,632,409	$ 18,761,180

Requests for Information

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact, Solano Transportation Authority, 423 Main Street, Suisun City, CA 94585, or sfurtado@sta.ca.gov.

		Governmental Activities
ASSETS		
Cash and investments	$	22,448,448
Cash with fiscal agent		740,218
Accounts receivable		10,922,597
Prepaids and other assets		131,855
Net pension liability		22,657
Nondepreciable capital assets		975,062
Depreciable capital assets, net of accumulated depreciation		17,786,118
Total Assets		53,026,955
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows from pension activities		1,218,207
LIABILITIES		
Accounts payable		6,728,196
Accrued payroll		360,056
Unearned revenue		709,740
Interest payable		85,291
Due in one year		
Compensated absences		76,600
Lease financing		961,107
Due in more than one year		
Compensated absences		211,840
Lease financing		6,996,795
Net pension liability		2,156,271
Total Liabilities		18,285,896
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows from pension activities		423,738
NET POSITION		
Net Investment in capital assets		10,803,278
Restricted		
Transportation Projects and Programs		17,742,795
Debt service and capital projects		740,218
Unrestricted		6,249,237
Total Net Position	$	35,535,528

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

Functions/Programs	Expenses	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Total Governmental Activities
Governmental activities			
Congestion management:			
Operations and administrative	$ 779,802	$ 2,857,580	$ 2,077,778
Mobility programs	3,910,115	3,910,115	-
Project development	2,596,125	2,606,686	10,561
Strategic planning	2,070,407	2,070,409	2
Special projects and programs	12,809,263	18,121,674	5,312,411
Interest expense	254,774	117,360	(137,414)
Total governmental activities	$ 22,420,486	$ 29,683,824	7,263,338
General revenues			
Other revenues			9,892
Total general revenues			9,892
Change in net position			7,273,230
Net position - beginning			28,262,298
Net position - ending			$ 35,535,528

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

	General Fund	Special Revenue Funds: Regional Measure 2 State and Local	Special Revenue Funds: RTIF Program	Nonmajor Governmental Funds	Total
ASSETS					
Cash and investments	$ 5,828,111	$ -	$ 15,320,962	$ 1,299,375	$ 22,448,448
Cash with fiscal agent	740,218	-	-	-	740,218
Accounts receivable	3,480,313	5,462,566	1,590,260	389,458	10,922,597
Due from other funds	839,173	-	-	-	839,173
Prepaids items	131,855	-	-	-	131,855
Total Assets	$ 11,019,670	$ 5,462,566	$ 16,911,222	$ 1,688,833	$ 35,082,291
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 2,288,387	$ 3,978,359	$ 161,257	$ 300,193	$ 6,728,196
Accrued payroll	337,524	19,360	2,870	302	360,056
Due to other funds	-	645,986	-	193,187	839,173
Unearned revenue	352,221	76,389	-	281,130	709,740
Total Liabilities	2,978,132	4,720,094	164,127	774,812	8,637,165
Fund Balances					
Nonspendable	131,855	-	-	-	131,855
Restricted:					
Transportation Projects and Programs	-	-	16,747,095	995,700	17,742,795
Capital projects and debt service	740,218	-	-	-	740,218
Unassigned	7,169,465	742,472	-	(81,679)	7,830,258
Total Fund Balances	8,041,538	742,472	16,747,095	914,021	26,445,126
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 11,019,670	$ 5,462,566	$ 16,911,222	$ 1,688,833	$ 35,082,291

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

Total Fund Balances on Governmental Funds Balance Sheet	$	26,445,126
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		18,761,180
Lease financing are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		(7,957,902)
The interest due on long-term obligations is not reported as a liability in the governmental funds but is reported on the Statement of Net Position.		(85,291)
Net pension liability and related deferred inflows and outflows are not due and payable in the current period and, therefore, are not reported as a liability in the governmental funds.		(1,339,145)
Compensated absences are long term liabilities and, therefore, are not reported on the governmental funds' Balance Sheet.		(288,440)
Net position on the Statement of Net Position	$	35,535,528

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

	General Fund	Special Revenue Funds: Regional Measure 2 State and Local	Special Revenue Funds: RTIF Program	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Intergovernmental:					
Member contributions	$ 231,698	$ -	$ -	$ -	$ 231,698
Federal	2,001,138	-	-	-	2,001,138
State and local	10,751,184	10,970,541	-	863,403	22,585,128
Regional Measure 2	-	1,554,475	-	-	1,554,475
Other income	201,370	-	2,992,655	-	3,194,025
Interest	93,735	4,585	1,366	17,674	117,360
Other local grants	9,892	-	-	-	9,892
Total Revenues	13,289,017	12,529,601	2,994,021	881,077	29,693,716
EXPENDITURES					
Current: Congestion management					
Operations and administrative	2,134,021	-	-	-	2,134,021
Mobility programs	3,883,462	-	-	-	3,883,462
Project development	2,596,125	-	-	-	2,596,125
Strategic Planning	2,070,407	-	-	-	2,070,407
Special projects and programs	-	11,633,703	147,678	1,027,882	12,809,263
Capital Outlay	253,467	-	-	-	253,467
Debt service					
Principal	932,725	-	-	-	932,725
Interest	261,560	-	-	-	261,560
Total Expenditures	12,131,767	11,633,703	147,678	1,027,882	24,941,030
NET CHANGE IN FUND BALANCES	1,157,250	895,898	2,846,343	(146,805)	4,752,686
Fund Balances - Beginning	6,884,288	(153,426)	13,900,752	1,060,826	21,692,440
Fund Balances - Ending	$ 8,041,538	$ 742,472	$ 16,747,095	$ 914,021	$ 26,445,126

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

Net Change in Fund Balances - Total Governmental Funds	$ 4,752,686
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. Additionally, certain capital contributions are only reported as revenues on the government wide statement of activities.	
Capital Outlay	2,366,481
Depreciation	(734,072)
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds. There expenses consist of the following:	
Changes in compensated absences	(24,723)
Changes in net pension liabilities and related deferred outflows and inflows of resources	(26,653)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statemen of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Repayment of debt principal	932,725
Accrued interest	6,786
Change in net position of governmental activities	$ 7,273,230

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

Note 1 – Reporting Entity and Significant Accounting Policies

A. Reporting Entity

The Solano Transportation Authority (Authority), previously known as the Solano County Transportation Authority, was created under a Joint Powers Agreement as an entity to provide coordinated, continuous, and comprehensive transportation planning for Solano County (County) and the cities of the County on June 1, 1993. The Authority's Board of Directors consists of eight members: one from each of the seven cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville and Vallejo and one from the County.

The Authority is charged with the following duties:

- Develop, adopt, and implement County transportation plans.
- Submit applications and funding claims for transportation-related purposes to local governments, the Metropolitan Transportation Commission, the State of California, the Federal Government, and other entities supporting transportation.
- Execute transportation-related agreements and enter into contracts.
- Adopt policies and programs for all modes of transportation including: transit, paratransit, streets and roads, bicycles, pedestrian facilities, bridle paths, airports, marinas, harbors, deep sea channels, and railroads.
- Coordinate all modes of transportation within the County and with agencies outside the County.
- Operate or cause to have operated transit and paratransit.

The basic financial statements of the Authority include all of its financial activities. The Authority is the sole independent Authority responsible for receiving and allocating funds necessary to complete the programs.

The financial statements and accounting policies of the Authority conform with generally accepted accounting principles applicable to governments. Significant accounting policies are summarized below.

B. Basis of Presentation – Government-wide financial statements

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

Government-wide statements: The statement of net position and the statement of activities display information about the primary government. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. The governmental activity incorporates data from governmental funds. Separate financial statements are provided for governmental funds.

The Authority has no business-type activities; therefore, the statement of activities presents a comparison between direct expenses and program revenues for each function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues are presented as general revenues.

C. Basis of Presentation – Fund Financial Statements

Fund Financial Statements

The fund financial statements provide information about the Authority's funds. The emphasis of fund financial statements is on major individual governmental funds, each of which is displayed in a separate column. All remaining funds are aggregated and reported as non-major funds.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

Major Funds and Non-major Funds

The Authority's major governmental funds are required to be identified and presented separately in the fund financial statements. Major funds are defined as funds that have either assets, liabilities and deferred inflows, revenues or expenditures equal to ten percent of their fund-type total. The General Fund is always a major fund. All other funds are reported as special revenue funds.

The Authority reported the following major governmental funds in the accompanying financial statements:

General Fund

The General Fund is the general operating fund of the Authority. It is used to account for and report all financial resources not accounted for and reported in another fund. Most revenues are recorded in the General Fund. All intergovernmental revenue is recorded in this Fund, except for those restricted funds required to be recorded in other funds. Fund expenditures include salaries and benefits of the Authority's staff that are not chargeable to other funds.

Regional Measure 2 State and Local Special Revenue Fund

This fund is primarily funded by a voter-approved increase in the tolls charged on the regional seven state-owned toll bridges by $1. The tolls charged are collected by the Metropolitan Transportation Commission and allocated to the Authority based on projects undertaken. The funds are used by the Authority for the implementation of the I-80/I-680/SR12 Interchange Project engineering and construction, the I-80 Managed Lanes Projects design and construction, and the I-80 West Bound Truck Scales Project right of way activities and construction phase.

Regional Transportation Impact Fee (RTIF) Program Special Revenue Fund

The Solano County Board of Supervisors unanimously approved the Public Facility Fee (PFF) in December 2013, which includes adding a $1,500 per Dwelling Unit Equivalent (DUE) allocated towards RTIF implementation. Seven Districts were approved as part of the RTIF program implementation. Each District includes at least one or more transportation improvement project. Five percent (5%) of the total RTIF fund is dedicated towards transit projects under Package 6 – Express Bus Transit Centers and Train Stations, and five percent (5%) to Unincorporated County Roads under district. The Authority will receive 2% of the total RTIF Funds for the administrative costs of this program. The remaining balance of the RTIF funds will be returned to each RTIF District from which the revenue was generated. In 2019, the PFF increased the amount toward the RTIF from $1,500 per DUE to $2,500 per DUE.

The Authority reported the following non-major governmental funds in the accompanying financial statements:

TFCA Special Revenue Fund

This Fund is used by the Authority to account for the transportation programs that promote the reduction of air pollution in the Bay Area.

Abandoned Vehicle Abatement Special Revenue Fund

This Fund is used by the Authority to account for the removal of abandoned vehicles by local agencies within Solano County.

Dixon B Street Undercrossing Special Revenue Fund

This fund is used to initiate the implementation of the project study done of the City of Dixon for the West B Street Undercrossing. The Project is located in the vicinity of the City of Dixon's downtown, which involved constructing a pedestrian undercrossing to replace an existing at-grade crossing at the city's future train station location.

I-80 Reliever Route Special Revenue Fund

This Fund is used by the Authority to account for the right-of-way and support the implementation of the Jepson Parkway project, a central Solano multi-modal roadway intended to relieve congestion on I-80 between Fairfield and Vacaville, and for the Walters Road widening segment of the Jepson Parkway in Suisun City.

Jameson Canyon Special Revenue Fund

This fund is used by the Authority to fund the identified critical design and related support services for an additional lane in each direction and constructing a concrete median barrier on State Route (SR) 12 from Kelly Road in Napa County to Red Top Road in Solano County. A Memorandum of Understanding (MOU) and a Cooperative Agreement was issued between the California Department of Transportation (CalTrans), Napa County Transportation Authority (NCTA), and the Authority.

Vallejo Redwood Parkway Special Revenue Fund

This fund is used by the Authority to fund the study of alternative improvements to the Redwood Parkway/I-80 Interchange, improvements to State Route 37, Park-and-Ride Lot, and HOV Lanes.

SR 12 Bridge Realignment Special Revenue Fund

This fund is used by the Authority to fund the study based on future-year traffic projections and the projected additional traffic capacity crossing the Sacramento River, and to identify the movement of goods on the Sacramento River waterway needs for the Port of Sacramento and the City of Rio Vista Bridge. The study will identify realignment alternatives for the location, bridge type, feasibility of each alternative, environmental constraint, preliminary costs of each alternative; and develop potential funding strategies and next steps.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources or economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 180 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 180 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

E. Cash and investments and cash with fiscal agents

Cash and investments include demand deposits and amounts held by the City of Vacaville Investment Pool or by the Authority's operating bank. Cash with fiscal agents include amounts that are restricted by debt agreements for construction costs and debt service.

F. Capital Assets

Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation plus ancillary charges, if any. All capital asset purchases are recorded as expenditures at the time of acquisition in the governmental funds. Such amounts are then capitalized and reported in the government-wide financial statements. These infrastructure assets are of value only to the local government units in whose jurisdiction they are constructed and are not recorded as capital assets on the Authority's books. Capital assets with limited useful lives are required to be depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year was allocated to the Authority's congestion management expense on the statement of activities. The Authority's policy is to capitalize all capital assets with a cost greater than $1,000 and a useful life of more than one year.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The Authority has assigned a useful life of 5 years for Equipment and 30 years for buildings. The Authority capitalizes acquisitions of capital assets in excess of $1,000 with useful life over one year.

G. Compensated Absences

Compensated absences comprise unpaid vacation and sick leave which are accrued as earned. Sick leave is accrued and compensated at the time of service retirement at 25% of accumulated hours. Vacation hours accumulated are fully compensated at time of separation. The liabilities are separated into current and long-term portions based estimates as of June 30 and amounts expected to be paid subsequent to next fiscal year. The Authority's liability for compensated absences is recorded in the Authority's governmental Activities. The General Fund has been primarily used to liquidate the liability for compensated absences.

The changes in long-term compensated absences during the fiscal year ended June 30, 2023 were as follows:

	Governmental Activities
Beginning Balance	$ 263,717
Additions	30,875
Deletion	(6,152)
Ending Balance	288,440
Current Portion	$ 76,600

H. Use of Management Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

I. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Authority's retirement plans (Plans) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the plan's administrators. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Pension liabilities will be paid by the fund for which the employee worked.

J. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

K. Net Position

Government-wide financial statements utilize a net position presentation. Net position of the Authority is categorized as net investment in capital assets, restricted, and unrestricted. When both restricted and unrestricted resources are available for an expense, the Authority's policy is to use restricted first and then unrestricted.

Net investment in capital assets represent the capitalized cost of capital assets, net of depreciation and the related outstanding debt balances if any.

Restricted net position represents net position that is constrained by externally imposed requirements of creditors (such as through debt covenants), laws or regulations of other governments or imposed by law, through constitutional provisions or enabling legislation.

All net position not categorized as net investment in capital assets or restricted are included in unrestricted net position.

L. Fund Balances

Governmental funds report fund balance in classifications based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for government funds are made up of the followings:

Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: amounts held for perpetuity and prepaid amounts. The Authority's nonspendable fund balance represents prepaid items as of year-end.

Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the Authority's highest level of decision-making authority, the governing board. Commitments may be changed or lifted only by the adoption of a Board Resolution. The Authority had no committed fund balances as of year-end.

Assigned Fund Balance – comprises amounts intended to be used by the Authority for specific purposes that are neither restricted nor committed. Intent is expressed by the Authority's Board of Directors. The Authority had no assigned fund balances as of year-end.

Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are available for any purpose. In addition, the general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt service expenditures including principal and interest payments are reported as expenditures.

N. Use of Estimates

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

O. Lease Accounting

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The Authority does not currently have any leases that meet the definition under GASB 87.

P. New Accounting Principles

Effective This Fiscal Year

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021 or FY 2022/2023. The Authority is evaluating the impact of this Statement on the financial statements. There was no impact to fund balance or net position.

GASB Statement No. 94 – In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objectives of this Statement improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022 or FY 2022/2023. The Authority is evaluating the impact of this Statement on the financial statements. There was no impact to fund balance or net position.

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objectives of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset — an intangible asset — and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022 or FY 2022/2023. The Authority is evaluating the impact of this Statement on the financial statements. There was no impact to fund balance or net position.

Effective in Future Fiscal Years

The GASB issued Statement No. 99, "*Omnibus 2022*". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. The requirements of the statement are effective as follows: (1) the requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance; (2) the requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter; and (3) the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The GASB issued GASB Statement No. 100, "*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62"*. The requirements of this Statement are effective for fiscal years ending after June 15, 2023.

The GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

Note 2 – Budgets and Budgetary Accounting

Budgeting Procedures

The Authority follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Executive Director submits a proposal for the operating budget to the Authority's Board Members for the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them for two fiscal years.
2. Public meetings are conducted to obtain public comments.
3. The budget is legally enacted by adoption by the Authority's Board Members before July 1.
4. All budget adjustments must be approved by the Authority's Board Members. Expenditures may not legally exceed budgeted appropriations at the fund level.
5. The Executive Director is authorized to transfer budgeted amounts; however, any revisions that alter total expenditures of any fund must be approved by the Authority's Board Members.
6. Formal budgetary integration is employed as a management control device during the year for all funds.
7. Budgeted revenue amounts represent the original budget modified by adjustments authorized during the year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year, which were contingent upon new or additional revenue sources and reappropriated amounts for prior year encumbrances.
8. Appropriations lapse at the end of the fiscal year and then are rebudgeted for the coming fiscal year.
9. Budgeted appropriations for the various governmental funds become effective July 1. The legal level of budgetary control has been established at the fund level.
10. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Note 3 – Cash and Investments

Classification

Cash and investments are classified in the financial statements as shown below:

	Governmental Funds
Cash Deposit	$ 15,549,820
City of Vacaville Pool	7,082,015
Cash and Cash Equivalents with Fiscal Agents	740,218
Total Cash and Investments	$ 23,372,053

Investment Authority 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. The table also identifies certain provisions of the California Government Code that address interest rate risk and concentration of credit risk. the Authority has adopted a formal investment policy. The allowable investments, according to the Authority's investment policy or the government code when more restrictive, are listed below:

Investment Type	Maximum Remaining Maturity	Maximum Specified % of Portfolio	Minimum Quality Requirements
Local Agency Bond	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
State Obligations: CA and Others	5 Years	None	None
CA Local Agency Obligations	5 Years	None	None
U.S. Agency Obligations	5 Years	None	None
Banker's Acceptances	180 Days	40%	None
Commercial Paper: Non-pooled Funds	270 Days or Less	25% of the agency's money	Highest letter and number
Commercial Paper: Pooled Funds	270 Days or Less	40% of the agency's money	Highest letter and number
Negotiable Certificates of Deposit	5 Years	30%	None
Non-negotiable Certificates of Deposit	5 Years	None	None
Medium Term-Notes	5 Years or Less	30%	"A" rating category or its equivalent
Mutual Funds and Money Market Mutual Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 Years or Less	None	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple
Local Agency Investment Fund (LAIF)	N/A	None	None

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by the fiscal agent. Investments of debt proceeds held by the fiscal agent are governed by provisions of the debt agreements rather than the general provision of the California Government Code.

The City of Vacaville Pool

The City of Vacaville pool is not registered with the Securities Exchange Commission (SEC) and is not rated. This pooled cash is invested by the City's Investment Officer and overseen by the City's Treasurer to enhance interest earnings. The fair value of the position in the investment pool is the same as the value of the pool shares. The balance available for withdrawal on demand are based on the accounting records of the City of Vacaville, which are recorded on an amortized cost basis.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates and may 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 interest rates. The City of Vacaville Pool has an average maturity of 1.81 years as of June 30, 2023.

Disclosures Relating to Credit Risks

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk can be measured by the rating of the issuers, assigned by nationally recognized statistical rating organizations. However, the City of Vacaville Pool is unrated as of June 30, 2023.

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 fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2023, the Authority's deposits are with the Bank of the West. The total amount deposited with Bank of the West is $15,549,620. Of the bank balance, $250,000 was covered by federal depository insurance and the remaining balance was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code described above.

Fair Value Measurements

The Authority categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets that the Authority has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 – Unobservable inputs should be developed using the best information available under the circumstances, which might include the Authority's own data.

The fair value of the Authority's investment in the City of Vacaville Pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by the City of Vacaville Pool for the entire Pool portfolio (in relation to the amortized cost of that portfolio).

Deposits and withdrawals in the City of Vacaville Pool are made on the basis of $1 and not fair value. Accordingly, the Authority's proportionate share of investments in those funds at June 30, 2023 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

Note 4 – Capital Assets

The Authority excludes assets maintained by other governments or organizations excludes from its financial statements. The Authority has funded a variety of capital projects consisting of streets and road and other transportation infrastructure projects, which upon completion were "contributed" to its Members, the State, or other governments responsible for maintenance and care. Since those other agencies maintain these capital assets, those amounts have been excluded from the accompanying financial statements.

Capital assets with limited useful lives are required to be depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year was allocated to the Authority's congestion management expense on the statement of activities. Some capital assets may be acquired using federal and State grant funds, or they may be contributed by developers or other governments. Contributions are required to be accounted for as revenues at the time the capital assets are contributed.

The Authority's capital assets comprise the following at June 30, 2023:

	Balance at July 1, 2022	Additions	Transfers	Balance at June 30, 2023
Nondepreciable capital assets:				
Land	$ 975,062	$ -	$ -	$ 975,062
Construction in Progress	15,400,205	1,891,856	(17,292,061)	-
Total nondepreciable:	16,375,267	1,891,856	(17,292,061)	975,062
Depreciable capital assets:				
Equipment	866,647	474,625	-	1,341,272
Building	-	-	17,292,061	17,292,061
Total depreciable:	866,647	474,625	17,292,061	18,633,333
Accumulated depreciation:				
Equipment	(113,143)	(157,670)	-	(270,813)
Building	-	(576,402)	-	(576,402)
Total accumulated depreciable:	(113,143)	(734,072)	-	(847,215)
Depreciable capital assets, net of accumulated depreciation:	753,504	(259,447)	17,292,061	17,786,118
Total capital assets	$ 17,128,771	$ 1,632,409	$ -	$ 18,761,180

Depreciation of $734,072 was charged to congestion management on the statement of activities.

Note 5 – Interfund Transactions

The composition of interfund balances as of June 30, 2023, is as follows:

Due to Other Funds	Due From Other Funds General Fund
Regional Measure 2 Special Revenue Fund	$ 645,986
Non-Major Special Revenue Fund - Vallejo Redwood Parkway	193,187
Total	$ 839,173

The balance represents a short-term borrowing by the Regional Measure 2 State and Local and Vallejo Redwood Parkway Special Revenue Funds to cover an operating expenditures incurred to be reimbursed in the next fiscal year.

Note 6 – Long-Term Debt

A summary of changes in governmental activities long-term debt for the year ended June 30, 2023, is noted below:

	Balance	Retirements	Balance June 30, 2023	Amount due within one year
Private-placement:				
2020 Lease Financing	$ 8,890,627	$ 932,725	$ 7,957,902	$ -
Total long-term debt	$ 8,890,627	$ 932,725	$ 7,957,902	$ -

2020 Lease Financing

In November 2020, the Authority entered into a private-placement lease financing agreement for $9,350,000. The proceeds are to be used to finance the construction of a new three-story office building, fund a reserve fund at 50% of maximum annual debt service, fund a capitalized interest fund, and pay the costs associated with financing. Semi-annual payments are to be made on May 1 and November 1 commencing on May 1, 2021. Semi-annual payments are to be made on May 1 and November 1 began on May 1, 2022. The payments bear an interest rate of 3.02%.

The debt service schedule of the 2020 Lease Financing is as follows:

For The Year Ending June 30	Principal	Interest
2024	$ 961,107	$ 233,181
2025	990,354	203,938
2026	1,020,490	173,805
2027	1,051,543	142,756
2028	1,083,541	110,761
2029 - 2031	2,850,867	130,431
	$ 7,957,902	$ 994,872

Note 7 – Pension Plans

The Authority's employees are covered by two defined benefits pension plans, the California Public Employees' Retirement System (CalPERS) and the Public Agency Retirement System Pension Plan (PARS). The following table shows the net pension liabilities, related deferrals and pension expenses for the plans.

	Net Pension Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalPERS	$ 2,156,271	$ 1,144,402	$ 316,497	$ (456,829)
PARS	(22,657)	73,805	107,241	8,369
Total	$ 2,133,614	$ 1,218,207	$ 423,738	$ (448,460)

California Public Employees' Retirement System (CalPERS)

General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Authority's Employee Pension Plan, (the Plan) a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). 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.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 or 52, depending on hire date, with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

	Miscellaneous Tier I	**Miscellaneous PEPRA**
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55 - 67+	52 - 67+
Monthly benefits, as a % of eligible compensation	1.426% - 2.418%	1.0% - 2.5%
Required employee contribution rates	7.00%	6.75%
Required employer contribution rates	10.32%	7.47%

Contributions

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

For the year ended June 30, 2023, the Authority's contributions were $223,347.

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

As of June 30, 2023, the Authority reported net pension liability for its proportionate shares of the net pension liability in the amount of $2,156,271.

The Authority's net pension liability is measured as the proportionate share of the Plan's net pension liability. The net pension liability is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The General Fund has been primarily used to liquidate pension liabilities. The Authority's proportionate share of the net pension liability as of June 30, 2022 and 2023 was as follows:

Proportion - June 30, 2022	$ 652,043	0.03434%
Proportion - June 30, 2023	2,156,271	0.04608%
Change - Increase (Decrease)	$ 1,504,228	0.01174%

For the year ended June 30, 2023, the Authority recognized a negative pension expense in the amount of $456,829 for the Miscellaneous CalPERS plan. On 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	$ 223,347	$ -
Differences between actual and expected experience	43,302	(29,002)
Changes in assumptions	220,955	-
Net differences between projected and actual earnings on plan investments	394,972	-
Changes in proportion	261,826	-
Differences between actual contributions and proportionate share of contributions	-	(287,495)
Total	$ 1,144,402	$ (316,497)

Reported as deferred outflows of resources related to contributions subsequent to the measurement date is $223,347 which will be recognized as a component of pension expense in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2024	$ 151,882
2025	132,310
2026	78,788
2027	241,578
Total	$ 604,558

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions for the Miscellaneous CalPERS plan:

	Miscellaneous Plan
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Mortality Rate Table (1)	Derived using CalPERS' membership data for all funds
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 generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plan run out of assets. Therefore, the current 6.90 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension 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 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 as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class (1)	Policy Target Allocation	Real Return (1),(2)
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%
Leverage	-5.00%	-0.59%
Total	100%	

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	Discount Rate		
	1% Decrease 5.90%	Current 6.90%	1% Increase 7.90%
Miscellaneous	$ 3,607,456	$ 2,156,271	$ 962,305

Pension Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial report.

Public Agency Retirement System Pension Plan (PARS)

General Information about the Pension Plan

Plan Description

The Authority entered into an agreement as of July 1, 2011 with the Public Agency Retirement Services (PARS), an agent multiple-employer plan, to provide a supplemental retirement benefits. Benefit provisions under the Plan are established by Authority resolution. The plan is closed to new entrants as of January 1, 2013. PARS issues publicly available reports that can be obtained by writing to 3961 MacArthur Boulevard, Suite 200, Newport Beach, California 92660.

Benefits Provided

PARS provides lifetime supplemental benefits for participants that retire on or after age 55 with cost of living adjustments. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service with CalPERS are eligible to receive the supplemental PARS benefits.

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

	Miscellaneous Tier I	**Miscellaneous PEPRA**
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55 - 67+	52 - 67+
Monthly benefits, as a % of eligible compensation	1.426% - 2.418%	1.0% - 2.5%
Required employee contribution rates	7.00%	6.75%
Required employer contribution rates	10.32%	7.47%

Employees Covered – In conformance with the Public Employees' Pension Reform Act of 2013 (PEPRA) effective January 1, 2013, the PARS plan is closed to new hires. At the June 30, 2022 valuation date, employees that were covered by the benefit terms were 6 retired and 5 actives.

Contributions

Contributions are determined on a bi-annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. 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 employee required contribution rate is 2%.

For the year ended June 30, 2023, the Authority's contributions were $42,012.

Net Pension Liability/(Asset)

The Authority's net pension liability/(asset) for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability/(asset) of the Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 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 liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.50%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	Graded up to
Investment Rate of Return	6.50%
Mortality	Consistent with the Non-industrial rates used to value the Miscellaneous Public Agency CalPERS Pension Plan after June 30, 2021.
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

Discount Rate

The discount rate used to measure the total pension liability was 6.5 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, the District stress tested plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, the Plan would not run out of assets. Therefore, the current 6.5 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary.

The long-term expected rate of return on pension 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 pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, PARS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	Policy Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	5.97%	0.51%	0.49%
US Core Fixed Income	36.96%	2.07%	1.93%
US Broad Equity Market	43.78%	5.56%	3.90%
Foreign Developed Equity	7.09%	6.89%	5.07%
Emerging Markets Equity	4.44%	9.58%	6.18%
US REITs	1.76%	6.96%	4.74%
Total	100%		

Changes in the Net Pension Liability / (Asset) – The changes in the Net Pension Liability for the Plan are as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2022	$ 1,321,495	$ 1,161,956	$ 159,539
Changes in the year:			
Service Cost	31,082	-	31,082
Interest on the total pension liability	86,537	-	86,537
Effect of economic /demographic gains or losses	(163,684)	-	(163,684)
Effect of assumptions changes or inputs	4,667	-	4,667
Contribution - Employer	-	42,012	(42,012)
Contribution - employee	-	15,676	(15,676)
Net investment income	-	91,587	(91,587)
Administrative expenses	-	(8,477)	8,477
Benefit payments	(43,140)	(43,140)	-
Net changes	(84,538)	97,658	(182,196)
Balance at June 30, 2023	$ 1,236,957	$ 1,259,614	$ (22,657)

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate

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

	1% Decrease	Current Discount Rate	1% Increase
	5.50%	6.50%	7.50%
Net Pension Liability (Asset) PARS	$ 140,660	$ (22,657)	$ (16,023)

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued PARS financial report.

For the year ended June 30, 2023, the Authority recognized pension expense in the amount of $8,369 for the PARS plan. On 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
Differences between actual contributions and experience	$ -	$ (107,241)
Changes in assumptions	3,058	-
Net differences between projected and actual earnings	70,747	-
Contributions subsequent to measurement date	-	-
Total	$ 73,805	$ (107,241)

Amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2024	$ (37,670)
2025	(38,098)
2026	45,506
2027	(3,174)
Total	$ (33,436)

Note 8 – Risk Management

The Authority is a member of the Public Risk Innovation Solution and Management (PRISM), formerly known as County Supervisors Association of California Excess Insurance Authority, which covers general liability claims up to $25,000,000. The Authority has a self-insured retention of $100,000 per claim. Once the Authority's self-insured retention for claims is met, PRISM becomes responsible for payment of all claims up to the limit. There have been no significant reductions in insurance coverage from the previous year, nor have settled claims exceeded the Authority's insurance coverages in any of the past three years.

Financial statements for PRISM may be obtained from Alliant Insurances Services, Inc., 1301 Dove Street, Suite 200, Newport Beach, California 92660.

Note 9 – Commitments and Contingencies

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

The Authority receives federal and state grant funds. The amounts if any, of the Authority's grant expenditures which may be disallowed upon audit by the granting agencies cannot be determined at this time, although the Authority expects any such amounts to be immaterial.

The Authority has various contracts with private consulting companies and cooperative agreements with governmental entities. As of June 30, 2023, the Authority had outstanding commitments approximating $46,490,704.

Note 10 – Payroll and Benefits

In fiscal 2022-2023 the Authority expended these amounts on payroll and related benefits:

Description	Operation and Administration	Mobility Programs	Project Development	Strategic Planning	Special Project	Total
Salaries-full-time	$ 832,988	$ 696,806	$ 165,363	$ 431,265	$ 255,779	$ 2,382,201
Salaries-non full-time	12,100	97,112	571	71,391	59,166	240,340
Total salaries	845,088	793,918	165,934	502,656	314,945	2,622,541
Employee benefits	415,267	277,492	90,988	189,696	116,492	1,089,935
Total payroll cost	$ 1,260,355	$ 1,071,410	$ 256,922	$ 692,352	$ 431,437	$ 3,712,476

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REQUIRED SUPPLEMENTARY INFORMATION

Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Plan's proportion of the Net Pension Liability (Asset)	0.0358%	0.0326%	0.0342%	0.0360%	0.0362%
Plan's proportion share of the Net Pension Liability (Asset)	$ 884,393	$ 894,778	$ 1,189,190	$ 1,420,942	$ 1,363,678
Plan's Covered Payroll	$ 1,528,122	$ 1,599,963	$ 1,873,891	$ 1,933,188	$ 1,962,483
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	57.87%	55.92%	63.46%	73.50%	69.49%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	81.01%	78.40%	74.06%	73.31%	75.26%

Measurement Date	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Plan's proportion of the Net Pension Liability (Asset)	0.0381%	0.0403%	0.0343%	0.0461%
Plan's proportion share of the Net Pension Liability (Asset)	$ 1,525,162	$ 1,698,414	$ 652,043	$ 2,156,271
Plan's Covered Payroll	$ 1,987,077	$ 2,114,400	$ 2,218,541	$ 2,299,822
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	76.75%	80.33%	29.39%	93.76%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.27%	75.27%	93.17%	79.74%

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

Fiscal Year ended June 30:	2015	2016	2017	2018	2019
Actuarially determined contribution	$ 185,159	$ 142,541	$ 153,544	$ 219,656	$ 239,443
Contributions in relation to the actuarially determined contributions	(185,159)	(142,541)	(153,544)	(219,656)	(239,443)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,599,963	$ 1,873,891	$ 1,933,188	$ 1,962,483	$ 1,987,077
Contributions as a percentage of covered payroll	11.57%	7.61%	7.94%	11.19%	12.05%

Fiscal Year ended June 30:	2020	2021	2022	2023
Actuarially determined contribution	$ 257,365	$ 195,990	$ 151,456	$ 223,347
Contributions in relation to the actuarially determined contributions	(257,365)	(195,990)	(151,456)	(223,347)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 2,114,400	$ 2,218,541	$ 2,299,822	$ 2,382,203
Contributions as a percentage of covered payroll	12.17%	8.83%	6.59%	9.38%

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

Measurement Date	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Total Pension Liability				
Service Cost	$ 50,590	$ 52,108	$ 50,815	$ 52,339
Interest on total pension liability	42,458	48,667	51,694	58,371
Effect of economic/demographic gains or losses	-	-	(52,286)	-
Changes in benefits	-	-	-	-
Benefit payments, including refunds of employee contributions	(9,267)	(2,341)	(5,595)	(11,868)
Net change in total pension liability	83,781	98,434	44,628	98,842
Total pension liability - beginning	560,508	644,289	742,723	787,351
Total pension liability - ending (a)	$ 644,289	$ 742,723	$ 787,351	$ 886,193
Plan fiduciary net position				
Contributions - employer	$ 79,307	$ 82,795	$ 83,219	$ 74,948
Contributions - employee	23,923	24,578	24,722	23,734
Net Investment income	7,413	7,486	59,388	45,496
Administrative expense	-	(2,393)	(3,145)	(3,966)
Benefit payments	(11,361)	(2,341)	(5,595)	(11,868)
Net change in plan fiduciary net position	99,282	110,125	158,589	128,344
Plan fiduciary net position - beginning	338,157	437,439	547,564	706,153
Plan fiduciary net position - ending (b)	$ 437,439	$ 547,564	$ 706,153	$ 834,497
Net pension liability - ending (a) - (b)	$ 206,850	$ 195,159	$ 81,198	$ 51,696
Plan fiduciary net position as a percentage of the total pension liability	67.89%	73.72%	89.69%	94.17%
Covered payroll	$ 1,235,695	$ 1,272,766	$ 1,265,743	$ 1,156,080
Net pension liability as percentage of covered payroll	16.74%	15.33%	6.42%	4.47%

* Note to schedule: Fiscal year 2015 was the first year of implementation of pension reporting standards.

6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
$ 37,214	$ 38,237	$ 33,762	$ 34,690	$ 31,082
58,928	71,901	76,935	81,496	86,537
100,957	1	(14,079)	-	(163,684)
33,095	-	-	-	4,667
(34,213)	(28,904)	(27,565)	(27,153)	(43,140)
195,981	81,235	69,053	89,033	(84,538)
886,193	1,082,174	1,163,409	1,232,462	1,321,495
$ 1,082,174	$ 1,163,409	$ 1,232,462	$ 1,321,495	$ 1,236,957
$ 58,062	$ 43,408	$ 68,279	$ 73,610	$ 42,012
16,741	17,712	17,381	18,185	15,676
52,130	31,116	236,474	(159,345)	91,587
(6,832)	(5,622)	(7,068)	(27,153)	(43,140)
(34,213)	(28,904)	(27,565)	(8,937)	(8,477)
85,888	57,710	287,501	(103,640)	97,658
834,497	920,385	978,095	1,265,596	1,161,956
$ 920,385	$ 978,095	$ 1,265,596	$ 1,161,956	$ 1,259,614
$ 161,789	$ 185,314	$ (33,134)	$ 159,539	$ (22,657)
85.05%	84.07%	102.69%	87.93%	101.83%
$ 939,785	$ 965,629	$ 877,436	$ 909,269	$ 934,729
17.22%	19.19%	-3.78%	17.55%	-2.42%

Fiscal Year ended June 30:	**2015**	**2016**	**2017**	**2018**	**2019**
Actuarially determined contribution	$ 79,307	$ 59,947	$ 57,880	$ 49,997	$ 36,128
Contributions in relation to the actuarially determined contributions	(79,307)	(82,795)	(83,219)	(74,948)	(58,062)
Contribution deficiency (excess)	$ -	$ (22,848)	$ (25,339)	$ (24,951)	$ (21,934)
Covered payroll	$ 1,235,695	$ 1,272,766	$ 1,265,743	$ 1,156,080	939785
Contributions as a percentage of covered payroll	6.42%	6.51%	6.57%	6.48%	6.18%

Fiscal Year ended June 30:	**2020**	**2021**	**2022**	**2023**
Actuarially determined contribution	$ 46,801	$ 42,527	$ 47,031	$ 48,737
Contributions in relation to the actuarially determined contributions	(43,408)	(68,279)	(73,610)	(42,012)
Contribution deficiency (excess)	$ 3,393	$ (25,752)	$ (26,579)	$ 6,725
Covered payroll	$ 965,629	$ 877,436	$ 909,269	$ 934,729
Contributions as a percentage of covered payroll	4.50%	7.78%	8.10%	4.49%

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

	Budgeted Amounts			Variance With Final Budget-Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Intergovernmental:				
Member contributions	$ 381,765	$ 356,698	$ 231,698	$ (125,000)
Federal	3,718,096	3,092,820	2,001,138	(1,091,682)
State and local	13,452,882	12,354,656	10,751,184	(1,603,472)
Other	75,000	313,000	201,370	(111,630)
Interest	-	-	93,735	93,735
Other local grants	80,000	17,000	9,892	(7,108)
Total Revenues	17,707,743	16,134,174	13,289,017	(2,845,157)
EXPENDITURES				
Current				
Congestion management				
Operations and administrative	2,452,482	2,372,601	2,134,021	238,580
Mobility programs	5,506,205	5,346,663	3,883,462	1,463,201
Project development	6,134,475	2,152,773	2,596,125	(443,352)
Strategic planning	3,614,581	3,492,852	2,070,407	1,422,445
Capital outlay	-	1,575,000	253,467	1,321,533
Debt service:	-	-		
Principal	-	932,725	932,725	-
Interest	-	261,560	261,560	-
Total Expenditures	17,707,743	16,134,174	12,131,767	4,002,407
NET CHANGES IN FUND BALANCES	$ -	$ -	1,157,250	$ 1,157,250
Fund Balances - Beginning			6,884,288	
Fund Balances - Ending			$ 8,041,538	

Solano Transportation Authority

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Regional Measure 2 State and Local Fund
June 30, 2023

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental:				
State and local	$ 2,500,000	$ 2,500,000	$ 10,970,541	$ 8,470,541
Regional Measure 2	4,300,000	4,300,000	1,554,475	(2,745,525)
Interest	-	-	4,585	4,585
Total Revenues	6,800,000	6,800,000	12,529,601	5,729,601
EXPENDITURES				
Current: Congestion management				
Special projects and programs	6,800,000	6,800,000	11,633,703	(4,833,703)
Total Expenditures	6,800,000	6,800,000	11,633,703	(4,833,703)
NET CHANGES IN FUND BALANCES	$ -	$ -	895,898	$ (895,898)
Fund Balances - Beginning			(153,426)	
Fund Balances - Ending			$ 742,472	

	Budgeted Amounts			Variance With Final Budget- Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Other:				
RTIF	$ 3,950,000	$ 3,950,000	$ 2,992,655	$ (957,345)
Interest	-	-	1,366	1,366
Total Revenues	3,950,000	3,950,000	2,994,021	(955,979)
EXPENDITURES				
Current: Congestion management				
Special projects and programs				
RTIF	3,950,000	3,950,000	147,678	3,802,322
Total Expenditures	3,950,000	3,950,000	147,678	3,802,322
NET CHANGES IN FUND BALANCES	$ -	$ -	2,846,343	$ (2,846,343)
Fund Balances - Beginning			13,900,752	
Fund Balances - Ending			$ 16,747,095	

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SUPPLEMENTARY INFORMATION

	Special Revenue Funds			
	TFCA	**Abandoned Vehicle Abatement**	**Dixon B Street Undercrossing**	**I-80 Reliever Route**
ASSETS				
Cash and investments	$ 190,586	$ 229,089	$ 14,173	$ 832,960
Accounts receivable	165,223	105,593	-	-
Total Assets	$ 355,809	$ 334,682	$ 14,173	$ 832,960
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ -	$ 293,059	$ -	$ -
Accrued payroll	302	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	8,562	250,831
Total Liabilities	302	293,059	8,562	250,831
Fund Balances				
Restricted:				
Transportation Projects and Programs	355,507	41,623	5,611	582,129
Unassigned	-	-	-	-
Total Fund Balances	355,507	41,623	5,611	582,129
Total Liabilities and Fund Balance	$ 355,809	$ 334,682	$ 14,173	$ 832,960

See accompanying note to the supplementary information.

Special Revenue Funds			
Jameson Canyon Project	**Vallejo Redwood Parkway**	**SR 12 Bridge Realignment**	**Total Nonmajor Governmental Funds**
$ 30,571	$ -	$ 1,996	$ 1,299,375
-	118,642	-	389,458
$ 30,571	$ 118,642	$ 1,996	$ 1,688,833
$ -	$ 7,134	$ -	$ 300,193
-	-	-	302
-	193,187	-	193,187
21,737	-	-	281,130
21,737	200,321	-	774,812
8,834	-	1,996	995,700
-	(81,679)	-	(81,679)
8,834	(81,679)	1,996	914,021
$ 30,571	$ 118,642	$ 1,996	$ 1,688,833

	Special Revenue Funds			
	TFCA	Vehicle Abandoned Vehicle Abatement	Dixon B Street Undercrossing	I-80 Reliever Route
REVENUES				
Intergovernmental:				
DMV/AVA	$ -	$ 405,711	$ -	$ -
TFCA	339,049	-	-	-
Interest	5,248	1,677	173	10,178
Total Revenues	344,297	407,388	173	10,178
EXPENDITURES				
Special projects and programs	468,364	421,724	-	-
Total Expenditures	468,364	421,724	-	-
NET CHANGES IN FUND BALANCES	(124,067)	(14,336)	173	10,178
Fund Balances - Beginning	479,574	55,959	5,438	571,951
Fund Balances - Ending	$ 355,507	$ 41,623	$ 5,611	$ 582,129

See accompanying note to the supplementary information.

Special Revenue Funds			
Jameson Canyon Project	Vallejo Redwood Parkway	SR 12 Bridge Realignment	Total Nonmajor Governmental Funds
$ -	$ 118,643	$ -	$ 524,354
-	-	-	339,049
373	-	25	17,674
373	118,643	25	881,077
-	137,794	-	1,027,882
-	137,794	-	1,027,882
373	(19,151)	25	(146,805)
8,461	(62,528)	1,971	1,060,826
$ 8,834	$ (81,679)	$ 1,996	$ 914,021

	Budgeted Amounts			Variance With Final Budget- Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Interest	$ -	$ -	$ 10,178	$ 10,178
Total Revenues	-	-	10,178	10,178
EXPENDITURES				
Current: Congestion management				
Special projects and programs	-	-	-	-
Total Expenditures	-	-	-	-
NET CHANGES IN FUND BALANCES	$ -	$ -	10,178	$ 10,178
Fund Balance - Beginning			571,951	
Fund Balance - Ending			$ 582,129	

	Budgeted Amounts		Actual Amounts	Variance With Final Budget-Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
TFCA	$ 461,000	$ 461,000	$ 339,049	$ (121,951)
Interest	-	-	5,248	5,248
Total Revenues	461,000	461,000	344,297	(116,703)
EXPENDITURES				
Current: Congestion management				
Special projects and programs	461,000	461,000	468,364	(7,364)
Total Expenditures	461,000	461,000	468,364	(7,364)
NET CHANGES IN FUND BALANCES	$ -	$ -	(124,067)	$ (109,339)
Fund Balance - Beginning			479,574	
Fund Balance - Ending			$ 355,507	

	Budgeted Amounts			Variance With Final Budget- Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Intergovernmental:				
DMV/AVA	$ 463,500	$ 463,500	$ 405,711	$ (57,789)
Interest	-	-	1,677	1,677
Total Revenues	463,500	463,500	407,388	(56,112)
EXPENDITURES				
Current: Congestion management				
Special projects and programs	463,500	463,500	421,724	41,776
Total Expenditures	463,500	463,500	421,724	41,776
NET CHANGES IN FUND BALANCES	$ -	$ -	(14,336)	$ (97,888)
Fund Balance - Beginning			55,959	
Fund Balance - Ending			$ 41,623	

	Budgeted Amounts			Variance With Final Budget- Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Interest	$ -	$ -	$ 173	$ 173
Total Revenues	-	-	173	173
EXPENDITURES				
Current: Congestion management				
Special projects and programs	-	-	-	-
Total Expenditures	-	-	-	-
NET CHANGES IN FUND BALANCES	$ -	$ -	173	$ 173
Fund Balance - Beginning			5,438	
Fund Balance - Ending			$ 5,611	

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest	$ -	$ -	$ 373	$ (373)
Total Revenues	-	-	373	(373)
EXPENDITURES				
Current: Congestion management				
Special projects and programs	-	-	-	-
Total Expenditures	-	-	-	-
NET CHANGES IN FUND BALANCES	$ -	$ -	373	$ (373)
Fund Balance - Beginning			8,461	
Fund Balance - Ending			$ 8,834	

Solano Transportation Authority

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual for Vallejo Redwood Parkway Project Fund

June 30, 2023

	Budgeted Amounts			Variance With Final Budget-Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental:				
DMV/AVA	$ -	$ -	$ 118,643	$ 118,643
Interest	-	-	-	0
Total Revenues	-	-	118,643	118,643
EXPENDITURES				
Current: Congestion management				
Special projects and programs	-	-	137,794	(137,794)
Total Expenditures	-	-	137,794	(137,794)
NET CHANGES IN FUND BALANCES	$ -	$ -	(19,151)	$ 256,437
Fund Balance - Beginning			(62,528)	
Fund Balance - Ending			$ (81,679)	

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Interest	$ -	$ -	$ 25	$ 25
Total Revenues	-	-	25	25
EXPENDITURES				
Current: Congestion management				
Special projects and programs	-	-	-	-
Total Expenditures	-	-	-	-
NET CHANGES IN FUND BALANCES	$ -	$ -	25	$ 25
Fund Balance - Beginning			1,971	
Fund Balance - Ending			$ 1,996	

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Federal Expenditures
Department of Transportation Pass-Through Programs From:			
State of California Department of Transportation			
Highway Planning and Construction			
One Bay Area OBAG 2 Passed through Metropolitan Transportation Commission	20.205	6084(206)	$ 1,022,729
One Bay Area OBAG 3 Passed through Metropolitan Transportation Commission	20.205	6084(284)	194,770
(CMAQ) - Countrywide Safe Route to School	20.205	CML-6249(036)	213,752
Countywide Safe Route to School	20.205	STPL-6249(054)	60,817
Countywide Connected Mobility Implementation Plan	20.205	STPLNI-6249(052)	172,666
(CMAQ) - Mobility Services Program	20.205	CML-6249(046)	278,108
Subtotal Highway Planning and Construction			1,942,842
ARPA/FTA 5310 Specialized Transit Grants	20.513	(64AM1-01232)	44,263
Subtotal Transit Service Program			44,263
California Office of the Traffic Safety (OTS) State and Community Highway Safety - Pedestrian and Bicycle Safety Program	20.600	PS21016	14,032
Subtotal Highway Safety Program			14,032
Total Department of Transportation Pass-Through Programs			2,001,137
Total Expenditures of Federal Awards			$ 2,001,137

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Note 1 – Reporting Entity

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

Note 2 – Summary of Significant Accounting Policies

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

Note 3 – Indirect Cost Election

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

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Government's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents **Page**

	Fiscal Years Ending June 30,			
	2023	2022	2021	2020
Governmental Activities:				
Investment in capital assets	$ 10,803,278	$ 8,238,144	$ 6,263,465	$ 2,854,686
Restricted	18,483,013	15,334,566	17,472,947	10,132,339
Unrestricted	6,249,237	4,689,588	(844,560)	4,337,902
Total Governmental Activities Net Position	$ 35,535,528	$ 28,262,298	$ 22,891,852	$ 17,324,927

	Fiscal Years Ending June 30,				
	2019	2018	2017	2016	2015
Governmental Activities:					
Investment in capital assets	$ 1,251,801	$ 167,264	$ 172,025	$ 170,463	$ 187,233
Restricted	8,312,810	7,181,852	5,600,430	1,792,753	4,046,401
Unrestricted	4,165,210	3,639,188	2,815,564	2,293,245	(189,358)
Total Governmental Activities Net Position	$ 13,729,821	$ 10,988,304	$ 8,588,019	$ 4,256,461	$ 4,044,276

Note: Since this is the nineth year to present the Annual Comprehensive Financial Report for Solano Transportation Authority a 10 year trend analysis is not available.

Source: Solano Transportation Authority Financial Statements

	Fiscal Years Ending June 30,			
EXPENSES	**2023**	**2022**	**2021**	**2020**
Governmental activities:				
Congestion management				
Operations and administrative	$ 779,802	$ 2,173,228	$ 2,166,069	$ 2,032,654
Mobility programs	3,910,115	3,116,029	2,993,745	3,571,266
Project development	2,596,125	5,343,443	2,317,561	2,738,220
Strategic projects and programs	2,070,407	1,894,067	677,636	1,278,690
Special projects and programs	12,809,263	10,626,387	8,910,722	9,242,677
Interest expense	254,774	186,200	255,877	-
Total Expenses	22,420,486	23,339,354	17,321,610	18,863,507
REVENUES				
Program revenues:				
Operations and administrative	2,857,580	6,624,508	3,847,325	3,306,901
Mobility programs	3,910,115	3,053,823	2,993,745	3,571,266
Project development	2,606,686	5,342,889	2,317,561	2,738,220
Strategic projects and programs	2,070,409	1,884,492	677,636	1,264,265
Special projects and programs	18,121,674	11,672,721	12,880,226	11,329,468
General revenues:				
Interest and investment earnings	117,360	131,367	172,042	248,493
Total Revenues	29,683,824	28,709,800	22,888,535	22,458,613
Governmental Activities Change in Net Position	$ 7,263,338	$ 5,370,446	$ 5,566,925	$ 3,595,106

	Fiscal Years Ending June 30,				
EXPENSES	**2019**	**2018**	**2017**	**2016**	**2015**
Governmental activities:					
Congestion management					
Operations and administrative	$817,664	$ 1,843,651	$ 1,513,510	$ 1,493,771	$1,552,133
Mobility programs	4,725,901	3,053,976	2,699,893	3,127,188	2,630,308
Project development	1,615,503	1,520,601	491,941	814,946	951,477
Strategic projects and programs	910,409	580,148	1,092,197	1,286,237	1,101,478
Special projects and programs	3,372,450	8,803,758	16,712,752	18,170,618	23,129,160
Interest expense	-	-	-	-	-
Total Expenses	11,441,927	15,802,134	22,510,293	24,892,760	29,364,556
REVENUES					
Program revenues:					
Operations and administrative	1,945,067	2,707,716	4,189,571	2,095,647	3,189,457
Mobility programs	5,073,339	3,053,976	2,815,875	3,018,185	2,731,442
Project development	1,575,105	1,520,601	921,675	868,369	994,990
Strategic projects and programs	910,409	580,148	1,092,197	1,250,721	1,246,161
Special projects and programs	4,491,072	10,233,015	17,769,717	17,844,800	23,493,793
General revenues:					
Interest and investment earnings	188,452	106,963	52,816	27,223	10,299
Total Revenues	14,183,444	18,202,419	26,841,851	25,104,945	31,666,142
Governmental Activities Change in Net Position	$ 2,741,517	$ 2,400,285	$ 4,331,558	$ 212,185	$2,301,586

Note: Since this is the nineth year to present the Annual Comprehensive Financial Report for Solano Transportation Authority

Source: Solano Transportation Authority Financial Statements

	Fiscal Years Ending June 30,			
	2023	**2022**	**2021**	**2020**
General Fund				
Nonspendable	$ 131,855	$ 280,287	$ 155,623	$ 105,299
Restricted	740,218	1,433,814	5,644,967	2,618,596
Unassigned	7,169,465	5,170,187	5,943,646	5,640,773
Total General Fund	8,041,538	6,884,288	11,744,236	8,364,668
All Other Governmental Funds				
Nonspendable	-	-	-	-
Restricted	17,742,795	13,900,752	11,827,980	7,513,743
Unassigned	660,793	907,400	(359,320)	(39,572)
Total All Other Governmental Funds	$ 18,403,588	$ 14,808,152	$ 11,468,660	$ 7,474,171

	Fiscal Years Ending June 30,				
	2019	**2018**	**2017**	**2016**	**2015**
General Fund					
Nonspendable	$ 88,205	$ 30,122	$ 38,137	$ -	$ -
Restricted	2,942,178	3,420,702	2,719,914	-	2,431,120
Unassigned	5,198,006	4,664,466	4,294,129	3,954,485	1,137,973
Total General Fund	$8,228,389	8,115,290	7,052,180	3,954,485	3,569,093
All Other Governmental Funds					
Nonspendable	-	-	-	-	1,615,281
Restricted	5,370,632	3,761,150	1,792,753	1,792,753	1,615,281
Unassigned	(4,793)	-	(503,261)	(503,261)	-
Total All Other Governmental Funds	$ 5,365,839	$ 3,761,150	$ 1,289,492	$ 1,289,492	$ 1,615,281

Note: Since this is the nineth year to present the Annual Comprehensive Financial Report for Solano Transportation Authority

Source: Solano Transportation Authority Financial Statements

	Fiscal Years Ending June 30,				
	2023	**2022**	**2021**	**2020**	**2019**
REVENUES					
Intergovernmental	$ 26,372,439	$ 24,986,912	$ 17,865,693	$ 19,695,915	$ 11,248,958
Interest	117,360	121,107	172,042	248,493	188,452
Other income	3,203,917	3,601,781	4,850,800	2,514,205	2,746,034
Total Revenues	29,693,716	28,709,800	22,888,535	22,458,613	14,183,444
EXPENDITURES					
Congestion management:					
Operations and administrative	2,134,021	1,953,171	1,859,906	1,760,698	722,813
Mobility programs	3,883,462	3,189,490	2,993,745	3,571,266	4,725,901
Project development	2,596,125	5,343,443	2,317,561	2,738,220	1,615,503
Strategic planning	2,070,407	1,894,067	677,636	1,278,690	910,409
Special projects and programs	12,809,263	10,626,387	8,910,722	9,242,677	3,372,450
Capital outlay	253,467	6,623,140	7,896,093	1,622,451	1,118,580
Debt Service:					
Principal	932,725	459,373	-	-	-
Interest	261,560	141,185	138,832	-	-
Debt issuance costs	-	-	69,983	-	-
Total Expenditures	24,941,030	30,230,256	24,864,478	20,214,002	12,465,656
OTHER FINANCING SOURCES					
Lease financing issued	-	-	9,350,000	-	-
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
Total Other Financing Sources	-	-	9,350,000	-	-
NET CHANGE IN FUND BALANCES	$ 4,752,686	$ (1,520,456)	$ 7,374,057	$ 2,244,611	$ 1,717,788
Debt service as a percentage of noncapital expenditures	5%	2%	1%		

Note: Since this is the nineth year to present the Annual Comprehensive Financial Report for Solano Transportation Authority a 10 year trend analysis is not available.

Source: Solano Transportation Authority Financial Statements

Fiscal Years Ending June 30,			
2018	**2017**	**2016**	**2015**
$ 15,425,332	$ 23,202,988	$ 22,805,814	$ 29,008,084
106,963	52,816	27,223	10,299
2,670,124	3,586,047	2,271,908	2,647,759
18,202,419	26,841,851	25,104,945	$31,666,142
1,772,283	1,631,808	1,636,870	1,534,722
3,053,976	2,699,893	3,127,188	2,630,308
1,520,601	491,941	814,946	951,477
580,148	1,092,197	1,286,237	1,101,478
8,803,758	16,712,752	18,170,618	23,129,160
24,722	27,728	9,483	90,877
-	-	-	-
-	-	-	-
-	-	-	-
15,755,488	22,656,319	25,045,342	29,438,022
-	-	-	-
-	445,577	445,577	-
-	(445,577)	(445,577)	-
-	-	-	-
$ 2,446,931	$ 4,185,532	$ 59,603	$ 2,228,120

Fiscal Year Ended June 30	Lease Financing[1]	Total Governmental Activities	Total Primary Government	Percentage of Personal Income [2]	Debt Per Capita [2]
2021	$ 9,350,000	$ 9,350,000	$ 9,350,000	0.04%	$ 21
2022	$ 9,350,000	$ 8,890,627	$ 8,890,624	0.03%	$ 20
2023	$ 9,350,000	$ 7,957,902	$ 7,957,902	0.03%	$ 18

[1] The Authority entered into a lease financing transaction in fiscal year 2021.

[2] See the Schedule of Demographic and Economic Statistics for personal income and population data.

NOTE: Details regarding the outstanding debt can be found in the notes of the financial statements.

Year[1]	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2023	465,536	$ 31,110,839,808	$ 66,828	4.7%
2022	447,421	29,117,711,259	65,079	4.0%
2021	438,527	27,631,045,977	63,009	7.8%
2020	440,224	23,117,657,791	52,513	13.7%
2019	441,307	22,335,602,540	50,612	3.9%
2018	439,793	21,395,947,591	48,650	4.2%
2017	436,023	20,749,942,201	47,589	4.6%
2016	431,498	19,778,909,530	45,838	6.0%
2015	429,552	19,223,389,084	44,752	5.9%
2014	425,169	18,631,142,897	42,073	8.1%

(1) Calendar year.

Source: www.worldpopulationreview.com/Solano-county-population, the most recent information available

	June 30, 2023			June 30, 2011		
Employer Employees	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Travis AFB	15,178	1	7.56%	14,353	1	7.75%
Kaiser Permanente - Vallejo	3,181	2	1.58%	5,131	2	2.77%
County of Solano	3,064	3	1.53%	2,391	3	1.29%
NorthBay Healthcare System	2,832	4	1.41%	1,115	7	0.60%
Fairfield-Suisun Unified School District	2,206	5	1.10%	2,000	4	1.08%
California Medical Center	1,557	6	0.78%			
Vacaville Unified School District	1,382	7	0.69%	1,094	8	0.59%
Solano Community College	709	8	0.35%			
Jelly Belly Factory	443	10	0.22%			
Vallejo City Unified School District	633	9	0.32%			
Totals	31,185		15.54%	26,084		14.94%

Source: Worldpopulationreview.com

Function	Fiscal Year Ending June 30,			
	2023	2022	2021	2020
Executive	1	1	1	1
Administration	3	3	3	3
Finance	3	3	3	3
Policy, Public Affairs and Legislation	1	1	1	1
Planning	3	2	3	3
Program and Projects	21	19	21	21
Total Employees	32	29	32	32

Function	Fiscal Year Ending June 30,				
	2019	2018	2017	2016	2015
Executive	1	1	1	1	1
Administration	3	3	3	3	3
Finance	2	2	2	2	2
Policy, Public Affairs and Legislation	1	1	1	1	1
Planning	3	3	3	3	3
Program and Projects	21	21	20	20	20
Total Employees	31	31	30	30	30

Source: Solano Transportation Authority, Accounting and Administrative Services
Note: Since This is the nineth year to present the Annual Comprehensive Financial Report for Solano Transportation Authority a 10 year trend analysis is not available.

	Fiscal Year Ending June 30, 2023	2022	2021	2020
Operations and administrative	$ 4,734,658	$ 6,624,508	$ 3,847,325	$ 3,306,901
Mobility programs	3,910,115	3,053,823	2,993,745	3,571,266
Project development	2,606,686	5,342,889	2,317,561	2,738,220
Strategic planning	2,070,409	1,884,492	677,636	1,264,265
Special projects and programs	18,121,674	11,672,721	12,880,226	11,329,468
	$ 31,443,542	$ 28,578,433	$ 22,716,493	$ 22,210,120

	Fiscal Year Ending June 30, 2019	2018	2017	2016	2015
Operations and administrative	$ 1,945,067	$ 2,707,716	$ 4,189,571	$ 1,737,641	$ 3,199,756
Mobility programs	5,073,339	3,053,976	2,815,875	3,018,185	2,731,442
Project development	1,575,105	1,520,601	921,675	868,369	994,990
Strategic planning	910,409	580,148	1,092,197	1,250,721	1,246,161
Special projects and programs	4,491,072	10,233,015	17,769,717	17,844,800	23,493,793
	$ 13,994,992	$ 18,095,456	$ 26,789,035	$ 24,719,716	$ 31,666,142

Source: Solano Transportation Authority, Accounting and Administrative Services

Note: Since This is the nineth year to present the Annual Comprehensive Financial Report for Solano Transportation Authority a 10 year trend analysis is not available.

	Fiscal Year Ending June 30, 2023	2022	2021	2020
Depreciable Capital Assets				
Equipment	$ 1,341,272	$ 866,647	$ 811,023	$ 574,173
Building	17,292,061	-	-	-
Less accumulated depreciation				
Furniture and Fixtures	(270,813)	(113,143)	(360,510)	(360,510)
Building	(576,402)	-	-	-
Nondepreciable Capital Assets				
Land	975,062	975,062	975,062	975,062
Construction in Progress	-	15,400,205	9,281,694	1,622,451
Total Capital Assets, Net	$ 18,761,180	$ 17,128,771	$ 10,707,269	$ 2,811,176

	Fiscal Year Ending June 30, 2019	2018	2017	2016	2015
Depreciable Capital Assets					
Equipment					
Less accumulated depreciation	$ 559,494	$ 422,486	$ 409,832	$ 399,489	$ 403,899
Furniture and Fixtures					
Nondepreciable Capital Assets	(276,827)	(255,222)	(237,807)	(229,026)	(216,666)
Land					
Construction in Progress	969,134	-	-	-	-
Total Capital Assets, Net	-	-	-	-	-
	$ 1,251,801	$ 167,264	$ 172,025	$ 170,463	$ 187,233

Note: Since this is the nineth year to present the Annual Comprehensive Financial Report for Solano Transportation Authority a 10 year trend analysis is not available.

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COMPLIANCE SECTION

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

Board of Directors
Solano Transportation Authority
Suisun City, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Solano Transportation Authority (Authority) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprised 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 financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including Section *6666* of Title 21 of the California Code of Regulations, and tests of compliance with the applicable provisions of the Transportation Development Act. 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.

We have also issued a separate Memorandum on Internal Control dated November 22, 2023, which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

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

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

Maze + Associates

Pleasant Hill, California
November 22, 2023

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

Board of Directors
Solano Transportation Authority
Suisun City, California

Report on Compliance for the Major Federal Program

Opinion on Each Major Federal Program

We have audited the Solano Transportation Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2023. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Maze + Associates

Pleasant Hill, California
November 22, 2023

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Section I – Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major program(s):

Assistance Listing Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction

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

Auditee qualified as low-risk auditee?		Yes	X	No

Section II – Financial Statement Findings

Our audit did not disclose any significant deficiencies, or material weaknesses or instances of noncompliance material to the basic financial statements. We have also issued a separate Memorandum on Internal Control dated November 22, 2023, which is an integral part of our audits and should be read in conjunction with this report.

Section III– Federal Award Findings and Questioned Costs

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

None Reported.