

**WEST CONTRA COSTA TRANSPORTATION
ADVISORY COMMITTEE
BASIC FINANCIAL STATEMENTS**

For the Year Ended June 30, 2020

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WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
Basic Financial Statements
For the Year Ended June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
West Contra Costa Transportation Advisory Committee
El Cerrito, California

We have audited the accompanying financial statements of the governmental activities and the major fund of the West Contra Costa Transportation Advisory Committee (WCCTAC), California, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise WCCTAC's basic financial statements as listed in the Table of Contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the WCCTAC's preparation and fair presentation of the financial statements 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 WCCTAC's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the WCCTAC as of June 30, 2020, and the respective changes in financial position and the budgetary comparison listed in the Table of Contents as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter – Restatement of Net Position

As discussed in Note 1J of the Notes to Basic Financial Statements, WCCTAC’s management restated beginning net position of Governmental Activities by \$129,098 related to plan assets previously reported for Other Post Employment Benefits (OPEB).

The emphasis of this matter does not constitute a change in our opinions.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis and the other Required Supplementary Information listed in the Table of Contents be presented to supplement the basic financial statements. Such information, 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.



Pleasant Hill, California
February 17, 2021

MANAGEMENT'S DISCUSSION & ANALYSIS (MD&A)

The MD&A is a discussion and analysis of WCCTAC's financial activities for the fiscal year ended June 30, 2020. Please read this document in conjunction with the accompanying Basic Financial Statements.

Organization

This MD&A provides a discussion and analysis of the following:

- Overview of the Financial Report
- WCCTAC's Programs and Projects, and Activities and Accomplishments
- Entity-Wide Financial Statements – Statement of Net Position and Statement of Activities
- Fund Financial Statements – Balance Sheet, Revenues & Expenditures by Program and Agency-wide Budget vs. Actual
- Looking Ahead

Questions Regarding WCCTAC's Financial Management

This Financial Report is intended to provide citizens, members, investors, and creditors with a general overview of WCCTAC's finances. Questions about this Report should be directed to the WCCTAC at 6333 Potrero Avenue, El Cerrito, CA 94530.

OVERVIEW OF THE FINANCIAL REPORT

This Financial Report is presented in two parts:

- 1) Management's Discussion & Analysis (this part), and
- 2) The Basic Financial Statements, which include the Entity-wide and the Fund Financial Statements, along with the Notes to these financial statements.

The Basic Financial Statements

The Basic Financial Statements comprise the Entity-wide Financial Statements and the Fund Financial Statements, which provide two different views of WCCTAC's financial activities and financial position – long-term and short-term, respectively.

The Entity-wide Financial Statements provide a longer-term view of WCCTAC's activities and comprise the *Statement of Net Position* and the *Statement of Activities*. The Statement of Net Position provides information about the financial position of WCCTAC, including all of its capital assets and long-term liabilities on the full accrual basis, which means the flow of all economic resources, are measured. The Statement of Activities provides information about all of WCCTAC's revenues and expenses, also on the full accrual basis, with emphasis on measuring net revenues or expenses of each of WCCTAC's programs. The Statement of Activities explains in detail the change in Net Position for the year.

All WCCTAC's programs are considered to be governmental activities. These programs are supported by program revenues such as grants and member contributions, as well as general revenues such as investment earnings.

The Fund Financial Statements report WCCTAC's operations in more detail than the entity-wide statements and focus primarily on the short-term activities of WCCTAC's General Fund. The Fund Financial Statements measure only current revenues and expenditures, current assets, liabilities, deferred outflows/inflows of resources and fund balances; they exclude capital assets, long-term debt, and other long-term amounts. Governmental Fund Financial Statements are prepared on a modified accrual basis, which means only current financial resources and uses are measured. Comparisons of Budget and Actual financial information are also presented for the General Fund.

WCCTAC'S PROGRAMS AND PROJECTS, AND ACTIVITIES AND ACCOMPLISHMENTS

The following provides a description of WCCTAC's programs that are analyzed in this Financial Report and lists the major activities and accomplishments during FY 2019-2020.

Programs

WCCTAC's finances are organized around four major functions, all part of the General Fund, but each with its unique accounting needs:

Advisory Committee: This includes all work related to WCCTAC's function as the Regional Transportation Planning Committee for West County under Measure J, as well as local transportation planning efforts resulting from the agency's functions as a Joint Powers Authority (JPA). This program is funded with annual member agency contributions.

Transportation Demand Management (TDM): This includes all work aimed at reducing solo vehicle driving and promoting walking, bicycling, transit, carpooling, and vanpooling, which is coordinated with the larger countywide 511 Contra Costa Program. The program is funded on a reimbursement basis with Measure J and grants from the Air District that are administered by the countywide transportation authority.

Subregional Transportation Mitigation Fee Program (STMP): WCCTAC acts as the trustee for the developer impact fees collected by the West County cities and the unincorporated areas of the County to fund regionally significant transportation projects necessitated by new development. The STMP is a requirement under Measure J's Growth Management Element. WCCTAC administers the program, which comprises eleven capital projects that are managed by others.

Other Reimbursable Projects: As a JPA, WCCTAC can apply for and receive grants that facilitate various elements of transportation in West County. These grants usually flow on a reimbursement basis, and WCCTAC typically retains consultants to perform the work.

Activities and Accomplishments by Program

FY 2019-2020

Advisory Committee

- Worked with the WCCTAC Board and CCTA on finalizing a transportation expenditure plan (TEP) for a sales tax measure.
- Worked with ACTC, CCTA, Caltrans, local jurisdictions, and transit operators to complete the first phase of the San Pablo Avenue Multi-modal Corridor Study.
- Led the West County Mobility Management Group, which meets to discuss coordination and improvement of services for seniors and the disabled in West Contra Costa.
- Served on the Countywide Accessible Transportation Study TAC to develop coordinated paratransit services and a mobility management model countywide.
- Worked with the City of Richmond on the launch of a Measure J-funded LYFT subsidy program for residents over 55.
- Collaborated with the CCTA in developing a methodology for local jurisdictions to use when implementing new State law requiring the use of Vehicle Miles Traveled (VMT) instead of Level of Service (LOS) analysis for CEQA.

Transportation Demand Management (TDM)

- Led the Text Your Commute challenge, which involved 810 County residents switching to greener commutes
- Distributed a record-breaking 1,390 student transit passes good for either 31 days (AC Transit) or 24 days (WestCAT) of travel as part of the Pass2Class program.
- Administered the countywide Try Transit program and offered incentives to a record 1,291 residents to use transit instead of single occupant autos.
- Participated in “Bike to Work Day” planning (postponed due to the pandemic).
- Expanded the Guaranteed Ride Home program to cover college students who attend school in Contra Costa County and opt to take green commutes to campus.
- Provided incentive funds install 6 dual port EV charging stations at Contra Costa College and 2 dual port stations at the new San Pablo City Hall.

Subregional Transportation Mitigation Fee Program (STMP)

- Completed the first year of implementation of the 2019 STMP Update which included training local staff on the changes to the program and adjusting STMP policies related to ADUs based on changing state law.
- Provided STMP funds (\$485K) to BART’s Del Norte Modernization Project; provided \$270K for a County sidewalk project in El Sobrante on San Pablo Dam Road.

Other Reimbursable Projects

- Completed a full year of the Travel Training Program, prior to suspension due to the pandemic, and connected directly with over 300 seniors.
 - Finalized and adopted the West County Express Bus Implementation Plan that was funded by a \$639,000 Caltrans Sustainable Transportation Planning Grant.
-

ENTITY-WIDE FINANCIAL STATEMENTS

Statement of Net Position

WCCTAC's net position increased by \$528,577 in FY 2019-20. This increase is explained in detail in the discussion of the Statement of Activities below. Financial highlights are as follows:

- Cash and investments available for WCCTAC's operations were \$4,023,870. All cash was invested with the City of San Pablo's investment pool.
- The Net Other Post-Employment Benefits (OPEB) Liability was \$141,717 at year end. The Net OPEB Liability represents current and future liabilities related to WCCTAC's post-employment health care benefits of its employees.
- Other assets and liabilities included normal business receivables and payables.

Statement of Activities

The Statement of Activities presents program revenues and program expenses in detail, followed by general revenues.

WCCTAC's main revenue sources are member operating contributions, operating grants from the Contra Costa Transportation Authority (CCTA) for the Transportation Demand Management Program, STMP developer impact fees for capital projects, and other grant sources. In FY 2019-20, WCCTAC received \$523,670 in member contributions, \$676,649 in TDM grants, \$1,271,742 in STMP fees, and \$485,884 in other grants. Total program revenues in FY 2019-20 increased \$477,126 from the prior year to \$3,124,731 due to an increase in collections from STMP and other grants.

WCCTAC's expenses decreased by \$680,144 in FY 2019-20 to \$2,674,984. This was largely due to a lower disbursement of STMP grants.

In FY 2019-20, WCCTAC's total revenues of \$3,203,561 were higher than the program expenditures of \$2,674,984 which, overall resulted in an increase of \$528,577.

FUND FINANCIAL STATEMENTS

Balance Sheet

| | Year Ended | | Difference |
|--|---------------------|---------------------|-------------------|
| | PY: 6/30/2019 | CY: 6/30/2020 | |
| ASSETS | | | |
| Cash & investments | \$ 3,375,022 | \$ 4,023,870 | \$ 648,848 |
| Revenue receivable | 4,326 | 4,910 | 584 |
| Total Assets | <u>\$ 3,379,348</u> | <u>\$ 4,028,780</u> | <u>\$ 649,432</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 158 | \$ 740 | \$ 582 |
| Unearned revenue | 40,001 | 40,001 | - |
| Total Liabilities | <u>40,159</u> | <u>40,741</u> | <u>582</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue | - | - | - |
| NET POSITION | | | |
| Restricted for: | | | |
| STMP | 3,179,645 | 3,745,424 | 565,779 |
| Assigned to: | | | |
| Equipment Replacement | - | - | - |
| Unused Accumulated Vacation | - | - | - |
| Unassigned | 159,544 | 242,615 | (83,071) |
| Total Fund Equity | <u>3,339,189</u> | <u>3,988,039</u> | <u>648,850</u> |
| Total Liabilities, Deferred Inflows of Resources & Fund Equity | <u>\$ 3,379,348</u> | <u>\$ 4,028,780</u> | <u>\$ 649,432</u> |

Discussion

- Cash and investments increased due to revenue received from STMP.

Revenues, Expenditures, and Fund Balances by Program

| Advisory Committee Program | Year Ended | | Difference |
|--|-------------------|-------------------|------------------|
| | PY: 6/30/2019 | CY: 6/30/2020 | |
| REVENUES | | | |
| Intergovernmental | | | |
| Member contributions | \$ 567,563 | \$ 523,670 | \$ (43,893) |
| Measure C/J & TFCA | - | - | - |
| Subregional Trans. Fees | - | - | - |
| Other grants | - | - | - |
| Other contributions | 63,875 | 166,786 | 102,911 |
| Interest | 3,982 | 4,160 | 178 |
| Total Revenues | 635,420 | 694,616 | 59,196 |
| EXPENDITURES | | | |
| Salary and benefits | 499,260 | 565,649 | 66,389 |
| Consultants | 61,395 | 58,120 | (3,275) |
| Training & transportation | 3,766 | 3,566 | (200) |
| Office expenses & supplies | 31,773 | 32,946 | 1,173 |
| Other | - | - | - |
| Total Expenditures | 596,194 | 660,281 | 64,087 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 39,226 | 34,335 | (4,891) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | - | - |
| Transfers (out) | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| NET CHANGE IN FUND BALANCE | 39,226 | 34,335 | (4,891) |
| Fund Balance (deficit) at beginning of year | 146,297 | 185,523 | 39,226 |
| Fund Balance (deficit) at end of year | <u>\$ 185,523</u> | <u>\$ 219,858</u> | <u>\$ 34,335</u> |

Discussion

- Revenues for FY 20 show an increase. This is mainly due to a larger than expected staff reimbursement from a Caltrans grant for the West Contra Costa Express Bus Implementation Plan.
- Consultant contracts in FY 20 include Legal Counsel, Accounting, and IT.

Revenues, Expenditures, and Fund Balances by Program (cont'd.)

| Transportation Demand Management (TDM) Program | Year Ended | | Difference |
|--|--------------------|------------------|------------------|
| | PY: 6/30/2019 | CY: 6/30/2020 | |
| REVENUES | | | |
| Intergovernmental | | | |
| Member contributions | \$ - | \$ - | \$ - |
| Measure C/J & TFCA | 532,562 | 676,649 | 144,087 |
| Subregional Trans. Fees | - | - | - |
| Other grants | - | - | - |
| Other contributions | - | - | - |
| Interest | - | - | - |
| Total Revenues | <u>532,562</u> | <u>676,649</u> | <u>144,087</u> |
| EXPENDITURES | | | |
| Salary and benefits | 313,151 | 321,596 | 8,445 |
| Consultants and special department expense | 147,913 | 255,656 | 107,743 |
| Training & transportation | 1,854 | 2,156 | 302 |
| Office expenses & supplies | 45,643 | 48,505 | 2,862 |
| Other | - | - | - |
| Total Expenditures | <u>508,561</u> | <u>627,913</u> | <u>119,352</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 24,001 | 48,736 | 24,735 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | - | - |
| Transfers (out) | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | 24,001 | 48,736 | 24,735 |
| Fund Balance (deficit) at beginning of year | <u>(49,980)</u> | <u>(25,979)</u> | <u>24,001</u> |
| Fund Balance (deficit) at end of year | <u>\$ (25,979)</u> | <u>\$ 22,757</u> | <u>\$ 48,736</u> |

Discussion

- TDM revenue shows an increase, largely due to revenue being billed and posted in a timely manner. There was no back-dated billing from the prior FY.
- The special department expense budget in TDM includes transit incentives (Try Transit), promotional work, and ride vouchers for Guaranteed Ride Home Program (GRH) participants. The costs fluctuate year by year in large part due to the unpredictability of the number of GRH and Try Transit participants.

Revenues, Expenditures, and Fund Balances by Program (cont'd.)

| Subregional Transportation Mitigation Fee Program (STMP) | Year Ended | | Difference |
|--|---------------------|---------------------|--------------------|
| | PY: 6/30/2019 | CY: 06/30/2020 | |
| REVENUES | | | |
| Intergovernmental | | | |
| Member contributions | \$ - | \$ - | \$ - |
| Measure C/J & TFCA | - | - | - |
| Subregional Trans. Fees | 1,110,478 | 1,271,742 | 161,264 |
| Other grants | - | - | - |
| Other contributions | - | - | - |
| Interest | 65,498 | 74,670 | 9,172 |
| Total Revenues | <u>1,175,976</u> | <u>1,346,412</u> | <u>170,436</u> |
| EXPENDITURES | | | |
| Salary and benefits | - | - | - |
| Consultants | 1,814,448 | 780,633 | (1,033,815) |
| Training & transportation | - | - | - |
| Office expenses & supplies | - | - | - |
| Publications & communications | - | - | - |
| Total Expenditures | <u>1,814,448</u> | <u>780,633</u> | <u>(1,033,815)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (638,472) | 565,779 | 1,204,251 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | - | - |
| Transfers (out) | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | (638,472) | 565,779 | 1,204,251 |
| Fund Balance (deficit) at beginning of year | <u>3,818,117</u> | <u>3,179,645</u> | <u>(638,472)</u> |
| Fund Balance (deficit) at end of year | <u>\$ 3,179,645</u> | <u>\$ 3,745,424</u> | <u>\$ 565,779</u> |

Discussion

- STMP revenues increased in FY 20 due to an increase in development in Contra Costa County (particularly Hercules).
- Expenditures decreased from prior FY19. The Del Norte BART Modernization Project and El Sobrante San Pablo Dam Rd sidewalk were the two main expenditures during FY 20.

Revenues, Expenditures, and Fund Balances by Program (cont'd.)

| Other Reimbursable Program | Year Ended | | Difference |
|--|----------------|----------------|----------------|
| | PY: 6/30/2019 | CY: 6/30/2020 | |
| REVENUES | | | |
| Intergovernmental | | | |
| Member contributions | \$ - | \$ - | \$ - |
| Measure C/J & TFCA | - | - | - |
| Subregional Trans. Fees | - | - | - |
| Other grants | - | - | - |
| Other contributions | 373,127 | 485,884 | 112,757 |
| Interest | - | - | - |
| Total Revenues | 373,127 | 485,884 | 112,757 |
| EXPENDITURES | | | |
| Salary and benefits | - | - | - |
| Consultants and special department expense | 371,613 | 484,171 | 112,558 |
| Training & transportation | - | 434 | 434 |
| Office expenses & supplies | 1,514 | 1,279 | (235) |
| Publications & communications | - | - | - |
| Total Expenditures | 373,127 | 485,884 | 112,757 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | - | - | - |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | - | - |
| Transfers (out) | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| NET CHANGE IN FUND BALANCE | - | - | - |
| Fund Balance (deficit) at beginning of year | - | - | - |
| Fund Balance (deficit) at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Discussion

- The reimbursable project in FY 20 is the Caltrans grant for the West Contra Costa Express Bus Implementation Plan.
- Activity in FY 20 is comprised of the Student Bus Pass Program, Travel Training, and West Contra Costa Express Bus Implementation Plan.

Revenues, Expenditures, and Fund Balances – Agency-Wide Budget and Actual

| | Year Ended | | Difference |
|---|---------------------|---------------------|--------------|
| | PY: 6/30/2019 | CY: 6/30/2020 | |
| REVENUES | | | |
| Original | \$ 4,175,693 | \$ 5,270,535 | \$ 1,094,842 |
| Final | 4,175,691 | 5,270,535 | 1,094,844 |
| Actual | <u>2,717,085</u> | <u>3,203,561</u> | 486,476 |
| Variance with Final Budget +/- | <u>(1,458,606)</u> | <u>(2,066,974)</u> | |
| EXPENDITURES | | | |
| Original | 6,130,894 | 5,011,796 | (1,119,098) |
| Final | 6,120,764 | 5,011,796 | (1,108,968) |
| Actual | <u>3,292,330</u> | <u>2,554,711</u> | (737,619) |
| Variance with Final Budget +/- | <u>2,828,434</u> | <u>2,457,085</u> | |
| CHANGE IN FUND BALANCE - ACTUAL | (575,245) | 648,850 | |
| Fund Balance (deficit) at beginning of year | <u>3,914,434</u> | <u>3,339,189</u> | |
| Fund Balance (deficit) at end of year | <u>\$ 3,339,189</u> | <u>\$ 3,988,039</u> | |

Discussion

- In the FY 19/20 budget, overall revenues and expenditures were down due to COVID-19, limiting activities at the end of the fiscal year.

LOOKING AHEAD

Financial Outlook by Program

WCCTAC remains financially solid despite the challenges brought about by the COVID-19 pandemic. The specific outlook by program for next year (Fiscal Year 2020) is as follows:

Advisory Committee: An increase in expenditures is expected given the need to make up for a reduction in TDM Measure J funding. Other rising expenditures include PERS unfunded liability payments and an ongoing small shift in staff expenses from the TDM fund to the Advisory Committee fund. Liability insurance premiums are also rising. The costs of professional services, rent, and supplies are expected to remain relatively stable, while the costs of mileage reimbursement and professional development are expected to be lower given the pandemic. There is no proposed dues increase for the upcoming year.

TDM: Given the pandemic, and an expected decline in Measure J sales tax revenue, the TDM allocation from Measure J is expected to be lower. The result will be slightly less funding available for program overhead, which may impact Advisory Committee finances. Given the pandemic, WCCTAC and the 511 Contra Costa program will likely modify some of their initiatives accordingly.

STMP: Given the economic impact of the pandemic, STMP revenues are budgeted lower than in the previous year, but are still expected to be relatively high, based on consultations with local jurisdictions. WCCTAC will likely allocate the balance of these funds as part of a Call for Projects. Staff will continue to assist local jurisdictions with the transition to the Updated 2019 STMP Program.

Other Reimbursable Projects: WCCTAC will manage Phase 2 of the San Pablo Avenue Multimodal Corridor Study, which will make use of some Measure J 28bs funds. WCCTAC will continue to serve as a pass-thru for Measure J Student Bus Pass Program funds set aside for the administration of the program by WCCUSD. WCCTAC has suspended its travel training program for seniors using Measure J 28b funds and that suspension could last well into Fiscal Year 2020.

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE

**STATEMENT OF NET POSITION AND
STATEMENT OF ACTIVITIES**

The Statement of Net Position and the Statement of Activities summarize WCCTAC's entire financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all of WCCTAC's assets and deferred outflows of resources and all its liabilities and deferred inflows of resources, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all of WCCTAC's transactions are taken into account, regardless of whether or when cash changes hands.

The Statement of Net Position reports the difference between WCCTAC's total assets and deferred outflows of resources and WCCTAC's total liabilities and deferred inflows of resources, including all WCCTAC's capital assets and all its long-term debt. The Statement of Net Position focuses the reader on the composition of WCCTAC's net position, by subtracting total liabilities and deferred inflows of resources from total assets and deferred outflows of resources.

The Statement of Net Position summarizes the financial position of all WCCTAC's Governmental Activities in a single column. WCCTAC's Governmental Activities include the activities of its General Fund.

The Statement of Activities reports increases and decreases in WCCTAC's net position. It is also prepared on the full accrual basis, which means it includes all WCCTAC's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, current deferred inflows/outflows, available revenues and measurable expenditures.

The Statement of Activities presents WCCTAC's expenses first, listed by program. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental program. WCCTAC's general revenues are then listed in the Governmental Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
STATEMENT OF NET POSITION
JUNE 30, 2020

| | Governmental Activities |
|--|----------------------------|
| ASSETS | |
| Cash and investments (Note 2) | \$4,023,870 |
| Program revenue receivable | 4,910 |
| Total Assets | 4,028,780 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Related to pensions (Note 4) | 177,599 |
| Related to OPEB (Note 5) | 67,669 |
| Total Deferred Outflows of Resources | 245,268 |
| LIABILITIES | |
| Accounts payable | 740 |
| Unearned revenue | 40,001 |
| Accrued compensated absences (Note 1H) | 40,075 |
| Net pension liability (Note 4) | 820,212 |
| Net OPEB liability (Note 5) | 141,717 |
| Total Liabilities | 1,042,745 |
| DEFERRED INFLOWS OF RESOURCES | |
| Related to pensions (Note 4) | 70,839 |
| Related to OPEB (Note 5) | 5,326 |
| Total Deferred Inflows of Resources | 76,165 |
| NET POSITION (Note 6) | |
| Restricted for: | |
| STMP | 3,745,424 |
| Transportation Systems Management | 22,757 |
| Unrestricted | (613,043) |
| Total Net Position | \$3,155,138 |

See accompanying notes to financial statements

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expense) Revenue and Changes in Net Position</u> |
|---|--------------------|---|---|--|
| | | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | <u>Governmental Activities</u> |
| Governmental Activities: | | | | |
| Advisory Committee | \$780,554 | \$690,456 | | (\$90,098) |
| Transportation Demand Management | 627,913 | 676,649 | | 48,736 |
| STMP | 780,633 | | \$1,271,742 | 491,109 |
| Other reimbursable projects | 485,884 | | 485,884 | |
| Total Governmental Activities | <u>\$2,674,984</u> | <u>\$1,367,105</u> | <u>\$1,757,626</u> | <u>449,747</u> |
| General revenues: | | | | |
| Investment earnings | | | | <u>78,830</u> |
| Total General Revenues | | | | <u>78,830</u> |
| Change in Net Position | | | | 528,577 |
| Net Position - Beginning, as restated (Note 1J) | | | | <u>2,626,561</u> |
| Net Position - Ending | | | | <u><u>\$3,155,138</u></u> |

See accompanying notes to financial statements

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WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE

FUND FINANCIAL STATEMENTS

Major funds are defined generally as having significant activities or balances in the current year.

WCCTAC's **General Fund**, which accounts for all administrative, operating and other expenditures incurred by WCCTAC, and to account for member charges and project reimbursements, is its only fund and is therefore a major fund.

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
GENERAL FUND
BALANCE SHEET
JUNE 30, 2020

ASSETS

| | |
|-------------------------------|---------------------------|
| Cash and investments (Note 2) | \$4,023,870 |
| Program revenue receivable | <u>4,910</u> |
| Total Assets | <u><u>\$4,028,780</u></u> |

LIABILITIES

| | |
|-------------------|----------------------|
| Accounts payable | \$740 |
| Unearned revenue | <u>40,001</u> |
| Total Liabilities | <u><u>40,741</u></u> |

FUND BALANCE

| | |
|------------------------------------|---------------------------|
| Fund Balance (Note 6) | |
| Restricted for: | |
| Transportation Demand Management | 22,757 |
| STMP | 3,745,424 |
| Unassigned | <u>219,858</u> |
| Total Fund Balance | <u><u>3,988,039</u></u> |
| Total Liabilities and Fund Balance | <u><u>\$4,028,780</u></u> |

Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

| | |
|--|---------------------------|
| FUND BALANCE | \$3,988,039 |
| LONG TERM ASSETS AND LIABILITIES | |
| The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Fund: | |
| Net OPEB asset and deferred outflows/inflows related to OPEB | (79,374) |
| Non-current portion of compensated absences | (40,075) |
| Net pension liability and deferred outflows/inflows related to pensions | <u>(713,452)</u> |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | <u><u>\$3,155,138</u></u> |

See accompanying notes to the financial statements

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

| | Programs | | | General Fund Total |
|--|-----------------------|--|--------------------|--------------------------|
| | Advisory Committee | Transportation Demand Management | STMP | |
| REVENUES | | | | |
| Intergovernmental (Note 1B): | | | | |
| Member contributions | \$523,670 | | | \$523,670 |
| Measure C/J and AB434/TFCA | | \$676,649 | | 676,649 |
| Subregional Transportation Fees | | | \$1,271,742 | 1,271,742 |
| Other contributions | 166,786 | | | \$485,884 |
| Interest | 4,160 | | 74,670 | 78,830 |
| Total Revenues | <u>694,616</u> | <u>676,649</u> | <u>1,346,412</u> | <u>3,203,561</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Salary and benefits | 565,649 | 321,596 | | 887,245 |
| Consultants | 58,120 | 255,656 | 780,633 | 484,171 |
| Training | 3,566 | 2,156 | | 434 |
| Office expense and supplies | 32,946 | 48,505 | | 1,279 |
| Total Expenditures | <u>660,281</u> | <u>627,913</u> | <u>780,633</u> | <u>485,884</u> |
| NET CHANGE IN FUND BALANCES | 34,335 | 48,736 | 565,779 | 648,850 |
| Program/Fund balances at beginning of year | <u>185,523</u> | <u>(25,979)</u> | <u>3,179,645</u> | <u>3,339,189</u> |
| Program/Fund balances at end of year | <u>\$219,858</u> | <u>\$22,757</u> | <u>\$3,745,424</u> | <u>\$3,988,039</u> |

See accompanying notes to the financial statements

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
 Reconciliation of the
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
 with the
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2020

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

| | |
|--|-----------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$648,850 |
|--|-----------|

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

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

| | |
|--|------------------|
| Net OPEB liability and deferred outflows/inflows of resources related to OPEB | 7,509 |
| Compensated absences | (13,985) |
| Net pension liability and deferred outflows/inflows of resources related to pensions | <u>(113,797)</u> |

| | |
|---|-------------------------|
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u><u>\$528,577</u></u> |
|---|-------------------------|

See accompanying notes to financial statements

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental: | | | | |
| Member contributions | \$523,670 | \$523,670 | \$523,670 | |
| Measure C and AB434/TFCA | 559,247 | 559,247 | 676,649 | \$117,402 |
| Subregional Transportation Fees | 3,485,879 | 3,485,879 | 1,271,742 | (2,214,137) |
| Other contributions | 701,739 | 701,739 | 652,670 | (49,069) |
| Interest | | | 78,830 | 78,830 |
| | <u>5,270,535</u> | <u>5,270,535</u> | <u>3,203,561</u> | <u>(2,066,974)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Salary and benefits | 867,898 | 867,898 | 887,245 | (19,347) |
| Consultants | 4,045,948 | 4,045,948 | 1,578,580 | 2,467,368 |
| Training | 7,200 | 7,200 | 6,156 | 1,044 |
| Office expense and supplies | 90,750 | 90,750 | 82,730 | 8,020 |
| | <u>5,011,796</u> | <u>5,011,796</u> | <u>2,554,711</u> | <u>2,457,085</u> |
| CHANGE IN FUND BALANCE | <u>\$258,739</u> | <u>\$258,739</u> | 648,850 | <u>\$390,111</u> |
| Fund balance at beginning of year | | | <u>3,339,189</u> | |
| Fund balance at end of year | | | <u>\$3,988,039</u> | |

See accompanying notes to financial statements

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WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Organization*

The West Contra Costa Transportation Advisory Committee (WCCTAC) was formed in 1990 for the purpose of creating a city, county and transit district transportation advisory committee which would protect and advance the interests of the West Contra Costa County communities with regard to transportation issues in general and the utilization of Measure “C” and State Assembly Bill 434 funds in particular; and State Transportation funds for the Richmond Intermodal Station Project. Measure “C” expired in March 2009 and was replaced by Measure “J.” The current members of WCCTAC are the Cities of El Cerrito, Hercules, Pinole, Richmond, and San Pablo; Alameda - Contra Costa Transit District, County of Contra Costa, San Francisco Bay Area Rapid Transit District, and the Western Contra Costa Transit Authority.

WCCTAC is controlled by a Governing Board consisting of eleven members--three members of the City Council of the City of Richmond, one member each of the City Councils of the Cities of El Cerrito, Hercules, Pinole and San Pablo, one member from Contra Costa County Board of Supervisors, one member of the governing body of rail transit districts operating within WCCTAC’s boundaries, and one member of the governing body of each of the bus transit districts operating within WCCTAC’s boundaries.

Oversight responsibility and control of WCCTAC’s affairs is exercised by its Governing Board. Officers of WCCTAC include the Chair, Vice Chair, Treasurer and Secretary. The Finance Director of the City of Pablo serves as WCCTAC’s Treasurer. The City of San Pablo maintains custody of all monies and funds, and maintains related accounting records.

B. *Programs*

WCCTAC’s General Fund activity is separated into four programs.

WCCTAC general operations, including transportation planning, congestion management and project oversight, are accounted for in the **Advisory Committee Program**. These activities are funded through WCCTAC member contributions, which are a proportionate share of expenses incurred based upon a formula/dollar amount outlined in the Joint Exercise of Powers Agreement. No additional charges may be assessed without the written consent of the members, \$523,670 in charges were assessed for fiscal year 2019/2020.

The **Transportation Demand Management (TDM) Program** is responsible for educating local employers, residents and retailers on transportation issues and alternatives. The **TDM Program** assists with developing, marketing and implementing alternative transportation programs. The **TDM Program** is funded by State of California Assembly Bill 434 funds distributed by the Bay Area Air Quality Management District through the Program Manager through the Transportation Fund for Clean Air (TFCA) by Contra Costa County Measures “C” and “J” transportation sales tax funds. Prior to fiscal year 2008, this program was called the Transportation System Management Program.

The **Subregional Transportation Mitigation Program (STMP)** is a new program for WCCTAC. This program was established in 1997 and, until fiscal year 2007, it was administered by the Contra Costa Transportation Authority. During fiscal year 2007 the administration for the program was transferred to WCCTAC. STMP fees are collected by Contra Costa County along with the cities of El Cerrito, Hercules, Pinole, Richmond and San Pablo and remitted to WCCTAC. The fees are to be used for transportation improvements to serve the WCCTAC area.

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The **Other Reimbursable Projects Program** is used for projects administered by WCCTAC that are fully reimbursed by other agencies.

C. Reporting Entity

WCCTAC is the only entity included in these financial statements.

D. Basis of Presentation

WCCTAC'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.

These Standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (WCCTAC). These statements include the financial activities of the overall government. Governmental activities generally are financed through intergovernmental revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues of each function of WCCTAC'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.

Fund Financial Statements: The fund financial statements provide information about WCCTAC's funds. The emphasis of fund financial statements is on major individual governmental funds.

E. Major Fund

WCCTAC's major governmental-type funds are required to be identified and presented separately in the fund financial statements. WCCTAC's **General Fund**, which accounts for all administrative, operating and other expenditures incurred by WCCTAC, and to account for member charges and project reimbursements, is its only fund and is therefore a major fund.

F. Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. WCCTAC considers all revenues reported in the governmental funds to be available if the revenues are collected within forty-five days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are interest and intergovernmental revenues.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, WCCTAC may fund certain programs with a combination of cost-reimbursement grants and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. WCCTAC's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

G. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position or balance sheet may report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. WCCTAC has two items that qualify for reporting in this category related to pensions and OPEB as discussed in Note 4 and Note 5, respectively.

In addition to liabilities, the statement of net position and balance sheet may report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. WCCTAC has deferred inflows of resources related to pensions as discussed in Note 4. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

H. *Compensated Absences*

Compensated absences comprise unpaid vacation leave, which is accrued as earned. Sick pay does not vest and therefore is not accrued. The liability for compensated absences is determined annually and is recorded in the Statement of Net Position.

The changes in compensated absences were as follows:

| | |
|-------------------|------------------------|
| Beginning Balance | \$26,090 |
| Additions | 36,587 |
| Payments | <u>(22,602)</u> |
| Ending Balance | <u><u>\$40,075</u></u> |

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. *Estimates and Assumptions*

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

J. *Restatement of Net Position*

During fiscal year ended June 30, 2020, WCCTAC's actuary conducting the actuarial study of the retiree health liabilities under GASB 75 rollforward valuation dated October 6, 2020, determined that plan assets reported in their previous valuation dated June 30, 2017, did not apply to the defined benefit plan. Therefore, the Net OPEB Asset/Liability was overstated by \$129,098 as of June 30, 2019. The updated valuation removed the plan assets from its calculation and also reduced the discount rate from 6.80% to 3.80%. As a result, WCCTAC restated and reduced beginning net position of Governmental Activities by \$129,098.

NOTE 2 - CASH AND INVESTMENTS

WCCTAC's cash is controlled and invested by the City of San Pablo, which also provides working capital when required. WCCTAC pools cash from all sources and all funds with the City of San Pablo so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. The City's Investment Policy and the California Government Code permits investments in Securities of the U.S. Government and its Agencies, State Notes and Bonds, Municipal Notes and Bonds, Certificates of Deposit (Time Deposits with Commercial Banks or Savings and Loans), Bankers Acceptances, Commercial Paper, State of California Local Agency Investment Fund (LAIF Pool), Repurchase Agreements (Collateralized by U.S. Treasury Securities), and Money Market and Mutual Funds. The details of the City of San Pablo's investment pool can be found in the City's Basic Financial Statements.

WCCTAC's investment in the City of San Pablo investment pool is stated at fair value, as required by generally accepted accounting principles. Each program's cash and investment (overdraft) balance at June 30, 2020 was as follows:

| | |
|----------------------------------|-------------|
| Advisory Committee | \$159,407 |
| Transportation Demand Management | 34,954 |
| STMP | 3,829,492 |
| Other Reimbursable Projects | 17 |
| | \$4,023,870 |
| | \$4,023,870 |

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

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 2 - CASH AND INVESTMENTS (Continued)

The following is a summary of the fair value hierarchy of the fair value of investments of the City of San Pablo, which WCCTAC investments are pooled, as of June 30, 2020:

| Investment Type | Level 2 | Fair Value Total |
|---|-----------------------------|-----------------------------|
| Investments by Fair Value: | | |
| U.S. Treasury Notes | \$3,470,062 | \$3,470,062 |
| U.S. Government Agencies | 15,879,350 | 15,879,350 |
| Medium Term Notes | 8,595,588 | 8,595,588 |
| | <u> </u> | <u> </u> |
| Total Investments at Fair Value | <u><u>\$27,945,000</u></u> | 27,945,000 |
| Investments Measured at Amortized Cost: | | |
| Local Agency Investment Fund | | 34,489,751 |
| Money Market Mutual Funds | | 1,160,721 |
| Held by Trustee: | | |
| Money Market Mutual Funds | | 14,312,475 |
| Vantage Point MP Long Term Growth Mutual Fund (Equities) | | 9,935,171 |
| | | <u> </u> |
| Total Investments | | 87,843,118 |
| <i>Cash with Banks and Petty Cash - City of San Pablo</i> | | 2,841,037 |
| <i>Cash with Banks - Economic Development Corporation</i> | | 2,121,786 |
| | | <u> </u> |
| Total Cash and Investments | | <u><u>\$92,805,941</u></u> |

NOTE 3 - CAPITAL ASSETS

Capital assets used in governmental fund type operations are accounted for in the Statement of Net Position, rather than in governmental funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

All capital assets with limited useful lives are 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 represents that year's pro rata share of the cost of capital assets. Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of capital assets.

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 WCCTAC has assigned the useful lives and capitalization thresholds listed below to capital assets.

| | Useful Lives Years |
|-----------|-----------------------|
| Equipment | <u>5</u> |
| Furniture | 5 |

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 3 - CAPITAL ASSETS (Continued)

There were no additions or retirements to WCCTAC’s capital assets during fiscal year 2020, and since July 1, 2003, WCCTAC’s capital assets have been fully depreciated. Capital assets at June 30 comprise:

| | Balance at June 30, 2020 |
|---|-----------------------------|
| <i>Governmental activities</i> | |
| Capital assets being depreciated: | |
| Equipment | \$9,327 |
| Furniture | 4,729 |
| Total capital assets being depreciated | 14,056 |
| Less accumulated depreciation for: | |
| Equipment | (9,327) |
| Furniture | (4,729) |
| Total accumulated depreciation | (14,056) |
| Governmental activity capital assets, net | 0 |

NOTE 4 - PENSION PLAN

A. General Information about the Pension Plans

Plan Descriptions – Prior to January 1, 2014, WCCTAC’s employees participated in the City of San Pablo’s Miscellaneous Employee Pension Plan offered by California Public Employees Retirement System (CalPERS), an agent multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefit provisions under the Plan were established by State statute and City resolution.

In September 2013, WCCTAC adopted a Resolution of Intention to separate from the City of San Pablo retirement system and enter into a separate contract with CalPERS for a retirement program. The contract was executed in October 2013 and as of January 1, 2014, WCCTAC’s employees transferred to a cost-sharing multiple employer defined benefit pension plan administered by CalPERS.

All qualified permanent, probationary and part-time employees are eligible to participate in the WCCTAC’s Miscellaneous Employee Pension 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 WCCTAC 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.

Participants included in the pension plan include 5 active employees and 2 inactive employees.

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 4 - PENSION PLAN (Continued)

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees’ Retirement Law. The Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CALPERS, and hired after December 31, 2012, and not subject to grandfathering into the previously existing Plan.

The Plan’s provisions and benefits in effect at June 30, 2020, are summarized as follows:

| | Miscellaneous | |
|---|-----------------------------|--------------------------------|
| | <u>Classic Tier</u> | <u>PEPRA Tier</u> |
| | Prior to January 1, 2013 | On or after January 1, 2013 |
| Hire date | | |
| Benefit formula | 2.5% @ 55 | 2% @ 62 |
| Benefit vesting schedule | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life |
| Retirement age | 50 - 55 | 52 - 67 |
| Monthly benefits, as a % of eligible compensation | 2.0% to 2.5% | 1.0% to 2.5% |
| Required employee contribution rates | 8% | 6.75% |
| Required employer contribution rates | 11.432% | 6.985% |

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. WCCTAC is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2020, WCCTAC made contributions to the Plan of \$59,095.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to 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 Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 4 - PENSION PLAN (Continued)

As of June 30, 2020, WCCTAC reported net pension liabilities for its proportionate shares of the net pension liability of the City of San Pablo's Miscellaneous Plan as follows:

| | Proportionate Share of Net Pension Liability |
|---------------|---|
| Miscellaneous | \$820,212 |

WCCTAC's net pension liability for the Plan is measured as the proportionate share of the of the City of San Pablo's Miscellaneous Plan, because WCCTAC still participated in that Plan as of the measurement date. The net pension liability of the Plan is measured as of June 30, 2019, 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, 2018 rolled forward to June 30, 2019 using standard update procedures. WCCTAC's proportion of the net pension liability was based on a projection of WCCTAC's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. WCCTAC's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 was as follows:

| | Miscellaneous Classic |
|------------------------------|--------------------------|
| Proportion - June 30, 2018 | 0.01998% |
| Proportion - June 30, 2019 | 0.02048% |
| Change - Increase (Decrease) | 0.00050% |

For the year ended June 30, 2020, WCCTAC recognized pension expense of \$113,797. At June 30, 2020, WCCTAC 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 | \$59,095 | |
| Differences between actual and expected experience | 56,967 | (\$4,414) |
| Changes in assumptions | 39,111 | (13,865) |
| Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions | 22,426 | (38,220) |
| Net differences between projected and actual earnings on plan investments | | (14,340) |
| Total | \$177,599 | (\$70,839) |

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 4 - PENSION PLAN (Continued)

\$59,095 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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 |
|-----------------------|------------------------|
| 2021 | \$57,408 |
| 2022 | (13,766) |
| 2023 | 1,125 |
| 2024 | 2,898 |
| Total | \$47,665 |

WCCTAC's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 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 as of the June 30, 2019 measurement date were determined using the following actuarial assumptions:

| | |
|----------------------------------|---|
| Valuation Date | June 30, 2018 |
| Measurement Date | June 30, 2019 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 7.15% |
| Inflation | 2.50% |
| Projected Salary Increase | Varies by Entry Age and Service |
| Mortality Rate Table | Derived using CalPERS Membership Data for all Funds (1) |
| Post Retirement Benefit Increase | Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter |

- (1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of Scale MP 2016. For more details on this table, please refer to the December 2017 Experience study report (based on CalPERS demographic data from 1997 to 2015).

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 4 - PENSION PLAN (Continued)

Discount Rate – The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

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 returns expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound (geometric) 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 adjusted to account for assumed administrative expenses.

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 geometric rates of return are net of administrative expenses.

| Asset Class | New Strategic Allocation | Real Return Years 1 - 10(a) | Real Return Years 11+(b) |
|---------------------|--------------------------------|--------------------------------|-----------------------------|
| Global Equity | 50.0% | 4.80% | 5.98% |
| Global Fixed Income | 28.0% | 1.00% | 2.62% |
| Inflation Sensitive | 0.0% | 0.77% | 1.81% |
| Private Equity | 8.0% | 6.30% | 7.23% |
| Real Estate | 13.0% | 3.75% | 4.93% |
| Liquidity | 1.0% | 0.00% | -0.92% |
| Total | <u>100%</u> | | |

- (1) In the CalPERS' CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (2) An expected inflation of 2.00% used for this period.
- (3) An expected inflation of 2.92% used for this period.

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 4 - PENSION PLAN (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents WCCTAC’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the WCCTAC’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:

| | Miscellaneous |
|-----------------------|---------------|
| | Classic |
| 1% Decrease | 6.15% |
| Net Pension Liability | \$1,243,041 |
| Current Discount Rate | 7.15% |
| Net Pension Liability | \$820,212 |
| 1% Increase | 8.15% |
| Net Pension Liability | \$471,197 |

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

NOTE 5 - POST RETIREMENT HEALTHCARE BENEFITS

A. General Information about WCCTAC’s Other Post Employment Benefit (OPEB) Plan

Prior to January 1, 2017, WCCTAC’s employees participated in the City of San Pablo’s Retiree Health Savings Plan, an agent multiple-employer defined benefit healthcare plan.

As of January 1, 2017, WCCTAC established its own single employer Health Savings Plan (the Plan). Coverage is also provided for spouses of employees having a minimum of 20 years of service at retirement. The Plan provisions and benefits in effect at June 30, 2020 are summarized as follows:

| | |
|------------------------------------|--------------|
| Benefit Types Provided | Medical Only |
| Duration of Benefits | To age 65 |
| Required Service | 15 years |
| Minimum Age | 50 |
| Dependent Coverage | Yes |
| Employer Contribution | 100% to cap |
| Contribution Cap per Month (Basic) | \$135 |

For the year ended June 30, 2020, WCCTAC’s contributions to the Plan were \$20,799.

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 5 - POST RETIREMENT HEALTHCARE BENEFITS (Continued)

Employees Covered by Benefit Terms – Membership in the Plan consisted of the following at the measurement date of June 30, 2020:

| | |
|--|---|
| Active employees | 5 |
| Inactive employees or beneficiaries currently receiving benefit payments | 2 |
| Inactive employees entitled to but not yet receiving benefit payments | 0 |
| Total | 7 |

B. Net OPEB Liability

Actuarial Methods and Assumptions – WCCTAC’s net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2018, based on the following actuarial methods and assumptions:

| | Actuarial Assumptions |
|-------------------------|--|
| Valuation Date | June 30, 2017 |
| Measurement Date | June 30, 2018 |
| Actuarial Cost Method | Entry Age |
| Actuarial Assumptions: | |
| Discount Rate | 3.8% net of expenses |
| Inflation | 2.75% |
| Payroll Growth | 2.75% |
| Mortality Rate | 2014 CalPERS Active Mortality for Miscellaneous Employees |
| Retirement Rates | Hired before 1/1/2013: 2009 CalPERS Retirement Rates for 2.5% @ 55 Hired after 12/31/2012: 2009 CalPERS Retirement Rates for Miscellaneous Employees 2.0% @ 60 adjusted to minimum retirement age of 52 |
| Pre-Retirement Turnover | 2009 CalPERS Turnover for Miscellaneous Employees |
| Healthcare Trend Rate | 4% |

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

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-------------------------|-------------------|--|
| Fixed Income Securities | 30% | 5.0% |
| Equities | 70% | 7.6% |
| Total | 100.0% | |

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 5 - POST RETIREMENT HEALTHCARE BENEFITS (Continued)

Discount Rate – The discount rate used to measure the total OPEB liability was 3.8%. The projection of cash flows used to determine the discount rate assumed that WCCTAC’s contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. The discount rate was set using historic 28 year real rates of return for each asset class along with assumed long-term inflation assumptions.

C. Changes in Net OPEB Liability

The changes in the net OPEB liability follows:

| | Increase (Decrease) | | |
|--|--------------------------------|---------------------------------------|--|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability/(Asset) (a) - (b) |
| Balance at June 30, 2017 | \$88,927 | | \$88,927 |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | 4,295 | | 4,295 |
| Interest on the total OPEB liability | 3,399 | | 3,399 |
| Changes in benefit terms | | | |
| Differences between expected and actual experience | | | |
| Changes of assumptions | 48,368 | | 48,368 |
| Contributions from the employer | | \$1,774 | (1,774) |
| Net investment income | | | |
| Administrative expenses | | | |
| Benefit Payment from Employer | (1,774) | (1,774) | |
| Benefit payments | (1,498) | | (1,498) |
| Net changes | 52,790 | | 52,790 |
| Balance at June 30, 2018 (Measurement Date) | \$141,717 | | \$141,717 |

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of WCCTAC’s OPEB Plan and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by ICMA-RC. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. The Plan does not issue separate financial statements.

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

The following presents the net OPEB liability of WCCTAC, as well as what the WCCTAC’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8%) or 1-percentage-point higher (7.8%) than the current discount rate:

| Net OPEB Liability/(Asset) | | |
|-----------------------------|-------------------------|-----------------------------|
| Discount Rate -1% (2.8%) | Discount Rate (3.8%) | Discount Rate +1% (4.8%) |
| \$167,416 | \$141,717 | \$124,295 |

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 5 - POST RETIREMENT HEALTHCARE BENEFITS (Continued)

The following presents the net OPEB liability of WCCTAC, as well as what the WCCTAC's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3%) or 1-percentage-point higher (5%) than the current healthcare cost trend rates:

| Net OPEB Liability/(Asset) | | |
|----------------------------|--------------------------------|-------------|
| 1% Decrease | Healthcare Cost Trend Rates | 1% Increase |
| (3.0%) | (4.0%) | (5.0%) |
| \$123,862 | \$141,717 | \$167,484 |

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

For the year ended June 30, 2020, WCCTAC recognized OPEB expense of \$14,794. At June 30, 2020, WCCTAC reported deferred outflows and inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Employer contributions made subsequent to the measurement date | \$20,799 | |
| Differences between actual and expected experience | (1,498) | \$171 |
| Changes of assumptions | 48,368 | (5,497) |
| Net differences between projected and actual earnings on plan investments | | |
| Total | \$67,669 | (\$5,326) |

\$20,799 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

| Year Ended June 30 | Annual Amortization |
|-----------------------|------------------------|
| 2021 | \$5,326 |
| 2022 | 5,326 |
| 2023 | 5,326 |
| 2024 | 5,326 |
| 2025 | 5,326 |
| Thereafter | 14,914 |
| Total | \$41,544 |

NOTE 6 - NET POSITION AND FUND BALANCES

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash, receivables and deferred outflows of resources, less its liabilities and deferred inflows of resources.

Net Position is measured on the full accrual basis while Fund Balance is measured on the modified accrual basis, as explained in Note 1D.

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 6 - NET POSITION AND FUND BALANCES (Continued)

A. Net Position

Net Position is the excess of all WCCTAC's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net Position is divided into two captions. These captions apply only to Net Position, which is determined only at the Government-wide level, and are described below:

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which WCCTAC cannot unilaterally alter.

Unrestricted describes the portion of Net Position which is not restricted as to use.

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash, receivables and deferred outflows of resources, less its liabilities and deferred inflows of resources.

WCCTAC's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, WCCTAC prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by formal action of the Board of Directors which may be altered only by formal action of the Board of Directors. Encumbrances and nonspendable amounts subject to Board commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by WCCTAC's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the Board or its designee, the Executive Director, and may be changed at the discretion of the Board or its designee. This category includes encumbrances and nonspendables when it is WCCTAC's intent to use proceeds or collections for a specific purpose.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance.

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 6 - NET POSITION AND FUND BALANCES (Continued)

C. Contingency Arrangement

WCCTAC's General Fund Reserve Policy requires WCCTAC to maintain an Emergency Reserve of \$10,000 to handle any unforeseen contingencies in the future to be used only upon approval of the Executive Director. As of June 30, 2020, the Emergency Reserve balance, which is reported within the unassigned fund balance of the General Fund, was \$10,000.

D. Minimum Fund Balance Policy

WCCTAC's General Fund Reserve Policy requires WCCTAC to strive to maintain \$120,000, or the equivalent of two months of expenses, in the General Fund's Unassigned Fund Balance to mitigate current and future risks and preserve service levels. The balance of Unassigned Fund Balance, including the Emergency Reserve discussed above, comprised the following as of June 30, 2020:

| | |
|----------------------------------|------------------|
| Advisory Committee: | |
| Emergency Reserve | \$10,000 |
| Unassigned | 215,757 |
| Transportation Demand Management | 22,757 |
| Program Deficits: | |
| Other Reimbursable Projects | (5,899) |
| Unassigned Fund Balance | <u>\$242,615</u> |

NOTE 7 - INSURANCE

Beginning January 31, 2014, WCCTAC entered into an agreement with Special Districts Risk Management Authority. The Authority provides coverage against the following types of loss risks under the terms of a joint-powers agreement with WCCTAC and several other governmental agencies as follows:

| Type of Coverage (Deductible) | Coverage Limits |
|--|---|
| Liability (None, except \$500 on property damage, per occurrence and \$1,000 on auto damage, per occurrence) | \$2,500,000 per occurrence |
| Employer's Liability (no deductible) | \$5,000,000 |
| Worker's Compensation (no deductible) | Statutory Limit |
| Property (\$1,000 per occurrence) | \$1,000,000,000 |
| Boiler & Machinery (\$1,000 per occurrence) | \$100,000,000 |
| Employee Dishonesty (no deductible) | \$1,000,000 per loss |
| Public Officials Personal Liability (\$1,000 per claim) | \$500,000 per occurrence, with annual aggregate of \$500,000 per elected/appointed official |

SDRMA is governed by a Board consisting of representatives from member municipalities. The Board of Directors' responsibilities include establishing policy, providing oversight, and setting direction and vision to ensure SDRMA meets its mission, obligations and commitment to its members.

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 7 - INSURANCE (Continued)

WCCTAC's deposits with the SDRMA are in accordance with formulas established by SDRMA. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Audited financial statements for SDRMA are available from SDRMA, 1112 I Street, Suite 300, Sacramento, CA 95814.

No claims have been filed against WCCTAC to date.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

A. Use of STMP Funds for Various Projects

The WCCTAC Board approved the use of STMP funds to pay planning, studies and preliminary engineering costs. Total expenditures incurred for fiscal year 2020 of \$780,633 were spent on the following projects:

| | |
|--|------------------|
| Fehr & Peers Consultants for Nexus Study | \$10,633 |
| BART- del Norte BART Modernization Project | 500,000 |
| El Sobrante San Pablo Damn Rd sidewalk | <u>270,000</u> |
| | <u>\$780,633</u> |

B. Office Lease

WCCTAC entered a new leasing agreement on July 22, 2019 with 6333 Potrero Avenue Associates LLC. The lease is effective through June 30, 2024 for a lease term of five years. Monthly base rent for the first year is \$2,919, increasing annually by 3.5% the first year and then 3.0% for the following years.

Required Supplementary Information

Miscellaneous Plan, a Cost Sharing-Employer Defined Benefit Pension Plan
Last 10 Years*

SCHEDULE OF WCCTAC'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

| Measurement Date | 6/30/2014 | 6/30/2015 | 6/30/2016 | 6/30/2017 | 6/30/2018 | 6/30/2019 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Plan's Proportion of the Net Pension Liability (Asset) | 0.58900% | 0.01961% | 0.01907% | 0.01945% | 0.01998% | 0.02048% |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) | <u>\$366,376</u> | <u>\$538,036</u> | <u>\$662,604</u> | <u>\$766,595</u> | <u>\$752,931</u> | <u>\$820,212</u> |
| Plan's Covered Payroll | <u>\$266,841</u> | <u>\$352,689</u> | <u>\$478,284</u> | <u>\$506,810</u> | <u>\$701,455</u> | <u>\$539,218</u> |
| Plan's Net Pension Liability/(Asset) as a Percentage of its Covered Payroll | 137.30% | 152.55% | 138.54% | 151.26% | 107.34% | 152.11% |
| Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability** | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

* Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

** During fiscal year ended June 30, 2020, the actuary determined that plan assets previously reported as fiduciary plan assets did not apply to the defined benefit plan, therefore, these percentages have been updated appropriately

Required Supplementary Information

WCCTAC Miscellaneous Plan - Classic Benefit Tier, a Cost Sharing-Employer Defined Pension Plan
Last 10 Years*
SCHEDULE OF CONTRIBUTIONS

| Fiscal Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Actuarially determined contribution | \$55,366 | \$85,542 | \$65,940 | \$46,701 | \$52,874 | \$59,095 |
| Contributions in relation to the actuarially determined contributions | (55,366) | (85,542) | (65,940) | (46,701) | (52,874) | (59,095) |
| Contribution deficiency (excess) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Covered payroll | \$352,689 | \$478,284 | \$506,810 | \$701,455 | \$539,218 | \$565,043 |
| Contributions as a percentage of covered payroll | 15.70% | 17.89% | 13.01% | 6.66% | 9.81% | 10.46% |

* Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

Required Supplementary Information

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Post Retirement Health Care Defined Benefit Plan

Last 10 fiscal years*

| Measurement Date | 6/30/17 | 6/30/18 |
|---|-----------------------------|-----------------------------|
| Total OPEB Liability | | |
| Service Cost | \$4,180 | \$4,295 |
| Interest | 5,625 | 3,399 |
| Changes in benefit terms | | 48,368 |
| Differences between expected and actual experience | | |
| Changes of assumptions | | |
| Benefit payments | (3,146) | (3,272) |
| Net change in total OPEB liability | <u>6,659</u> | <u>52,790</u> |
| Total OPEB liability - beginning | <u>82,268</u> | <u>88,927</u> |
| Total OPEB liability - ending (a) | <u><u>\$88,927</u></u> | <u><u>\$141,717</u></u> |
| Plan fiduciary net position | | |
| Contributions - employer | \$3,146 | |
| Contributions - employee | | \$1,774 |
| Net investment income | | |
| Administrative expense | | |
| Benefit payments | (3,146) | (1,774) |
| Net change in plan fiduciary net position | <u>0</u> | <u>0</u> |
| Plan fiduciary net position - beginning (as restated) | <u>0</u> | <u>0</u> |
| Plan fiduciary net position - ending (b) | <u><u>\$0</u></u> | <u><u>\$0</u></u> |
| Net OPEB liability (asset) - ending (a)-(b) | <u><u>\$88,927</u></u> | <u><u>\$141,717</u></u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.00% | 0.00% |
| Covered payroll | <u><u>\$506,810</u></u> | <u><u>\$701,455</u></u> |
| Net OPEB liability (asset) as a percentage of covered payroll | <u><u>17.55%</u></u> | <u><u>20.20%</u></u> |

* Fiscal year 2018 was the first year of implementation.