

**ALPINE COUNTY  
LOCAL TRANSPORTATION  
COMMISSION**  
*(A Component Unit of the  
County of Alpine, California)*

**Annual Financial Statements**

**June 30, 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
of the County of Alpine  
Markleeville, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Alpine County Local Transportation Commission (the "Commission"), component unit of the County of Alpine, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Commission'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 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 Commission'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 Commission'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 each major fund of the Alpine County Local Transportation Commission, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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## **Emphasis of Matter**

As discussed in Note 1-A, the financial statements of the Alpine County Local Transportation Commission (the "Commission") are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the governmental activities and each major fund of the County of Alpine that is attributable to the transactions of the Commission. They do not purport to, and do not present fairly the financial position of the County of Alpine as of June 30, 2018, or the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-8 and 22-25 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The 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.

The supplementary information, as listed in the table of contents, 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. Such 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2019, on our consideration of the Commission'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 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 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 Commission's internal control over financial reporting and compliance.

*Price Pange & Company*

Clovis, California  
March 29, 2019

**ALPINE COUNTY**  
**LOCAL TRANSPORTATION COMMISSION**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2018

As management of the Alpine County Local Transportation Commission (Commission), we offer readers of the Commission's financial statements this narrative overview and analysis of the Commission's financial activities for the fiscal year ended June 30, 2018. We encourage readers to consider the information that we have furnished in the Commission's financial statements, which immediately follows this section.

### **Financial Highlights**

- The assets of the Commission exceeded its liabilities at the close of the most recent fiscal year by \$339,543 (*net position*). Of this amount, \$342,063 is restricted, the use of which is limited to specific purposes, leaving an unrestricted deficit position of \$2,520. The unrestricted position is available to meet ongoing obligations to citizens and creditors.
- As of June 30, 2018, the Commission reported combined fund balances of \$285,501 for its governmental funds. This is a decrease of \$40,691 in comparison with the prior year. Amounts available for spending include \$342,063 restricted by the Transportation Development Act and a deficit of \$56,562 arising from the activities of the Commission's planning (general) fund, which is not assigned or restricted for any specific purpose.
- The Commission's activities are guided by the Overall Work Program (OWP) used to apply for State Rural Planning Assistance Funds (RPA) and other available financial resources, all directed toward the continuous update and improvement of Regional Transportation Plans in the County. In fiscal year 2017-18, the Commission incurred program expenditures of \$172,698, an increase of \$26,538, or 18.2% from last year's programmed expenditures. Program activities were funded with grant revenues recognized this fiscal year and use of fund balance resulting in a deficit fund balance of \$56,562.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The Commission's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

The *government-wide financial statements* are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business. These statements provide both long-term and short-term information about the Commission's overall financial status.

The *Statement of Net Position* presents information on all of the Commission'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 about whether the financial position of the Commission is improving or deteriorating.

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The *Statement of Activities* presents information showing how the Commission'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 flow*. Thus revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements report the program activities of the Commission that are principally supported by sales taxes and intergovernmental revenues which together are reported as governmental activities. The governmental activities of the Commission included only one function, public ways and facilities.

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 Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Commission are classified as governmental funds. The Commission did not have any proprietary funds or fiduciary funds.

Governmental funds are used to account for essentially the same function(s) reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the Commission's program activities.

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 funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Commission maintains three individual governmental funds presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances. These funds are the Planning fund, the Local Transportation fund and the State Transit Assistance fund, all of which are considered to be major funds. The Commission did not have any nonmajor funds.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that includes budgetary comparison schedules. The Commission adopts an annual appropriated budget for all its funds. A budgetary comparison has been provided for these funds to demonstrate compliance with this budget. Immediately following the required supplementary information is certain supplementary information included to satisfy certain compliance requirements.

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**LOCAL TRANSPORTATION COMMISSION**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2018

**Government-Wide Financial Analysis**

The following table compares the Statement of Net Position at June 30, 2018 and 2017:

	Governmental Activities		
	2018	2017	Change
Assets:			
Cash and investments	\$ 326,284	\$ 280,932	\$ 45,352
Receivables	72,588	73,730	(1,142)
Total assets	<u>398,872</u>	<u>354,662</u>	44,210
Liabilities:			
Accounts payable	20,001	11,374	8,627
Due to other County funds	<u>39,328</u>	<u>17,096</u>	<u>22,232</u>
Total liabilities	59,329	28,470	30,859
Net Position:			
Restricted net position	342,063	330,625	11,438
Unrestricted net position	<u>(2,520)</u>	<u>(4,433)</u>	<u>1,913</u>
Total net position	<u>\$ 339,543</u>	<u>\$ 326,192</u>	<u>\$ 13,351</u>

As noted earlier, net position may serve over time as a useful indicator of whether the Commission's financial position is improving or deteriorating. Other factors, such as market conditions, should be considered in measuring the Commission's overall financial position.

At June 30, 2018, assets exceeded liabilities by \$339,543, an increase of \$13,351, or 4.09% from the prior year. The reason for this increase is explained later in this discussion. The Commission's net position reported \$342,063 as restricted because it represents resources subject to external restrictions on how they may be used. These balances include the Commission's Local Transportation Fund and the State Transit Assistance Fund. During the fiscal year, restricted net position increased \$11,438, or 3.46%, accounting for all of the Commission's increase in net position.

The remainder of the Commission's net position is unrestricted with a deficit balance of \$2,520. Unrestricted net position which increased \$1,913 is solely from the Commission's planning fund and results from project expenditures slightly less than the available funding sources.

The Commission's total net position increased \$13,351 during the fiscal year ended June 30, 2018. Although the revenues decreased \$136,008 and expenses increased \$26,538 from the prior year, revenues remained higher than expenses. When compared to the prior year, revenues decreased \$136,008, or 31.85%, and Commission expenses increased \$26,538, or 10.57%.

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For the Year Ended June 30, 2018

The following table shows the changes in net position for governmental activities:

	Governmental Activities		
	2018	2017	Change
Revenues:			
Program revenues:			
Operating grants and contributions	\$ 183,627	\$ 291,910	\$ (108,283)
General revenues:			
Sales taxes	104,545	134,117	(29,572)
Interest earned	2,877	1,030	1,847
Total revenues	<u>291,049</u>	<u>427,057</u>	<u>(136,008)</u>
Expenses:			-
Public ways and facilities	<u>277,698</u>	<u>251,160</u>	<u>26,538</u>
Change in net position	13,351	175,897	(162,546)
Net position at beginning of year	<u>326,192</u>	<u>150,295</u>	<u>175,897</u>
Net position at end of the year	<u><u>\$ 339,543</u></u>	<u><u>\$ 326,192</u></u>	<u><u>\$ 13,351</u></u>

The Commission's total program and general revenues were \$291,049, while the total cost of all programs was \$277,698. Grants funded 66.1% of the cost of the Commission's programs. Grant revenues received were \$108,283 less than the prior year, primarily from the return of \$143,551 in unspent LTF funding from the County of Alpine's Road Fund in the prior year. Expenses were more by \$26,538 mostly caused by an increase in miscellaneous professional services and maintenance agreement.

**Governmental Funds**

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Commission's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements.

At June 30, 2018, the Commission's governmental funds reported fund balances when combined totaling a positive balance of \$285,501, a decrease of \$40,691 in comparison with the prior year. The components of fund balance are as follows and are available for appropriation at any time:

- Restricted for Transportation Development Act activities, \$342,063: consists of balances in the Local Transportation Fund and State Transit Assistance Fund. Expenditures are allocated and made in accordance with Transportation Development Act (TDA) regulations.
- Unassigned fund balance, deficit \$56,562: This is the balance in the Commission's planning fund at the end of the fiscal year. Fund balance is a deficit because planning expenditures exceeded grant revenues.



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Management's Discussion and Analysis  
For the Year Ended June 30, 2018

Key elements for the changes in fund balances are as follows:

- Local Transportation received a return of unspent LTF funding in the amount of \$143,551 from the County of Alpine's Road Fund in the prior year only.
- Rural planning assistance revenues decreased from \$159,253 to \$81,772 mostly because the current year's fourth quarter reimbursement of \$53,499 was received after the period of availability and precluded from inclusion in the current year.
- Sales tax revenues decreased from \$134,117 last year to \$104,545 this year. The decrease of nearly 22.0% shows the volatility of sales tax revenues and how without much difficulty sales tax is adversely influenced by changes in other economic indicators. A large portion of this decrease is likely a decrease in use tax paid by the County of Alpine on significantly larger purchases compared to the 2016-2017 fiscal year.
- Planning expenditures are the result of programmed activities which vary from year to year. This year's programmed activities compared to last year's activities are as follows:

<u>Work Element</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>Change</u>
TDA Administration	\$ 18,428	\$ 21,571	\$ (3,143)
Planning/Program Administration	12,109	11,343	766
Planning & Interagency Coordination	26,488	18,949	7,539
STIP Project Monitoring	19,000	19,000	-
Pavement Management System Update	15,093	516	14,577
Improve Subdivision Road Standards	1,430	-	1,430
Short Range Transit Development Plan	-	-	-
Goods Movement	-	-	-
GIS Update	34,077	38,901	(4,824)
Bicycle and Pedestrian Transportation Plan	10,042	32,607	(22,565)
Regional Transportation Plan Update	5,199	-	5,199
Wayfinding Plan	4,060	3,273	787
Systemic Safety Analysis Report	26,375	-	26,375
10% DeMinimis Indirect Cost	397	-	397
	<u>\$ 172,698</u>	<u>\$ 146,160</u>	<u>\$ 26,538</u>

**ALPINE COUNTY**  
**LOCAL TRANSPORTATION COMMISSION**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2018

**Budgetary Highlights**

In June 2017, the Commission adopted the fiscal year 2017-18 Overall Work Program and Budget (OWP) with an operating budget of \$125,500. The OWP was revised in January 2018 to include \$31,375 of Rural Planning Assistance carryover funds from the previous fiscal year increasing the operating budget to \$156,875.

Actual revenues were \$75,306 less than budgeted because of modified accrual adjustments affecting the timing of recognizing grant revenues. This year's budget anticipated receiving four quarters worth of RPA reimbursement within the period of availability for this year's report. Also, some expenditure-driven projects progressed more slowly resulting in less revenues than anticipated. Actual expenditures were \$23,177 less than budgeted because some work elements were less expensive than anticipated and other work elements had activities that were delayed and rescheduled to be completed in the next fiscal year.

**Request for Information**

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Alpine County Finance Department at P.O. Box 266, Markleeville, California 96120.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**ALPINE COUNTY**  
**LOCAL TRANSPORTATION COMMISSION**  
*(A Component Unit of the County of Alpine)*

Statement of Net Position  
June 30, 2018

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 326,284
Taxes receivable	9,703
Due from other governmental agencies	61,614
Interest receivable	<u>1,271</u>
Total Assets	<u>398,872</u>
<b>LIABILITIES</b>	
Accounts payable	20,001
Due to other County funds	<u>39,328</u>
Total Liabilities	<u>59,329</u>
<b>NET POSITION</b>	
Restricted for Transportation Development Act activities	342,063
Unrestricted	<u>(2,520)</u>
Total Net Position	<u><u>\$ 339,543</u></u>

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

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**LOCAL TRANSPORTATION COMMISSION**  
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Statement of Activities  
For the Year Ended June 30, 2018

	<u>Expenses</u>	<u>Program Revenues Operating Grants</u>	<u>Net (Expenses) Revenues and Changes in Net Position Governmental Activities</u>
<u>Functions / Programs</u>			
Governmental Activities:			
Public ways and facilities	\$ 277,698	\$ 183,627	\$ (94,071)
Total Primary Government	<u>\$ 277,698</u>	<u>\$ 183,627</u>	<u>(94,071)</u>
General Revenues:			
Taxes - Sales taxes			104,545
Interest earned			<u>2,877</u>
Total General Revenues			<u>107,422</u>
Change in Net Position			13,351
Net Position, Beginning of Year			<u>326,192</u>
Net Position, End of Year			<u>\$ 339,543</u>

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

## FUND FINANCIAL STATEMENTS

**ALPINE COUNTY**  
**LOCAL TRANSPORTATION COMMISSION**  
*(A Component Unit of the County of Alpine)*

Balance Sheet - Governmental Funds  
June 30, 2018

	Planning Fund	Local Transportation Fund	State Transit Assistance	Totals
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 300,635	\$ 25,649	\$ 326,284
Interest receivable	(33)	1,208	96	1,271
Taxes receivable	-	7,252	2,451	9,703
Due from other governmental agencies	53,499	7,572	543	61,614
Advances to other funds	2,800	-	-	2,800
Total Assets	<u>\$ 56,266</u>	<u>\$ 316,667</u>	<u>\$ 28,739</u>	<u>\$ 401,672</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 20,001	\$ -	\$ -	\$ 20,001
Due to other County funds	39,328	-	-	39,328
Advance from other funds	-	2,800	-	2,800
Total Liabilities	<u>59,329</u>	<u>2,800</u>	<u>-</u>	<u>62,129</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues - intergovernmental revenues	<u>53,499</u>	<u>-</u>	<u>543</u>	<u>54,042</u>
<b>FUND BALANCES</b>				
Restricted for Transportation				
Development Act activities	-	313,867	28,196	342,063
Unassigned	<u>(56,562)</u>	<u>-</u>	<u>-</u>	<u>(56,562)</u>
Total Fund Balances	<u>(56,562)</u>	<u>313,867</u>	<u>28,196</u>	<u>285,501</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances				
	<u>\$ 56,266</u>	<u>\$ 316,667</u>	<u>\$ 28,739</u>	<u>\$ 401,672</u>

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

**ALPINE COUNTY**  
**LOCAL TRANSPORTATION COMMISSION**  
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Reconciliation of the Governmental Funds Balance Sheet  
to the Government-Wide Statement of Net Position - Governmental Activities  
June 30, 2018

Fund Balance - Total Governmental Funds	\$ 285,501
Amounts reported for governmental activities in the statement of net position are different because:	
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized in the governmental funds.	<u>54,042</u>
Net Position of Governmental Activities	<u><u>\$ 339,543</u></u>

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



**ALPINE COUNTY**  
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Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2018

	Planning Fund	Local Transportation Fund	State Transit Assistance	Totals
<b>REVENUES</b>				
Sales and use tax	\$ -	\$ 104,545	\$ -	\$ 104,545
Intergovernmental	120,772	-	8,813	129,585
Interest	(203)	2,871	209	2,877
	<u>120,569</u>	<u>107,416</u>	<u>9,022</u>	<u>237,007</u>
Total Revenues				
<b>EXPENDITURES</b>				
Allocations	-	105,000	-	105,000
Planning and administrative	172,698	-	-	172,698
	<u>172,698</u>	<u>105,000</u>	<u>-</u>	<u>277,698</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(52,129)</u>	<u>2,416</u>	<u>9,022</u>	<u>(40,691)</u>
<b>CHANGE IN FUND BALANCES</b>	(52,129)	2,416	9,022	(40,691)
Fund Balance, Beginning of Year	<u>(4,433)</u>	<u>311,451</u>	<u>19,174</u>	<u>326,192</u>
Fund Balance, End of Year	<u><u>\$ (56,562)</u></u>	<u><u>\$ 313,867</u></u>	<u><u>\$ 28,196</u></u>	<u><u>\$ 285,501</u></u>

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

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Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balance of the Governmental Funds to the  
Government-Wide Statement of Activities - Governmental Activities  
For the Year Ended June 30, 2018

Net Change to Fund Balance - Total Governmental Funds \$ (40,691)

Amounts reported for governmental activities in the statement  
of activities are difference because:

Unavailable revenues are reported as deferred inflows of resources in the  
governmental funds, but are recognized as revenues in the statement of  
activities. This is the net of the prior year unavailable revenues with the  
current year balance.

54,042

Change in Net Position of Governmental Activities

\$ 13,351

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

**ALPINE COUNTY**  
**LOCAL TRANSPORTATION COMMISSION**  
Notes to Financial Statements  
For the Year Ended June 30, 2018

Note 1: **Summary of Significant Accounting Policies**

The financial statements of the Alpine County Local Transportation Commission (Commission) are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Commission's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

**A. Reporting Entity**

The Commission receives monies from the State of California and allocates those monies for the planning, management, and operation of public transportation systems within the County of Alpine (County). The Commission also has the authority to allocate monies for other transportation related activities including streets and roads projects.

The Commission is governed by the County Board of Supervisors serving in a separate capacity as the governing board of the Commission. As such, the Commission is an integral part of the County and, accordingly, the accompanying financial statements are included as a component unit of the basic financial statements of the County.

The financial statements of the Commission are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the governmental activities and each major fund of the County of Alpine that is attributable to the transactions of the Commission and is not intended to present fairly the financial position of the County of Alpine as of June 30, 2018, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**B. Basis of Presentation**

*Government-wide Statements* – The statement of net position and the statement of activities report information on all of the governmental activities of the Commission. These statements include the financial activities of the overall government except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between governmental and business-type activities of the Commission. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to an extent on charges and fees from the public for support. The Commission had no business-type activities to report for the year ended June 30, 2018.

The statement of activities demonstrates the degree to which the program expenses of a given governmental function are offset by program revenues. Program expenses include direct expenses which are clearly identifiable with a specific function and allocated indirect expenses. Interfund charges, which equal or approximate the external exchange value of services provided, are reported as program revenues. Interfund reimbursements, repayments from the funds responsible for particular expenses to the funds that initially paid for them, are treated as adjustments to expenses. Program revenues include charges paid by recipients of goods or services offered by the programs and grants

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Notes to Financial Statements  
For the Year Ended June 30, 2018

and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items, which are properly not included among program revenues, are reported instead as general revenues.

*Fund Financial Statements* – The fund financial statements provide information about the Commission's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Any remaining governmental funds are aggregated and reported as nonmajor funds.

The Commission reports the following major governmental funds:

- Planning Fund – The planning fund acts as the general fund for the Commission and all planning and administrative activities are accounted for in this fund.
- Local Transportation Fund – This fund accounts for revenues received and allocations made for certain transit and streets & roads projects within the County. Revenues are generated from a ¼ cent sales tax imposed by the State of California pursuant to the Transportation Development Act (TDA). Sales tax revenues are collected by businesses within Alpine County and are remitted to the State Board of Equalization (SBE). The SBE, after deducting an administrative fee, remits the revenues to the County on a monthly basis. Expenditures of these monies must be made in accordance with TDA regulations.
- State Transit Assistance Fund – Revenues for this fund are earned based on a portion of the State gasoline tax. The tax is allocated to the County by the State Controller's Office based on demographic factors.

The Commission did not have any nonmajor governmental funds at June 30, 2018.

**C. 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, and 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 when the related cash flows take place.

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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within two months (i.e. July and August) after the end of the current fiscal

**ALPINE COUNTY**  
**LOCAL TRANSPORTATION COMMISSION**  
Notes to Financial Statements  
For the Year Ended June 30, 2018

period. Expenditures generally are recorded when liabilities are incurred, as under the accrual basis of accounting.

Those revenues susceptible to accrual are sales taxes, intergovernmental revenues (grants), and interest revenues. Nonexchange transactions in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange include sales taxes, grants, entitlements and donations. On the accrual basis, revenues from sales taxes are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Nonexchange transactions are recognized under the modified accrual basis of accounting using the same criteria except that nonexchange revenues are deferred to the subsequent period when the "available" criteria has not been met.

A fund reports unavailable revenue on its balance sheet. Unavailable revenues arise when potential revenue does not meet the "available" criteria for recognition in the current period. Revenues also may be reported as unearned when resources are received by the fund before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the fund has a legal claim to the resources, the unavailable and/or unearned revenue is removed from the balance sheet and revenue is recognized.

**D. Allocations**

The Commission allocates anticipated Local Transportation Fund and State Transit Assistance Fund revenues to various claimants on an annual basis. Local Transportation Fund allocations for one year may be carried over to another year at the discretion of the Transportation Commission, while State Transit Assistance Fund allocations are valid for a two-year period.

**E. Cash and Investments**

Cash is deposited with the County in an investment pool in order to facilitate the management of cash. Each fund's portion of this pool is displayed on the balance sheet as "cash and investments." On a quarterly basis, the County Treasurer allocates interest to the various funds based upon the average monthly cash balances. Information regarding categorization of investments, risk and fair value reporting can be found in the County's financial statements. The Alpine County Treasury Oversight Committee oversees the Treasurer's investment policies and practices.

The Commission adheres to the County's deposit and investment policy that addresses specific types of risk.

**ALPINE COUNTY**  
**LOCAL TRANSPORTATION COMMISSION**  
 Notes to Financial Statements  
 For the Year Ended June 30, 2018

Required risk disclosures for the County's investment in the County's Investment Pool at June 30, 2018, were as follows:

Credit risk	Not rated
Custodial risk	Not applicable
Concentration of credit risk	Not applicable
Interest rate risk (average maturity)	273.6 days

Investments held in the County's investment pool are available on demand and are stated at cost plus accrued interest, which approximates fair value.

**F. Receivables**

These amounts represent revenues owed from other local governments but not collected by the end of the fiscal year and consist mostly of grants and sales tax revenues. Management has determined the Commission's receivables to be fully collectible. Accordingly, no allowance for doubtful accounts has been made.

**G. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. As of June 30, 2018, the Commission had no deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element 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. The Commission had deferred inflows of resources consisting of unavailable revenues reported under the modified accrual basis of accounting in the governmental funds balance sheet. The governmental funds report unavailable revenues from intergovernmental sources as appropriate. The amounts are deferred and recognized as revenues in the period the amounts become available. As of June 30, 2018, the Commission had \$54,042 in deferred inflows of resources.

**H. Interfund Transactions**

Interfund transactions are reported as loans, services provided, reimbursements or transfers. Loans reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans).

**ALPINE COUNTY**  
**LOCAL TRANSPORTATION COMMISSION**  
Notes to Financial Statements  
For the Year Ended June 30, 2018

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers are netted as part of the reconciliation to the government-wide presentation.

**I. Capital Assets**

Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The Commission defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives. The estimated useful lives of the assets are as follows:

Equipment	3-10 Years
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**J. Net Position**

Sometimes the Commission will fund outlays for a particular purpose from both restricted and unrestricted resources. To determine the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The Commission considers restricted net position to have been depleted before unrestricted net position is applied.

**K. Fund Balance Policies**

In governmental funds, the following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that cannot be spent because they are either not spendable in form or legally or contractually required to remain intact.
- Restricted fund balance - amounts with constraints placed on their use by those external to the Commission, including creditors, grantors, contributors or laws and regulations of other governments. It also includes constraints imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the Commission's highest level of decision-making authority (the Commission's Board) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance – amounts that are constrained by the Commission's intent to be used for specific purposes. The intent can be established at either the highest level of decision making or by a body or an official designed for that purpose.

**ALPINE COUNTY**  
**LOCAL TRANSPORTATION COMMISSION**  
Notes to Financial Statements  
For the Year Ended June 30, 2018

- Unassigned fund balance – the residual classification that includes amounts not contained in the other classifications.

The Commission’s board establishes, modifies or rescinds fund balance commitments and assignments by passage of a resolution. When restricted and unrestricted resources are available for use, it is the Commission’s policy to use restricted resources first, followed by unrestricted committed, assigned and unassigned resources as they are needed.

**L. Use of Estimates**

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

Note 2: **Interfund Transactions**

Interfund balances were for goods and services provided and short-term loans to cover cash deficits and are expected to be repaid within the next fiscal year. Advances are long-term loans to cover cash deficits and are not expected to be repaid within the next fiscal year. As of June 30, 2018, there are no interfund balances.

Advances at June 30, 2018, consisted of the following:

<u>Advance to other funds</u>	<u>Advance from other funds</u>	<u>Amount</u>
Planning fund	Local Transportation fund	<u>\$ 2,800</u>
		<u><u>\$ 2,800</u></u>

Note 3: **Capital Assets**

A summary of changes in capital assets during the year ended June 30, 2018, is as follows:

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2018</u>
Vehicles and equipment	\$ 8,819	\$ -	\$ -	\$ 8,819
Accumulated depreciation	(8,819)	-	-	(8,819)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**ALPINE COUNTY**  
**LOCAL TRANSPORTATION COMMISSION**  
Notes to Financial Statements  
For the Year Ended June 30, 2018

Note 4: **Deficit Fund Balances**

Fund deficits in Transportation funds are generally caused by a delay in reimbursements earmarked to cover expenditures. Fund deficits in the grant funds result from the deferral of revenues collected more than sixty days after the end of the fiscal year. As of June 30, 2018, the collection of receivables in the next fiscal year is insufficient to eliminate the deficit balance of \$56,562 in the Planning Fund.

Note 5: **Related Party Transactions**

The Commission has an agreement with the County to manage its operations. The County also provides engineering and construction services to the Commission upon request. Total costs of services provided to the Commission for the year ended June 30, 2018 was \$37,947.

Note 6: **Insurance and Risk of Loss**

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission is insured against these types of losses through participation in the County's public entity risk pool.

Note 7: **Contingencies**

The Commission receives grants from various State and Federal Agencies for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under the terms of the grants, it is believed that any required reimbursements will not be material and if material, not estimable at this time. Therefore, no liability of this nature has been included in these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**ALPINE COUNTY**  
**LOCAL TRANSPORTATION COMMISSION**  
*(A Component Unit of the County of Alpine)*

Budgetary Comparison Schedule  
 Planning Fund  
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ (4,433)	\$ (4,433)	\$ (4,433)	\$ -
<b>RESOURCES (inflows):</b>				
Intergovernmental	164,500	164,500	120,772	(43,728)
Use of money and property	-	-	(203)	(203)
Amounts Available for Appropriation	<u>160,067</u>	<u>160,067</u>	<u>116,136</u>	<u>(43,931)</u>
<b>CHARGES TO APPROPRIATIONS (outflows)</b>				
Planning and administration	<u>164,500</u>	<u>164,500</u>	<u>172,698</u>	<u>(8,198)</u>
Total Charges to Appropriations	<u>164,500</u>	<u>164,500</u>	<u>172,698</u>	<u>(8,198)</u>
<b>BUDGETARY FUND BALANCE, JUNE 30</b>	<u>\$ (4,433)</u>	<u>\$ (4,433)</u>	<u>\$ (56,562)</u>	<u>\$ (52,129)</u>

Reconciliation of Budgetary Inflows and Outflows to GAAP Revenues and Expenditures

Sources / inflows of resources:

Actual amounts available for appropriation from the budgetary comparison schedule \$ 116,136

Differences - budget to GAAP:

The fund balance at the beginning of the year is a budgetary resource but is not current-year revenue for financial reporting purposes 4,433

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 120,569

**ALPINE COUNTY**  
**LOCAL TRANSPORTATION COMMISSION**  
*(A Component Unit of the County of Alpine)*

Budgetary Comparison Schedule  
 Local Transportation Fund  
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 311,451	\$ 311,451	\$ 311,451	\$ -
<b>RESOURCES (inflows):</b>				
Sales and use tax	75,000	75,000	104,545	29,545
Return of LTF Funding	-	-	-	-
Use of money and property	330	330	2,871	2,541
Amounts Available for Appropriation	<u>386,781</u>	<u>386,781</u>	<u>418,867</u>	<u>32,086</u>
<b>CHARGES TO APPROPRIATIONS (outflows)</b>				
Allocations	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>-</u>
Total Charges to Appropriations	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>-</u>
<b>BUDGETARY FUND BALANCE, JUNE 30</b>	<u>\$ 281,781</u>	<u>\$ 281,781</u>	<u>\$ 313,867</u>	<u>\$ 32,086</u>

Reconciliation of Budgetary Inflows and Outflows to GAAP Revenues and Expenditures

Sources / inflows of resources:

Actual amounts available for appropriation from the budgetary comparison schedule \$ 418,867

Differences - budget to GAAP:

The fund balance at the beginning of the year is a budgetary resource but is not current-year revenue for financial reporting purposes (311,451)

The return of prior year LTF funding is a budgetary resource but is not current-year revenue for financial reporting purposes -

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 107,416

**ALPINE COUNTY**  
**LOCAL TRANSPORTATION COMMISSION**  
*(A Component Unit of the County of Alpine)*

Budgetary Comparison Schedule  
 State Transit Assistance Fund  
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>BUDGETARY FUND BALANCE, JULY 1</b>	\$ 19,174	\$ 19,174	\$ 19,174	\$ -
<b>RESOURCES (inflows):</b>				
Intergovernmental	4,000	4,000	8,813	4,813
Use of money and property	50	50	209	159
Amounts Available for Appropriation	<u>23,224</u>	<u>23,224</u>	<u>28,196</u>	<u>4,972</u>
<b>CHARGES TO APPROPRIATIONS (outflows)</b>				
Allocations	-	-	-	-
Total Charges to Appropriations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>BUDGETARY FUND BALANCE, JUNE 30</b>	<u>\$ 23,224</u>	<u>\$ 23,224</u>	<u>\$ 28,196</u>	<u>\$ 4,972</u>

Reconciliation of Budgetary Inflows and Outflows to GAAP Revenues and Expenditures

Sources / inflows of resources:

Actual amounts available for appropriation from the budgetary comparison schedule	\$ 28,196
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not current-year revenue for financial reporting purposes	<u>(19,174)</u>

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 9,022</u>
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**ALPINE COUNTY**  
**LOCAL TRANSPORTATION COMMISSION**  
Note to Required Supplementary Information  
For the Year Ended June 30, 2018

Note 1: **Budgetary Accounting**

The Commission annually adopts a budget through the preparation of an overall work program. This work program describes the projects, or work elements, that are to be funded, and the type of funds that will pay for the expenditures, such as Rural Planning Assistance, Local Transportation, or State Transportation Improvement Program (STIP PPM). The work project, in draft form, is prepared by Commission staff, submitted and approved by the Commission, and submitted to the State of California, Department of Transportation (CALTRANS) before June 30<sup>th</sup>. CALTRANS, as the grantor of Rural Planning Assistance, State Subvention and STIP funds, approves the work program, which then becomes the budget of the operating fund of the Commission.

From the effective date of the budget, which is adopted and controlled at the departmental level, the expenditures as proposed become appropriations. The legal level of control is the fund level. The Commission may amend the budget by resolution during the fiscal year. Appropriations lapse at the end of the year.

Budgets are adopted on a budgetary basis which is materially the same as those used to present financial statements in conformity with GAAP, except that transfers in are regarded as inflows of resources for budgetary purposes and not revenues for GAAP financial statement presentation and transfers out are considered outflows of resources for budgetary purposes but not expenditures for GAAP financial statement presentation.

## SUPPLEMENTARY INFORMATION

**ALPINE COUNTY**  
**LOCAL TRANSPORTATION COMMISSION**  
*(A Component Unit of the County of Alpine)*

Overall Work Program  
Statement of Revenues, Expenditures and Changes in Fund Balance - by Work Element  
Planning Fund - Budget and Actual (on a Budgetary Basis)  
For the Year Ended June 30, 2018

	Budget	Actual		
		Regional Planning Assistance	State Transportation Improvement	Other
<b>REVENUES</b>				
Rural planning assistance	\$ 156,875	\$ 81,772	\$ -	\$ -
STIP PPM	19,000	-	19,000	-
Local Transportation Fund	20,000	-	-	20,000
Interest	-	-	-	(203)
<b>Total Revenues</b>	<b>195,875</b>	<b>81,772</b>	<b>19,000</b>	<b>19,797</b>
<b>EXPENDITURES</b>				
17/18-1 TDA Administration	20,000	-	-	18,428
17/18-2 Planning/Program Administration	14,654	12,109	-	-
17/18-3 Planning & Interagency Coordination	26,654	26,488	-	-
17/18-4 STIP Project Monitoring	19,000	-	19,000	-
17/18-5 Pavement Mgmt System Update	27,654	15,093	-	-
17/18-6 Short Range Transit Development Plan	1,654	1,430	-	-
17/18-7 Goods Movement	654	-	-	-
17/18-8 GIS Update	36,029	34,077	-	-
17/18-9 Bicycle and Pedestrian Planning	10,154	10,042	-	-
17/18-10 Regional Transportation Plan Update	5,255	5,199	-	-
17/18-11 Wayfinding Plan	4,655	4,060	-	-
17/18-12 Systemic Safety Analysis Report	28,655	26,375	-	-
17/18-13 10% DeMinimis Indirect Cost	857	397	-	-
<b>Total Expenditures</b>	<b>195,875</b>	<b>135,270</b>	<b>19,000</b>	<b>18,428</b>
<b>CHANGE IN FUND BALANCES</b>	<b>\$ -</b>	<b>(53,498)</b>	<b>-</b>	<b>1,369</b>
Fund Balance, Beginning of Year		2,670	-	(7,103)
Fund Balance, End of Year		\$ (50,828)	\$ -	\$ (5,734)



<u>Totals</u>	<u>Variance with Budget</u>
\$ 81,772	\$ (75,103)
19,000	-
20,000	-
<u>(203)</u>	<u>(203)</u>
<u>120,569</u>	<u>(75,306)</u>
18,428	1,572
12,109	2,545
26,488	166
19,000	-
15,093	12,561
1,430	224
-	654
34,077	1,952
10,042	112
5,199	56
4,060	595
26,375	2,280
<u>397</u>	<u>460</u>
<u>172,698</u>	<u>23,177</u>
(52,129)	<u><u>\$ (52,129)</u></u>
<u>(4,433)</u>	
<u><u>\$ (56,562)</u></u>	

**ALPINE COUNTY**  
**LOCAL TRANSPORTATION COMMISSION**  
*(A Component Unit of the County of Alpine)*

Schedule of Allocations and Expenditures  
 Local Transportation Fund  
 For the Year Ended June 30, 2018

<u>Allocations</u>	<u>PUC</u>	<u>Allocations Outstanding June 30, 2017</u>	<u>Allocated</u>	<u>Expended</u>	<u>Adjustments</u>	<u>Allocations Outstanding June 30, 2018</u>
Alpine County Local Transportation Commission	99233.1 & 99233.2	\$ -	\$ 20,000	\$ 20,000	\$ -	\$ -
Alpine County Transit	99260(a)	-	40,000	40,000	-	-
Alpine County Nontransit	99400(a)	-	45,000	45,000	-	-
		<u>\$ -</u>	<u>\$ 105,000</u>	<u>\$ 105,000</u>	<u>\$ -</u>	<u>\$ -</u>

**ALPINE COUNTY**  
**LOCAL TRANSPORTATION COMMISSION**  
*(A Component Unit of the County of Alpine)*

Schedule of Allocations and Expenditures  
 State Transit Assistance Fund  
 For the Year Ended June 30, 2018

<u>Allocations</u>	<u>PUC</u>	<u>Allocations Outstanding June 30, 2017</u>	<u>Allocated</u>	<u>Expended</u>	<u>Adjustments</u>	<u>Allocations Outstanding June 30, 2018</u>
Alpine County Transit	6730(b)	\$ -	\$ -	\$ -	\$ -	\$ -
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## OTHER REPORTS



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

To the Board of Supervisors  
of the County of Alpine  
Markleeville, 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 and each major fund of the Alpine County Local Transportation Commission (the "Commission"), component unit of the County of Alpine, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated March 29, 2019.

#### Internal Control Over Financial Reporting

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

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

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

#### Compliance and Other Matters

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

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## Purpose of this Report

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

*Price Page & Company*

Clovis, California  
March 29, 2019



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

To the Board of Supervisors  
Alpine County Local Transportation Commission  
Markleeville, California

We have audited the basic financial statements of the Alpine County Local Transportation Commission (the "Commission") as of and for the year ended June 30, 2018, and have issued our report thereon dated March 29, 2019. 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.

As part of obtaining reasonable assurance about whether the Commission's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Additionally, we performed tests to determine that allocations made and expenditures paid by the Commission were made in accordance with the allocation instructions and resolutions of the Commission and in conformance with the California Transportation Development Act. Specifically, we performed each of the specific tasks identified in the California Code of Regulations Sections 6666 and 6667 that are applicable to the Commission. In connection with our audit, nothing came to our attention that caused us to believe the Commission failed to comply with the Statutes, Rules, and Regulations of the California Transportation Development Act and the allocation instructions and resolutions of the Local Transportation Commission. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

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

*Price Paige & Company*

Clovis, California  
March 29, 2019

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