

CITY OF TRINIDAD

REPORT ON AUDIT OF THE TRANSPORTATION FUND

For the Year Ended June 30, 2024

CITY OF TRINIDAD

TABLE OF CONTENTS

June 30, 2024

	PAGE
Independent Auditors' Report -	1-3
Comparative Balance Sheet - Recorded in the Transportation Fund	4
Statement of Revenues, Expenditures and Changes in Fund Balance - Recorded in the Transportation Fund	5
Notes to Financial Statements	6-7



ANDERSON, LUCAS, SOMERVILLE & BORGES, LLP

CERTIFIED PUBLIC ACCOUNTANTS

KEITH D. BORGES, CPA
BARBARA J. GUEST, CPA
DANIEL COLE, CPA
RITA CHISM
VANESSA ANDERSON, EA

1338 MAIN STREET
FORTUNA, CALIFORNIA 95540
(707) 725-4483 & (707) 725-4442
FAX: (707) 725-6340
Email: team@alsb.com
www.alsb.com

JAMES M. ANDERSON (1964-2001)
EUGENE B. LUCAS (1950-2013)
DAVID A. SOMERVILLE, INACTIVE

INDEPENDENT AUDITORS' REPORT

Board of Directors
Humboldt County Association
of Governments
611 I Street, Suite B
Eureka, CA 95501

Opinion

We have audited the accompanying financial statements of the Transportation Fund of the City of Trinidad as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Transportation Fund of the City of Trinidad as of June 30, 2024 and 2023 and the changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the the Audit of the Financial Statements section of our report. We are required to be independent of the City of Trinidad, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Transportation Fund and do not purport to, and do not, present fairly the financial position of the City of Trinidad as of June 30, 2024 and 2023, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Trinidad's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Other Information

Our audit was also made for the purposes of determining compliance with the Transportation Development Act Sections 99234, 99400 (a), and 99260.7, the California Administrative Code and the rules and regulations of the Humboldt County Association of Governments. In our audit we performed to the extent applicable, the tasks contained in Sections 6666 and 6667 of the California Administrative Code.

In our opinion, the funds described above were expended in conformance with applicable laws, rules, and regulations of the Transportation Development Act and the allocation instructions of the Humboldt County Association of Governments.

Anderson, Lucas, Somerville, & Borges

November 12, 2024
Fortuna, California

CITY OF TRINIDAD

TRANSPORTATION DEVELOPMENT ACT FUNDS
COMPARATIVE BALANCE SHEET

Pertaining to Sections 99260(a) and 99400(a)
of the Public Utilities Code

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash	\$93,168	\$78,871
TDA receivable	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$93,168</u>	<u>\$78,871</u>
LIABILITIES AND FUND BALANCE		
Accounts payable	\$ 0	\$ 0
Deferred TDA revenue	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>
Fund balance:		
Restricted:		
TEA-21/RSTP Reserve	\$27,420	\$15,315
Streets and Transportation	<u>65,748</u>	<u>63,556</u>
Total Fund Balance	<u>\$93,168</u>	<u>\$78,871</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$93,168</u>	<u>\$78,871</u>

See accompanying notes to financial statements.

CITY OF TRINIDAD

TRANSPORTATION DEVELOPMENT ACT FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

Pertaining to Sections 99260(a) and 99400(a)
of the Public Utilities Code

For the Year Ended June 30, 2024

With Comparative Amounts for the Year Ended June 30, 2023

	2024		Variance	
	Budget	2024 Actual	Favorable (Unfavorable)	2023 Actual
OPERATING REVENUES				
Intergovernmental:				
TDA 2% Bike & Ped Allocation	\$ 0	\$ 0	\$ 0	\$ 0
TDA Allocation	14,500	5,218	(9,282)	40,000
RSTP Allocation	0	12,105	12,105	0
Interest	<u>0</u>	<u>2,503</u>	<u>2,503</u>	<u>834</u>
<u>Total</u>	<u>\$ 14,500</u>	<u>\$ 19,826</u>	<u>\$ 5,326</u>	<u>\$ 40,834</u>
EXPENDITURES				
Street and Road Maintenance	\$ 0	\$ 0	\$ 0	\$ 0
Interdepartmental Transfer	8,500	0	8,500	0
RTS Assessment	<u>5,500</u>	<u>5,529</u>	<u>(29)</u>	<u>5,265</u>
<u>Total</u>	<u>\$ 14,000</u>	<u>\$ 5,529</u>	<u>\$ 8,471</u>	<u>\$ 5,265</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	\$ 500	\$ 14,297	\$ 13,797	\$ 35,569
FUND BALANCE - BEGINNING OF YEAR				
	78,871	78,871	0	43,302
PRIOR PERIOD ADJUSTMENT				
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE - END OF YEAR				
	<u>\$ 79,371</u>	<u>\$ 93,168</u>	<u>\$ 13,797</u>	<u>\$ 78,871</u>

See accompanying notes to financial statements.

CITY OF TRINIDAD

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

NOTE 1 - REPORTING ENTITY:

These financial statements consist only of the Transportation Fund of the City of Trinidad. This governmental-type Special Revenue Fund accounts for the various transit and street-related activities provided by the City, and is financed with Transportation Development Act monies.

NOTE 2 - BASIS OF ACCOUNTING:

The Transportation Fund of the City of Trinidad is accounted for using the modified accrual basis of accounting whereby revenues are recognized when they become both measurable and available to finance expenditures of the current period and expenditures are generally recognized when the related fund liabilities are incurred.

NOTE 3 - DESCRIPTION OF SERVICES:

Under Sections 99260(a) and 99400(a) of the Transportation Development Act, the City of Trinidad claims and expends funds in order to provide the following services and programs:

1. Participation and support of the Redwood Transit System, which provides fixed-route transit service to the City's residents;
2. An ongoing road maintenance and repair program which is partially funded with TDA monies.

NOTE 4 - USE OF ESTIMATES:

The preparation of 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 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.

CITY OF TRINIDAD

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

NOTE 5 - STATEMENT OF CASH FLOWS:

As explained at Note 1, the Transportation Development Act activities of the City of Trinidad are accounted for in a Governmental-type fund. Even though the City claims their TDA transit funds under Article 4, Section 99260, they are not considered an operator as defined by Section 99210 of the TDA code, and thus do not report their transit activities in an Enterprise Fund. Thus, there is no requirement for a Statement of Cash Flows under current governmental accounting and reporting guidelines.

NOTE 6 - REQUIRED ANNUAL REPORT TO STATE CONTROLLER:

Section 99406 of the Public Utilities Code requires that entities file an annual report of expenditures of monies received for street and highway purposes with the State Controller's Office by the annual filing deadline for each fiscal year.

The annual report for the year ended June 30, 2024 was filed in accordance with the State Controller's office required filing deadline.

NOTE 7 - ANNUAL TDA CLAIM:

In March 2023 the City filed their 2023-24 TDA claim in the amount of \$45,218. This included claims for the Redwood Transit System for those years as well as for the year ending June 30, 2024. An amount of \$40,000 was paid to the City in May of 2023 and is included in the prior year's financial reports. The remaining \$5,218 is reflected in the current year's financial reports.