

MARIN PUPIL
TRANSPORTATION AGENCY
(A Joint Powers Authority)

MARIN COUNTY
AUDIT REPORT

For the Fiscal Year Ended
June 30, 2023

NIGRO
& NIGRO^{PC}

MARIN PUPIL TRANSPORTATION AGENCY
For the Fiscal Year Ended June 30, 2023
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Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
Marin Pupil Transportation Agency
San Rafael, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund of Marin Pupil Transportation Agency, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of Marin Pupil Transportation Agency, as of June 30, 2023, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. Other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information, except for the Organization Structure 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, other supplementary information listed in the table of contents, except for the Organization Structure is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Organization Structure has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2023 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Nyko + Nyko, PC

Murrieta, California
December 8, 2023

MARIN PUPIL TRANSPORTATION AGENCY
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

This discussion and analysis of Marin Pupil Transportation Agency's financial performance provides an overview of the Agency's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the Agency's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Total net position was (\$31,581) at June 30, 2023 compared to (\$1,312) at June 30, 2022.
- Total revenues were \$4,036,422 compared to overall expenses of \$4,078,509.
- The General Fund ended with a positive balance of \$175,302.
- General Fund expenditures exceeded General Fund revenues by \$3,424.
- Reserves were 4.3%, lower than the board policy of 5% reserves.

The Marin Pupil Transportation Agency (MPTA) is a self-supporting organization. Operating revenue comes from member districts in relation to the number of students transported. An operating budget is produced at the beginning of the year and each district is pre-billed four (4) times a year based upon the board approved budget.

Operating costs include amounts paid to the transportation provider, First Student, Inc., payroll, supplies and utilities (phone). An individual district's payment is composed of a portion for First Student based on the actual number of students transported and an administrative cost for payroll, supplies and utilities.

Billings to the individual districts are based on an estimate of the next quarter's First Student billing and administrative costs. Therefore, there is always enough revenue to cover cost and maintain an adequate reserve.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Agency in a single presentation format:

- The first statements are *Government-wide financial* statements that provide both short-term and long-term information about the Agency's overall financial status.
- The remaining statements are *fund financial* statements that focus on individual parts of the Agency, reporting the Agency's operations in more detail than the Government-wide statements.
 - The *governmental funds* statements tell how basic services like regular and special education transportation were financed in the short term as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data.

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

MARIN PUPIL TRANSPORTATION AGENCY
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Government-Wide Statements

The Government-wide statements report information about the Agency as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Agency's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two Government-wide statements report the Agency's net position and how it has changed. Net position – the difference between the Agency's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the Agency's financial health, or *position*.

- Over time, increases and decreases in the Agency's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

The Agency has one fund:

- *General fund* – All of the Agency's basic services are included in a General Fund, which generally focuses on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Agency's programs.

Because there are minor differences between the two sets of financial statements, they have been consolidated into two combined statements.

FINANCIAL ANALYSIS OF THE AGENCY'S FUND

General Fund Budgetary Highlights

Over the course of the year, the Agency revised the annual operating budget several times. The major budget amendments fall into these categories:

- Revenues – decreased by \$272,610 to reflect revisions in transportation services.
- Salaries and benefits costs – decreased \$487 to reflect revised cost estimates.
- Other non-personnel – decreased \$274,621 to reflect revised operational cost estimates.

While the Agency's final budget for the General Fund anticipated that revenues would exceed expenditures by about \$23,305, the actual results for the year show that revenues fell short of expenditures by \$3,424. Actual revenues were \$16,962 less than anticipated, and expenditures were \$9,767 more than budgeted.

Actual General Fund expenditures were as follows:

- \$3,792,148 for transportation services.
- \$207,254 for payroll and benefits.
- \$50,950 for other administrative expenses.

Total expenditures for 2022-23 were \$4,050,352.

MARIN PUPIL TRANSPORTATION AGENCY
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE AGENCY'S FUND (continued)

Available Reserves

The MPTA board policy is to maintain a minimum reserve amount of 5% of total expenditures. The reserve amount at the end of the 2022-23 year was \$175,302 or 4.3% of General Fund expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

The MPTA does not have any capital assets. Long-term liabilities relate to the net pension liability for CalPERS pension benefits provided to the Director, which is more fully described in Note 7. The net pension liability at June 30, 2023 was \$314,424.

In accordance with GASB 87, the Agency is recording a lease liability as explained in Note 1.E.7 and in Note 5. The lease liability at June 30, 2023 was \$21,788, while the right to use asset was \$21,118 net of amortization.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact San Rafael City Schools, 310 Nova Albion Way, San Rafael, CA 94903.

MARIN PUPIL TRANSPORTATION AGENCY
Balance Sheet and Statement of Net Position
June 30, 2023

	General Fund	Adjustments*	Statement of Net Position
ASSETS			
Deposits and investments	\$ 296,238	\$ -	\$ 296,238
Accounts receivable	77,227	-	77,227
Lease asset (net of amortization)	-	21,118	21,118
Total assets	373,465	21,118	394,583
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pensions	-	188,621	188,621
LIABILITIES			
Accounts payable	\$ 198,163	\$ -	198,163
Noncurrent liabilities:			
Lease liability due within one year	-	10,722	10,722
Lease liability due after one year	-	11,066	11,066
Net pension liability	-	314,424	314,424
Total liabilities	198,163	336,212	534,375
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pensions	-	80,410	80,410
NET POSITION			
Fund Balance:			
Unassigned	175,302	(175,302)	-
Total liabilities and fund balance	\$ 373,465		
Net Position:			
Restricted		\$ (31,581)	\$ (31,581)

* The net pension liability is not due and payable in the current reporting period, and therefore is not reported as a liability in the fund financial statements.

\$ (314,424)

Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflows from pensions	\$ 188,621
Deferred inflows from pensions	(80,410)
Total	\$ 108,211

Right to use lease liability does not use current resources and lease assets are not current resources, therefore are not reported in in fund financial statements.

Lease asset	\$ 21,118
Lease liability	(21,788)
Net	\$ (670)

The notes to financial statements are an integral part of this statement.

MARIN PUPIL TRANSPORTATION AGENCY

Statement of Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities For the Fiscal Year Ended June 30, 2023

REVENUES	General Fund	Adjustments*	Statement of Activities
General Revenues:			
Interest and investment earnings	\$ 10,506	\$ -	\$ 10,506
Program Revenues:			
Charges for service:			
Home-to-school transportation	4,036,422	-	4,036,422
Total Revenues	4,046,928	-	4,046,928
EXPENDITURES			
Pupil Support Services:			
Home-to-school transportation	4,050,352	26,845	4,077,197
Total Expenditures	4,050,352	26,845	4,077,197
Net Change in Fund Balance/Net position	(3,424)	\$ 26,845	(30,269)
Fund Balance/Net Position, July 1, 2022	178,726		(1,312)
Fund Balance/Net Position, June 30, 2023	\$ 175,302		\$ (31,581)

* Pensions: In governmental funds, pension costs are recognized when employer contributions are made.

In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was

\$ 27,017

Leases: The difference in the present value of payments and the amortization expense for the liability is:

\$ (172)

MARIN PUPIL TRANSPORTATION AGENCY

Notes to Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Marin Pupil Transportation Agency (the "Agency") accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the Agency conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The following is a summary of the more significant policies:

A. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the Agency consists of all funds, departments, and agencies that are not legally separate from the Agency. For the Agency, this includes general operations, student transportation, and other related activities of the Agency.

Component units are legally separate organizations for which the Agency is financially accountable. Component units may also include organizations that are fiscally dependent on the Agency, in that the Agency approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the Agency is not financially accountable but the nature and significance of the organization's relationship with the Agency is such that exclusion would cause the Agency's financial statements to be misleading or incomplete.

The Agency has identified no organizations that are required to be reported as component units.

Public Entity Risk Pools and Joint Powers Authorities

The Agency is associated with Marin Schools Insurance Authority, which is a public entity risk pool. This organization does not meet the criteria for inclusion as component units of the Agency. Additional information is presented in Note 8 to the financial statements.

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (the Agency). These statements include the financial activities of the overall government.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Agency'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) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Fund Financial Statements

The fund financial statements provide information about the Agency's fund.

MARIN PUPIL TRANSPORTATION AGENCY

Notes to Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Governmental Funds

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

2. Measurement Focus, Basis of Accounting

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

C. Budgetary Data

The budgetary process is prescribed by provisions of the California *Education Code* and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The Agency governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

D. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

MARIN PUPIL TRANSPORTATION AGENCY

Notes to Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental fund.

However, contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year. Long-term obligations would be recognized as liabilities in the governmental fund financial statements when due.

2. Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the Agency prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Agency has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

3. Deferred Outflows/Inflows of Resources

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

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

4. 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 Agency's California Public Employees' Retirement System (CalPERS) plan and addition to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

MARIN PUPIL TRANSPORTATION AGENCY

Notes to Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

5. Fund Balances

The fund balance for Governmental Funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable: Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

Restricted: Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

Committed: The Agency's highest decision-making level of authority rests with the Agency's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

Assigned: Resources that are constrained by the Agency's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the Agency for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the Agency's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

6. Net Position

Net position is classified into two components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "restricted".

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

MARIN PUPIL TRANSPORTATION AGENCY

Notes to Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

7. Leases

Lessee:

At the commencement of a lease, the Agency initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Agency determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Agency uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Agency generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Agency monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor:

At the commencement of a lease, the Agency initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Agency determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Agency uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Agency monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

MARIN PUPIL TRANSPORTATION AGENCY

Notes to Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

8. Subscription-Based Information Technology Arrangements

A SBITA is defined as a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which the Agency has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend or to terminate.

The Agency recognizes a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. The Agency recognizes the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the interest rate the SBITA vendor charges the Agency which may be implicit, or the Agency's incremental borrowing rate if the interest rate is not readily determinable. The Agency recognizes amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

F. 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 expenditures during the reported period. Actual results could differ from those estimates.

NOTE 2 – INVESTMENTS

Investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Governmental funds/	
Governmental activities	<u>\$ 296,238</u>

Pooled Funds

In accordance with Education Code Section 41001, the Agency maintains all of its cash in the County Treasury. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited annually to participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the Agency's deposits are maintained in a recognized pooled investment fund under the care of a third party and the Agency's share of the pool does not consist of specific, identifiable investment securities owned by the Agency, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

MARIN PUPIL TRANSPORTATION AGENCY

Notes to Financial Statements

June 30, 2023

NOTE 2 – INVESTMENTS (continued)

Pooled Funds (continued)

In accordance with applicable state laws, the County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2023, the County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

Investments - Interest Rate Risk

The Agency's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Agency's investment policy limits investment purchases to investments with a term not to exceed three years. Investments purchased with maturity terms greater than three years require approval by the Board of Trustees. Investments purchased with maturities greater than one year require written approval by the Director prior to commitment.

Maturities of investments held at June 30, 2023, consist of the following:

	Reported Amount	Less Than One Year	One Year Through Five Years	Fair Value Measurement	Rating
Investments:					
County Pool	\$ 296,238	\$ 296,238	\$ -	Uncategorized	N/A

Investments - Credit Risk

The Agency's investment policy limits investment choices to obligations of local, state and federal agencies, commercial paper, certificates of deposit, repurchase agreements, corporate notes, banker acceptances, and other securities allowed by *State Government Code* Section 53600. At June 30, 2023, all investments represented governmental securities which were issued, registered and held by the Agency's agent in the Agency's name.

Investments - Concentration of Credit Risk

The Agency does not place limits on the amount it may invest in any one issuer. At June 30, 2023, the Agency had no investments outside of the county pool.

Fair Value Measurements

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

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

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

Level 3 – Unobservable inputs should be developed using the best information available under the circumstances, which might include the Agency's own data. The Agency should adjust that date if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the Agency are not available to other market participants.

MARIN PUPIL TRANSPORTATION AGENCY

Notes to Financial Statements

June 30, 2023

NOTE 2 – INVESTMENTS (continued)

Fair Value Measurements (continued)

Uncategorized – Investments in the Marin County Treasury Investment Pool are not measured using the input levels above because the Agency's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable consisted of \$77,227 due from member school districts for the quarter ended June 30, 2023.

NOTE 4 – ACCRUED LIABILITIES

Accrued liabilities consisted of \$198,163 owed for transportation and other services at June 30, 2023.

NOTE 5 – RIGHT-TO-USE LEASED ASSET AND RIGHT-TO-USE LEASE PAYABLE

Office Space

On February 11, 2019, the Agency entered into a 60-month lease for office space to serve as an administrative office. The space is rented from San Rafael High School District who owns the property. The Agency is reporting a total right-to-use leased asset, net of \$21,118 and a lease liability of \$21,788 for the year ending June 30, 2023. Also, the Agency is reporting total amortization expense of \$10,560, principal payment of \$10,388 and interest expense of \$63 related to the above noted lease for the year ended.

The lease held by the Agency does not have an implicit rate of return, therefore the Agency used the state incremental borrowing rate of 0.2% to discount the lease payments to the net present value. In some cases leases contain termination clauses. Either party may give written notice by December 1st to terminate the lease effective the 30th of June next following, however it is not reasonably certain that either party will exercise a termination.

Changes in right-to-use leased asset for fiscal year ending June 30, 2023 was as follows:

	Balance, July 1, 2022	Additions	Retirements	Balance, June 30, 2023
Right to use assets:				
Facility lease	\$ 42,238	\$ -	\$ -	\$ 42,238
Accumulated Amortization for Facility lease	(10,560)	(10,560)	-	(21,120)
	<u>\$ 31,678</u>	<u>\$ (10,560)</u>	<u>\$ -</u>	<u>\$ 21,118</u>

MARIN PUPIL TRANSPORTATION AGENCY
Notes to Financial Statements
June 30, 2023

NOTE 5– RIGHT-TO-USE LEASED ASSET AND RIGHT-TO-USE LEASE PAYABLE (continued)

Office Space (continued)

Annual debt service requirements for the right-to-use lease payable are as follows:

	Principal	Interest	Total
2023-24	\$ 10,722	\$ 42	\$ 10,764
2024-25	11,066	21	11,087
	<u>\$ 21,788</u>	<u>\$ 63</u>	<u>\$ 21,851</u>

NOTE 6 – FUND BALANCE

At June 30, 2023, fund balance was composed of unassigned reserve for economic uncertainties totaling \$175,302.

NOTE 7 – PENSION PLAN

There is one qualified employee that is covered under a multiple-employer defined benefit pension plan maintained by an agency of the State of California, the California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2023, the Agency reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for the above plan as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalPERS	\$ 314,424	\$ 188,621	\$ 80,410	\$ 63,391

The details of the plan are as follows:

A. California State Teachers' Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the Schools Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021 annual actuarial valuation report, Schools Pool Accounting Report. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/employers/actuarial-resources/gasb>.

MARIN PUPIL TRANSPORTATION AGENCY

Notes to Financial Statements

June 30, 2023

NOTE 7 – PENSION PLAN (continued)

A. California Public Employees Retirement System (CalPERS) (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 service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

	Schools Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire Date		
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	55	62
Required Employee Contribution Rate	7.00%	8.00%
Required Employer Contribution Rate	25.37%	25.37%

Contributions

The benefits for the defined benefit pension plans are funded by contributions from members, employers, non-employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. In some circumstances, contributions are made by the employer to satisfy member contribution requirements. Member and employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Non-employer contributions are not expected each year, but when provided they are accrued for. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023 are presented above, and the total Agency's contributions were \$36,718.

MARIN PUPIL TRANSPORTATION AGENCY
Notes to Financial Statements
June 30, 2023

NOTE 7 – PENSION PLAN (continued)

A. California Public Employees Retirement System (CalPERS) (continued)

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

As of June 30, 2023, the Agency reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$314,424. The net pension liability was measured as of June 30, 2022. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The Agency's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	
Measurement Date	June 30, 2022	June 30, 2021	
Proportion of the Net Pension Liability	0.000914%	0.000938%	-0.000024%

For the year ended June 30, 2023, the Agency recognized pension expense of \$63,391. At June 30, 2023, the Agency 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	\$ 36,718	\$ -
Net change in proportionate share of net pension liability	30,600	13,089
Difference between projected and actual earnings on pension plan investments	96,622	59,498
Changes of assumptions	23,259	-
Differences between expected and actual experience	1,422	7,823
Total	<u>\$ 188,621</u>	<u>\$ 80,410</u>

The deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years.

MARIN PUPIL TRANSPORTATION AGENCY
Notes to Financial Statements
June 30, 2023

NOTE 7 – PENSION PLAN (continued)

A. California Public Employees Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2024	\$ 46,907	\$ 27,360
2025	43,080	27,360
2026	39,279	24,169
2027	22,637	1,521
2028	-	-
Thereafter	-	-
Total	<u>\$ 151,903</u>	<u>\$ 80,410</u>

Actuarial Methods and Assumptions

Total pension liability for the Schools Pool was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2021 and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2021
Experience Study	2000-2019
Actuarial Cost Method	Entry age normal
Discount Rate	6.9%
Inflation Rate	2.3%
Salary Increases	Varies by entry age and service

Post-retirement mortality rates are based on CalPERS' experience and include generational mortality improvement using 80 percent of Scale MP 2020 published by the Society of Actuaries. These tables are used to estimate the value of benefits expected to be paid for service and disability retirements. For disability retirements, impaired longevity is recognized by a separate table.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term.

MARIN PUPIL TRANSPORTATION AGENCY
Notes to Financial Statements
June 30, 2023

NOTE 7 – PENSION PLAN (continued)

A. California Public Employees Retirement System (CalPERS) (continued)

Discount Rate

The target asset allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Real Return
Global Equity Cap-weighted	30.00%	4.54%
Global Equity Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

Discount Rate

The discount rate used to measure the total pension liability was 6.9%. The discount rate is not adjusted for administrative expenses. The fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return for the pension plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (5.9%)	\$ 454,202
Current discount rate (6.9%)	314,424
1% increase (7.9%)	198,903

B. Payables to the Pension Plans

At June 30, 2023, the Agency did not have any outstanding payables for outstanding contributions to the CalPERS pension plan, required for the fiscal year ended June 30, 2023.

MARIN PUPIL TRANSPORTATION AGENCY

Notes to Financial Statements

June 30, 2023

NOTE 8 – COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards and Grants

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

B. Property and Liability

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destructions of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2023, the Agency participated in the Marin Schools Authority (MSIA) public entity risk pool for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Financial information for MSIA is available directly from the JPA.

NOTE 9 – RELATED PARTY TRANSACTIONS

The Agency has entered into a memorandum of understanding (MOU) with the San Rafael High School District whereby the Agency pays the school district for the rental of office space and fiscal services. During the year ended June 30, 2023, the Agency made payments to the San Rafael High School District of \$10,450.92 for rent of office space and \$15,093.50 for fiscal services.

Required Supplementary Information

MARIN PUPIL TRANSPORTATION AGENCY
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget - Pos (Neg)
Revenues				
Other Local	\$ 4,336,500	\$ 4,063,890	\$ 4,046,928	\$ (16,962)
Total Revenues	4,336,500	4,063,890	4,046,928	(16,962)
Expenditures				
Current:				
Classified Salaries	144,730	144,730	144,729	1
Employee Benefits	63,144	62,657	62,524	133
Books and Supplies	13,100	13,100	3,242	9,858
Services and Other Operating Expenditures	4,094,719	3,820,098	3,839,857	(19,759)
Total Expenditures	4,315,693	4,040,585	4,050,352	(9,767)
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,807	23,305	(3,424)	(26,729)
Fund Balances, July 1, 2022	178,726	270,387	178,726	(91,661)
Fund Balances, June 30, 2023	<u>\$ 199,533</u>	<u>\$ 293,692</u>	<u>\$ 175,302</u>	<u>\$ (118,390)</u>

The notes to the financial statements are an integral part of this statement.

MARIN PUPIL TRANSPORTATION AGENCY

Schedule of Changes in Net Pension Liability and Related Ratios-CalPERS For the Fiscal Year Ended June 30, 2023

Last Ten Fiscal Years*

	2021-22	2020-21	2019-20	2018-19	2017-18
Agency's proportion of the net pension liability	0.0009%	0.0009%	0.0008%	0.0009%	0.0008%
Agency's proportionate share of the net pension liability	\$ 314,424	\$ 190,670	\$ 247,162	\$ 249,042	\$ 217,324
Agency's covered-employee payroll	\$ 140,052	\$ 134,527	\$ 129,418	\$ 123,303	\$ 117,479
Agency's proportionate share of the net pension liability as a percentage of its covered-employee payroll	224.5%	135.03%	190.98%	201.98%	184.99%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%	71%
Agency's proportion of the net pension liability	0.0003%	0.0003%	0.0003%	0.0006%	0.0006%
Agency's proportionate share of the net pension liability	\$ 61,293	\$ 54,845	\$ 94,189	\$ 72,061	\$ 99,006
Agency's covered-employee payroll	\$ 110,886	\$ 107,997	\$ 104,379	\$ 99,006	\$ 99,006
Agency's proportionate share of the net pension liability as a percentage of its covered-employee payroll	55.28%	50.78%	90.24%	72.78%	72.78%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%	83%	83%

* This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.

See accompanying notes to required supplementary information.

MARIN PUPIL TRANSPORTATION AGENCY
Schedule of Agency Pension Contributions-CalPERS
For the Fiscal Year Ended June 30, 2023

*Last Ten Fiscal Years**

	2022-23	2021-22	2020-21	2019-20	2018-19
Contractually required contribution	\$ 36,718	\$ 32,086	\$ 27,847	\$ 25,522	\$ 22,271
Contributions in relation to the contractually required contribution	36,718	32,086	27,847	25,522	22,271
Contribution deficiency (excess):	\$ -	\$ -	\$ -	\$ -	\$ -
Agency's covered-employee payroll	\$ 144,730	\$ 140,052	\$ 134,527	\$ 129,418	\$ 123,303
Contributions as a percentage of covered-employee payroll	25.37%	22.91%	20.70%	19.72%	18.06%

	2017-18	2016-17	2015-16	2014-15
Contractually required contribution	\$ 18,246	\$ 15,400	\$ 12,794	\$ 12,286
Contributions in relation to the contractually required contribution	18,246	15,400	12,794	12,286
Contribution deficiency (excess):	\$ -	\$ -	\$ -	\$ -
Agency's covered-employee payroll	\$ 117,479	\$ 110,886	\$ 107,997	\$ 104,379
Contributions as a percentage of covered-employee payroll	15.53%	13.89%	11.85%	11.77%

* This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.

See accompanying notes to required supplementary information.

MARIN PUPIL TRANSPORTATION AGENCY
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

The Agency employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the *Governmental Accounting Standards Board* and provisions of the *California Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoptions with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

Schedule of the Agency's Proportionate Share of the Net Pension Liability

This schedule presents information on the Agency's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the Agency. In the future, as data becomes available, ten years of information will be presented.

Change in benefit terms – There were no changes in benefit terms since the previous valuations for CalPERS.

Change of assumptions - There were no changes in economic assumptions since the previous valuations for CalPERS.

Schedule of Agency Contributions

This schedule presents information on the Agency's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

Supplementary Information

MARIN PUPIL TRANSPORTATION AGENCY

History and Organization

For the Fiscal Year Ended June 30, 2023

Marin Pupil Transportation Agency (MPTA) provides Special Education and Home-to-School student transportation services for ten (10) school districts in Marin County: Kentfield Elementary School District, Larkspur-Corte Madera Elementary School District, Mill Valley Elementary School District, Reed Union Elementary School District, Ross Elementary School District, Ross Valley Elementary School District, San Rafael Elementary School District, San Rafael High School District, Sausalito-Marín City Elementary School District, and Tamalpais Union High School District. The MPTA has held the status of a Joint Powers Agency (JPA) since July 1, 1992.

The MPTA rents office space from the San Rafael High School District. The MPTA has one (1) employee – the Executive Director. The MPTA contracts with the San Rafael High School District for fiscal services. Oversight is provided for the MPTA by its elected officers of the Board of Directors. The MPTA Board of Directors consists of a representative from each of the ten (10) member school districts.

The MPTA contracts with First Student Transportation, Inc. to provide transportation services for ambulatory and wheelchair bound special education students. First Student Transportation, Inc. currently operates 21 busses on behalf of the MPTA and transports approximately 231 students to 33 locations.

BOARD MEMBERS

District	Representative
Kentfield School District	Kristen Starsiak/Raquel Rose
Larkspur-Corte Madera School District	Paula Rigney
Mill Valley School District	Michelle Rollins, Ed.D
Reed Union School District	Carlos Estrella
Ross School District	Carol Slender
Ross Valley School District	Chris Carson
San Rafael Elementary School District	Bob Marcucci
San Rafael High School District	Bob Marcucci
Sausalito-Marín City School District	Itoco Garcia/Gina Murphy-Garrett
Tamalpais Union High School District	Corbett Elsen

DISTRICT ADMINISTRATOR

Dennis Petri,
Executive Director

MARIN PUPIL TRANSPORTATION AGENCY
Schedule of Financial Trends and Analysis
For the Fiscal Year Ended June 30, 2023

General Fund	(Budget) 2024 ²	2023	2022	2021
Revenues and other financing sources	\$ 4,543,939	\$ 4,046,928	\$ 3,476,466	\$ 2,730,896
Expenditures	4,519,971	4,050,352	3,568,127	2,730,893
Change in fund balance (deficit)	23,968	(3,424)	(91,661)	3
Ending fund balance	\$ 199,270	\$ 175,302	\$ 178,726	\$ 270,387
Available reserves ¹	\$ 199,270	\$ 175,302	\$ 178,726	\$ 270,387
Available reserves as a percentage of total outgo	4.4%	4.3%	5.0%	9.9%
Total long-term debt	\$ 325,490	\$ 336,212	\$ 222,846	\$ 247,162

The General Fund balance has decreased by \$95,085 over the past two years. The fiscal year 2023-24 adopted budget projects an increase of \$23,968.

The Agency has incurred an operating surplus in one of the past three years, and anticipates incurring an operating surplus during the 2022-23 fiscal year. Long-term debt has increased by \$89,050 over the past two years from actuarial valuations and implementation of GASB 87.

¹ Available reserves consist of all undesignated fund balances and all funds designated for economic uncertainty in the General Fund.

² Revised Final Budget September, 2023

MARIN PUPIL TRANSPORTATION AGENCY

*Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
For the Fiscal Year Ended June 30, 2023*

*There were no differences between the Annual Financial and Budget Report and the
Audited Financial Statements in any funds.*

MARIN PUPIL TRANSPORTATION AGENCY

Note to the Supplementary Information

June 30, 2023

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Financial Trends and Analysis

This schedule discloses the Agency's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the Agency's ability to continue as a going concern for a reasonable period of time.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actuals financial report to the audited financial statements.

Other Independent Auditors' Reports



**INDEPENDENT AUDITORS' 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**

Board of Directors
Marin Pupil Transportation Agency
San Rafael, 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 the General Fund of Marin Pupil Transportation Agency as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 8, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Niye + Niye, PC

Murrieta, California
December 8, 2023

Schedule of Findings and Recommendations

MARIN PUPIL TRANSPORTATION AGENCY

Financial Statement Findings

For the Year Ended June 30, 2023

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

Five Digit Code	AB 3627 Finding Types
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

There were no financial statement findings in 2022-23.

MARIN PUPIL TRANSPORTATION AGENCY
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2023

There were no findings or questioned costs in 2021-22.