



108 S. Main Street
Alturas, CA 96101-3936
(530) 233-6410 Phone
233-3744 Fax

Meets First Tuesday
even-numbered months
after MCTC meeting
or about 2:15 p.m.

Board of Directors

John Dederick
Chairman
City Councilman

David Allan
Vice Chairman
County Supervisor

Jim Wills
Director
County Supervisor IV

Danny Parker
Director
City at Large Citizen

Bobby Ray
Director
City Councilman

Mark Moriarity
Director
County at Large Citizen

Kathie Rhoads
Alternate
County Supervisor III

Cheryl Nelson
Alternate
City Councilman

Staff

Debbie Pedersen
Executive Director

Niki Witherspoon
Chief Fiscal Officer

Cindy Imbach
Sr. Transportation Planner

Tiffany Gwinn
Executive Assistant Secretary

AGENDA

REGULAR MEETING

DECEMBER 6, 2016

200 W North Street

Alturas City Hall Council Chambers
Alturas, CA 96101

Following the MCTC meeting at or about 2:00 p.m.

1. **Call to Order** – introductions, as needed.
2. **Public Forum** - Citizens may address the Commission with matters that are related directly to Commission responsibilities. If any matters call for action by the Commission, they will be placed on subsequent agendas. Because the Chairman may limit speakers to five (5) minutes each, citizens are encouraged to contact the Chairman or staff for assistance before the meeting.
3. **Confirm Agenda** **Action**
4. **Consent Agenda** **Action**
 - a. Approve minutes from the 10/04/16 MTA Regular Meeting
 - b. Financial Transactions 09/01/16 through 10/31/16
 - c. YTD expenditures through 10/31/16
5. **Regular Business** **Information/Action**
 - a. Consider approval the FY 2015/16 Fiscal Audits; authorize the Executive Director to approve minor modifications by Singleton-Auman.
 - b. Consider modification of Resolution 16-01 FY 2016/17 MTA Budget; modification to align the budget with the MTA 5 year Operating Plan.
 - c. Declare T-15 Surplus; authorize Executive Director to advertise an invitation for sealed bids, open and award to highest bidder, and sell asset.
 - d. Update on Federal Transit Assistance 5311f Intercity Funding shortfall.
 - e. Consider adopting the Purchasing Authorization, Check Processing and Disbursements Policy for MTA, effective January 1, 2017.
 - f. Consider adoption of Resolution 16-04 Calendar Year 2017 Authorized Signatories for Plans and Programs.
 - g. Nominate MTA Chair and Vice Chair for Calendar Year 2017.
6. **System Update, Communications, and Calendar** **Information**
 - a. Staff updates
 - b. Other Information
7. **Adjourn until next regular MTA meeting**, scheduled for February 7, 2017, (Tuesday), in the Alturas City Council Chambers, 200 W North Street at about 2:00 p.m., following the MCTC meeting.

Report to Modoc Transportation Agency Board Members	
Subject Consent Agenda	Meeting Date December 6, 2016
Presented by MTA Staff	Agenda Item 4

Consent Agenda - Note: Attachments shown in **bold** type

a. Approve **minutes from 10/04/16 MTA** Regular meeting.

b. **Financial Transactions – 09/01/16 through 10/31/16.**
Expenditures exceeding \$1,500 (not recurrent).

Transaction Number	Vendor	Amount	Acquisition
2119	Larranaga Trucking & Construction	\$2,600.00	Slurry seal back parking lot and build cage around motor in wash bay (bird proof)

c. **Year to Date revenue and expenditure (through 10/31/16) report.**



MINUTES
Regular Meeting
October 4, 2016

Board Members Present

David Allan, Vice Chair	Board of Supervisors District I, County of Modoc
Bobby Ray	Councilmember, City of Alturas
Danny Parker	Citizen at Large, City of Alturas
Kathie Rhoads (Alternate)	Board of Supervisors District III, County of Modoc

Board Members Absent

John Dederick, Chairman	Councilmember, City of Alturas
Jim Wills	Board of Supervisors District IV, County of Modoc
Mark Moriarity	Citizen at Large, County of Modoc
Cheryl Nelson (Alternate)	Councilmember, City of Alturas

Staff Present

Debbie Pedersen	Executive Director
Niki Witherspoon	Chief Fiscal Officer
Cindy Imbach	Senior Transportation Planner
Tiffany Gwinn	Executive Assistant Secretary

Public Present

Kathy Grah	Caltrans District 2 Regional Planning Chief
Aaron Casas	Caltrans District 2 Regional Planning Liaison

1. **Call to Order –Vice Chair David Allan** called the meeting to order at 2:32 p.m. in the Alturas City Hall Council Chambers, 200 W. North Street.
2. **Public Forum** –There were no public comments. Then the meeting was handed over to Board Member Kathie Rhoads, Vice Chair Allen stated that he forgot his glasses.
3. **Confirm Agenda** –Motion by Board Member Allan to confirm agenda, seconded by Board Member Parker. All ayes; motion carried
4. **Consent Agenda**
 - a. Approve minutes from 08/02/16 MTA Regular Meeting – Motion by Board Member Parker to approve minutes from 08/02/16 MTA regular meeting; seconded by Board Member Allan; Board Member Kathie Rhoads abstained.

- b. Financial Transactions 07/01/16 through 08/31/16 – Motion by Board Member Parker to approve Financial Transactions 07/01/16 through 08/31/16; seconded by Board Member Allan. All ayes; motion carried.
- c. YTD expenditures through 08/31/16 – Motion by Board Member Allan to approve Year to Date revenue and expenditure (through 08/31/16) report; seconded by Board Member Parker. All ayes; motion carried.

5. Regular Business

- a. Review 5 year Operating and Capital Plans for MTA

Director Pedersen explained that the MCTC approved the MTA operating and capital plans and recommended that MTA accept the plans. Pedersen provided an overview of each plan.

The MTA Capital Plan – Building has been prepared to provide funding for ongoing maintenance for MTA's properties. The capital plan has been developed with estimated costs over the 25 year period. It is estimated that a yearly cost of \$6,625 would be budgeted each year and then placed in a capital revenue account maintained, in a separate account, over the 25 year period. When the planned capital item is needed, the amount saved in the capital plan for that expenditure item would be budgeted and the work undertaken – the funding is taken from the capital plan and placed into the respective budget by year. Director Pedersen explained that the Operating Plan provides a forecast into the agency's financial health.

The MTA Operating Plan includes estimated costs over the five year period. Assumptions are that current grant funding and operations will continue as past. Any service and funding reductions would necessitate modification of the operating plan and reserve fund balance.

The Transportation Development Act (TDA) allows for establishing and setting reserve funds. Typical reserve balances are 3 to 5 years of operating costs for transit agencies. The reserve fund provides stability if grant funding is reduced or during economic uncertainty and to pay for monthly operations. Where MTA differs slightly from other operators is in the pass through transit operations contract we have with MV Transportation. MTA is not contractually obligated to a set monthly cost the duration of the 5 year MV contract, only a set management percentage and reimbursement of actual operations cost, insurance, etc. With the pass through contract funding volatility is lessened. This provides more flexibility in setting of the reserve fund for MTA.

Commissioner Ray indicated that the operating plan is a goal and the MTA approves the budget annually. Motion by Board Member Ray for the acceptance of the 5 year Operating and Capital Plans for MTA, setting a reserve fund for MTA in the amount of \$620,000; MTA staff must obtain approval prior to moving funds from the reserve account to any fiscal year budget, also that a Capitol Building revenue account be created to retain annual budgeted amounts of \$6,625 for items identified in the Capital Plan – Building. Seconded by Board Member Allan; all ayes; motion carried.

- b. Information regarding FTA 5311(f) Funding - Intercity Services potential funding shortfall FFY 2017.

Pedersen reported that Caltrans Division of Mass Transportation (DMT) 5311f program (Sacramento) distributed a letter August 16, 2016, to 5311f grant recipients outlining funding shortfall in 2017. The letter was followed with a teleconference (between DMT and grant agencies) in August to discuss potential solutions. DMT requested information from all grant recipients regarding meaningful connections and expenditures, ridership data, and other topics. Staff will be assessing service/funding reductions and providing more information as it is available.

- c. Discussion and action to discontinue Alturas to Ft. Bidwell route beginning January 1, 2017 based on low ridership.

Pedersen stated that the Alturas to Ft. Bidwell service is funded through the 5311f program which reimburses 55.33% of the operating cost for the service. The service began in July 2014 and has struggled to gain ridership as shown on the Alturas – Cedarville – Ft. Bidwell Service. This service cost \$21,958 in FY 15/16 and \$995 was generated from passenger fares, which nets a 4% fare box revenue. Generally fare box revenue for a rural service should be at 10%. The service has been previously marketed at the Surprise Valley 50 group, the Surprise Valley Saturday Market, and through distribution of rider guides at Cedarville businesses. Staff recommends that the Alturas – Ft. Bidwell service is discontinued effective January 1, 2017. Motion by Board Member Ray for the approval to discontinue the Alturas – Ft. Bidwell service beginning January 1, 2017. Seconded by Board Member Allan; all ayes motion carried.

6. System Update, Communications, and Calendar

- a. **Staff updates** –Senior Transportation Planner Cindy Imbach presented an overview on the following charts and included information on the Cedarville Saturday Market runs.

1. **Sage Stage Operations Report** – Performance statistics (below) are accurate although unaudited.

Month	Passenger Trips			Miles			Fares		
	2016	2015	Change	2016	2015	Change	2016	2015	Change
July	1,223	1,202	↑1.7%	12,723	12,744	↑0.2%	\$6,497	\$7,085	↓8.3%
Aug	1,322	1,149	↑15.1%	14,777	12,022	↑22.9%	\$7,819	\$6,728	↓16.2%
Sept	1,037	1,242	↑16.5%	12,754	11,589	↑10.1%	\$5,726	\$6,621	↓13.5%

2. **Revenue Service Miles compared to Fuel Costs.**

Month	Miles			Fuel Cost			Fuel Cost per Mile		
	2016	2015	2014	2016	2015	2014	2016	2015	2014
July	12,723	12,744	11,181	\$2,764	\$3,293	\$4,586	.21¢	.25¢	.41¢
Aug	14,777	12,022	10,897	\$3,079	\$2,848	\$4,132	.20¢	.23¢	.37¢
Sept	12,754	11,589	10,282	\$	\$2,690	\$3,941	. ¢	.23¢	.38¢

3. **Ridership - US 395 intercity route by county of origin or destination (O/D)** –Operates between Alturas, Susanville, and Reno on reservation basis three (3) times per week on Mondays, Wednesdays, and Fridays.

Month	Modoc O/D		Lassen O/D		Total Ridership	
	2016	2015	2016	2015	2016	2015
July	58	69	110	114	168	183
Aug	78	74	122	98	200	172
Sept	52	52	75	69	127	121

4. **Ridership - Alturas-Cedarville-Ft. Bidwell** - Operates Thursdays by reservation only.

Month	Cedarville		Ft. Bidwell		Total Route Ridership	
	2016	2015	2016	2015	2016	2015
July	1	0	6	10	7	10
Aug	8	0	17	5	25	5
Sept	2	0	13	8	15	8

5. Saturday Farmers Market Ridership:

August 13 - 12 Passengers
 August 27 - 23 Passengers
 September 10 - Service Canceled – short of drivers

- b. **Other Information** – Sr. Transportation Planner Imbach informed members present that a new driver is being trained, and is anticipated to be driving by the end of October.

Calendar – consider future dates and events of interest:

10/04/16 MCTC and MTA regular meetings – Alturas City Council Chambers, 200 W. North St., Alturas
 10/10/16 Holiday - Office closed for Columbus Day - Sage Stage services operating
 11/24/16 Holiday - Office closed for Thanksgiving Day - Sage Stage services closed
 11/25/16 Holiday - Office closed for Day after Thanksgiving - Sage Stage services closed
 12/06/16 MCTC and MTA regular Meetings – Alturas City Council Chambers, 200 W. North St., Alturas

7. **Adjournment** - Board Member Ray motioned to adjourn meeting at 3:00 p.m.; seconded by Board Member Allan. All ayes; motion carried. The next regular meeting is scheduled for December 6, 2016, in the Alturas City Hall Council Chambers, 200 W. North Street, at about 2:00 p.m., following the MCTC meeting.

Submitted by,

Tiffany Gwinn
 Executive Assistant Secretary

Modoc Transportation Agency
Transactions by Account
As of October 31, 2016

Date	Num	Name	Amount	Balance
CD 36 Months - Plumas MTA-9346				303,964.96
10/21/2016		Interest	575.15	304,540.11
Total CD 36 Months - Plumas MTA-9346			575.15	304,540.11
LAIF-8025001				443,190.88
10/14/2016		Interest	804.68	443,995.56
Total LAIF-8025001			804.68	443,995.56
Plumas Operating MTA-0477				55,240.13
09/01/2016			352.10	55,592.23
09/01/2016	83116	Four Seasons Supply	-8.58	55,583.65
09/01/2016	90116	Amazon	-8.59	55,575.06
09/01/2016	83116	Amazon	-13.99	55,561.07
09/01/2016	90116	Amazon	-22.22	55,538.85
09/01/2016	90117	Amazon	-26.66	55,512.19
09/01/2016	90118	TCE Communications	-56.15	55,456.04
09/02/2016		Farebox	41.00	55,497.04
09/02/2016		AP Tech	300.00	55,797.04
09/02/2016		LTF	16,167.27	71,964.31
09/06/2016		Farebox	309.76	72,274.07
09/06/2016		Farebox	18.00	72,292.07
09/06/2016	2090	EDI Media	-150.00	72,142.07
09/06/2016	2091	Waste Management	-56.54	72,085.53
09/07/2016		Farebox	77.00	72,162.53
09/07/2016	2092	MV Transportation	-17,299.19	54,863.34
09/07/2016	2093	Ray Morgan Company	-88.86	54,774.48
09/07/2016	2094	Ed Staub & Sons	-3,079.06	51,695.42
09/07/2016	2095	Fredrick Janitorial	-275.00	51,420.42
09/07/2016	2096	Fred Sandaval	-22.00	51,398.42
09/08/2016		Farebox	546.20	51,944.62
09/08/2016	2097	Modoc Medical Center	-76.00	51,868.62
09/09/2016		Farebox	98.00	51,966.62
09/12/2016		Farebox	479.55	52,446.17
09/12/2016		Farebox	44.00	52,490.17
09/12/2016	91016	Canby Post Office	-94.00	52,396.17
09/13/2016		Farebox	176.00	52,572.17
09/13/2016		Farebox	416.60	52,988.77
09/13/2016	2099	Reno Tahoe Airport Authority	-15.00	52,973.77
09/13/2016	91316	Amazon	-6.00	52,967.77
09/13/2016	91317	Amazon	-17.78	52,949.99
09/13/2016	91318	Amazon	-32.04	52,917.95
09/13/2016	91319	Amazon	-41.97	52,875.98
09/13/2016	91320	Amazon	-52.42	52,823.56
09/14/2016		Farebox	50.00	52,873.56

Modoc Transportation Agency
Transactions by Account
As of October 31, 2016

Date	Num	Name	Amount	Balance
09/14/2016	91416	Amazon	-17.86	52,855.70
09/14/2016	91417	Amazon	-10.92	52,844.78
09/14/2016	91418	Amazon	-47.25	52,797.53
09/15/2016		Farebox	251.75	53,049.28
09/16/2016		Farebox	76.65	53,125.93
09/19/2016		Farebox	215.16	53,341.09
09/19/2016		Farebox	269.00	53,610.09
09/19/2016		Farebox	12.85	53,622.94
09/19/2016		Farebox	840.00	54,462.94
09/19/2016	2100	Perry's Automotive	-1,498.99	52,963.95
09/20/2016		Farebox	237.60	53,201.55
09/21/2016		Farebox	29.10	53,230.65
09/22/2016		Farebox	441.85	53,672.50
09/23/2016		Farebox	97.92	53,770.42
09/26/2016		Farebox	348.05	54,118.47
09/26/2016	2101	Modoc Medical Center	-76.00	54,042.47
09/27/2016		Farebox	225.00	54,267.47
09/27/2016	2102	Verizon Wireless	-142.61	54,124.86
09/27/2016	2103	Perry's Automotive	-534.79	53,590.07
09/27/2016	2104	Pacific Power	-465.75	53,124.32
09/27/2016	92716	TCE Communications	-56.15	53,068.17
09/28/2016		Farebox	30.11	53,098.28
09/29/2016		Farebox	281.50	53,379.78
09/29/2016	92916	Alturas Auto Parts	-57.38	53,322.40
09/29/2016	92916	Amazon	-23.03	53,299.37
09/29/2016	92917	Amazon	-129.25	53,170.12
09/30/2016	2098	Pepsi-Cola Bottling Company	-35.95	53,134.17
10/03/2016		Farebox	68.00	53,202.17
10/03/2016		Farebox	353.00	53,555.17
10/03/2016		Farebox	14.00	53,569.17
10/03/2016		AP Tech	300.00	53,869.17
10/03/2016	2105	City Of Alturas	-165.00	53,704.17
10/03/2016	100316	Amazon	-13.27	53,690.90
10/03/2016	100317	Amazon	-7.24	53,683.66
10/04/2016		Farebox	509.00	54,192.66
10/04/2016	2106	Tnet Broadband Internet, LLC	-48.00	54,144.66
10/04/2016	2107	Waste Management	-88.66	54,056.00
10/04/2016	2108	Modoc County Record	-37.50	54,018.50
10/04/2016	100416	Four Corner's Market	-23.86	53,994.64
10/05/2016		Farebox	34.00	54,028.64
10/05/2016	2109	Shawn Brimble	-513.20	53,515.44
10/05/2016	2110	EDI Media	-150.00	53,365.44

Modoc Transportation Agency
Transactions by Account
As of October 31, 2016

Date	Num	Name	Amount	Balance
10/05/2016	2111	Rim Rock Motel	-600.00	52,765.44
10/06/2016		Farebox	301.00	53,066.44
10/07/2016	100716	Staples	-111.98	52,954.46
10/07/2016	100716	Home Depot	-25.91	52,928.55
10/11/2016		Farebox	79.00	53,007.55
10/11/2016		Farebox	450.00	53,457.55
10/11/2016		Farebox	363.95	53,821.50
10/11/2016		LTF	21,769.76	75,591.26
10/12/2016		Farebox	40.00	75,631.26
10/12/2016	2112	Shawn Brimble	0.00	75,631.26
10/12/2016	2113	Shawn Brimble	-497.20	75,134.06
10/12/2016		Farebox	64.45	75,198.51
10/12/2016	2114	Fredrick Janitorial	-275.00	74,923.51
10/12/2016	2115	Ray Morgan Company	-84.49	74,839.02
10/13/2016		Farebox	368.15	75,207.17
10/14/2016		Farebox	74.63	75,281.80
10/17/2016		Farebox	2.00	75,283.80
10/17/2016		Farebox	4.00	75,287.80
10/17/2016		Farebox	187.00	75,474.80
10/17/2016	2116	Modoc County Transportation Commission	-23,835.58	51,639.22
10/17/2016		MCTC	4,282.35	55,921.57
10/18/2016		Farebox	21.00	55,942.57
10/18/2016	101716	Days Inn, Rancho Cordova	-288.20	55,654.37
10/18/2016		Farebox	21.00	55,675.37
10/18/2016		Farebox	103.00	55,778.37
10/18/2016	2117	Ed Staub & Sons	-2,727.60	53,050.77
10/18/2016		Farebox	289.00	53,339.77
10/18/2016	2118	Perry's Automotive	-2,728.34	50,611.43
10/18/2016	2119	Larranaga Trucking & Construction	-2,600.00	48,011.43
10/18/2016	101816	Amazon	-16.25	47,995.18
10/18/2016	101817	Amazon	-17.86	47,977.32
10/18/2016	101818	Amazon	-17.86	47,959.46
10/18/2016	101819	Amazon	-23.14	47,936.32
10/18/2016	101820	Amazon	-41.39	47,894.93
10/19/2016		Farebox	50.00	47,944.93
10/20/2016		Farebox	660.00	48,604.93
10/20/2016		Farebox	200.00	48,804.93
10/20/2016		Farebox	135.00	48,939.93
10/20/2016	101916	Days Inn, Rancho Cordova	-216.15	48,723.78
10/20/2016		Farebox	50.00	48,773.78
10/21/2016		Farebox	72.00	48,845.78
10/21/2016		Farebox	277.00	49,122.78

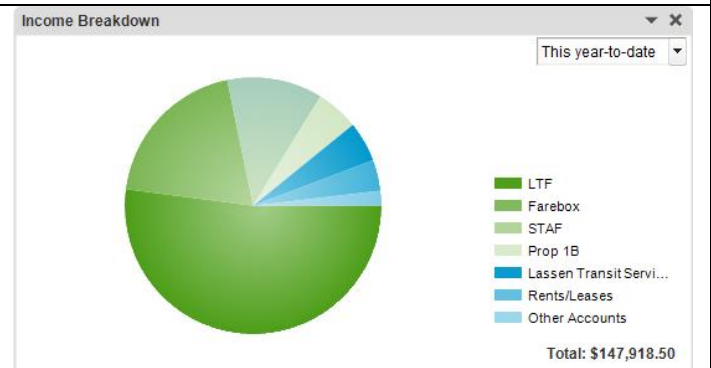
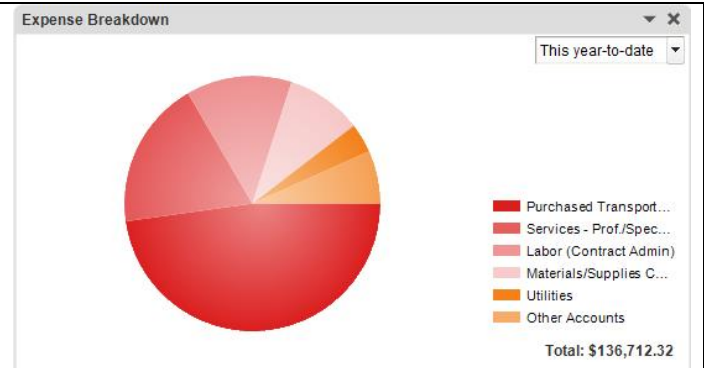
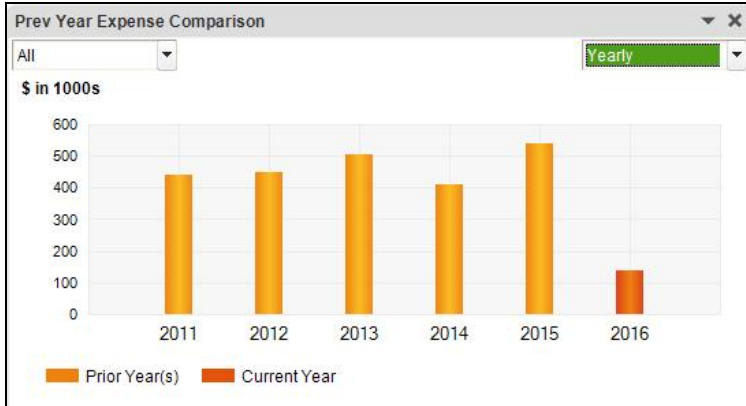
11:42 AM
 11/23/16
 Accrual Basis

Modoc Transportation Agency Transactions by Account As of October 31, 2016

Date	Num	Name	Amount	Balance
10/24/2016		Farebox	217.00	49,339.78
10/25/2016	102516	Four Corner's Market	-53.13	49,286.65
10/25/2016		Farebox	16.00	49,302.65
10/25/2016		Farebox	197.50	49,500.15
10/25/2016	2120	Ed Staub & Sons	-152.16	49,347.99
10/25/2016	2121	MV Transportation	-17,007.37	32,340.62
10/25/2016	2122	Pacific Power	-387.64	31,952.98
10/25/2016	2123	Verizon Wireless	-142.53	31,810.45
10/26/2016		Farebox	44.00	31,854.45
10/27/2016		Farebox	264.05	32,118.50
10/27/2016		Farebox	23.00	32,141.50
10/27/2016	102716	TCE Communications	-56.15	32,085.35
10/28/2016		Farebox	72.00	32,157.35
10/31/2016		Farebox	291.45	32,448.80
10/31/2016	2124	City Of Alturas	-166.04	32,282.76
Total Plumas Operating MTA-0477			-22,957.37	32,282.76
Treasurer Operating MTA-650				0.00
Total Treasurer Operating MTA-650				0.00
TOTAL			-21,577.54	780,818.43

Modoc Transportation Agency

Company Snapshots (As of 11-23-16)



11:34 AM
11/23/16
Accrual Basis

Modoc Transportation Agency
Balance Sheet
As of October 31, 2016

	Oct 31, 16
ASSETS	
Current Assets	
Checking/Savings	
CD 36 Months - Plumas MTA-9346	304,540.11
LAIF-8025001	443,995.56
Plumas Operating MTA-0477	32,282.76
Total Checking/Savings	780,818.43
Accounts Receivable	
Accounts Receivable	8,430.00
Total Accounts Receivable	8,430.00
Other Current Assets	
Undeposited Funds	133,146.75
Total Other Current Assets	133,146.75
Total Current Assets	922,395.18
Fixed Assets	
Fixed Assets	
A/C depreciatlon-Office equipme	-74,181.87
A/C depreciation-Building	-121,545.10
A/C depreciation-Bus Shelter	-2,077.78
A/C depreciation-vehicles	-444,100.25
Building-Bus Shelter	20,330.77
Building-Office Facility	1,117,764.69
Land	781,745.31
Office equipment	79,044.80
Vehicles	840,742.92
Total Fixed Assets	2,197,723.49
Total Fixed Assets	2,197,723.49
TOTAL ASSETS	3,120,118.67
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	771.30
Total Accounts Payable	771.30
Total Current Liabilities	771.30
Total Liabilities	771.30
Equity	
Opening Bal Equity	654,751.39
Retained Earnings	2,464,019.46
Net Income	576.52
Total Equity	3,119,347.37
TOTAL LIABILITIES & EQUITY	3,120,118.67

11:29 AM

11/23/16

Accrual Basis

Modoc Transportation Agency

Balance Sheet

As of October 31, 2016

	Oct 31, 16
Total Current Liabilities	771.30
Total Liabilities	771.30
Equity	
Opening Bal Equity	654,751.39
Retained Earnings	2,464,019.46
Net Income	576.52
Total Equity	3,119,347.37
TOTAL LIABILITIES & EQUITY	3,120,118.67

11:30 AM
11/23/16
Accrual Basis

Modoc Transportation Agency
Profit & Loss
July through October 2016

	Jul - Oct 16
Ordinary Income/Expense	
Income	
Farebox	
Cedarville/Ft. Bidwell Fares	527.00
Dial A Ride Fares	
Farecard \$20	290.00
Dial A Ride Fares - Other	4,568.11
Total Dial A Ride Fares	4,858.11
Klamath Falls Fares	1,296.75
Redding Fares	3,310.30
Reno Fares	15,723.80
Total Farebox	25,715.96
Interest	2,753.59
Lassen Transit Service Agency	7,500.00
LTF	64,244.30
Prop 1B	
CTAF	7,940.00
Total Prop 1B	7,940.00
Rents/Leases	5,482.35
Total Income	113,636.20
Expense	
Facility Maintenance	2,600.00
Insurance	3,196.00
Labor (Contract Admin)	18,259.18
Legal Notices	70.50
Marketing/Promotions	859.63
Materials/Supplies Consumed	
Fuel/Lubricants	
Dial A Ride Fuel	2,867.65
Klamath Falls Fuel	486.12
Redding Fuel	1,431.45
Reno Fuel	3,623.65
Fuel/Lubricants - Other	165.56
Total Fuel/Lubricants	8,574.43
Office Supplies	1,232.27
Shop & Bus Supplies	773.59
Total Materials/Supplies Consumed	10,580.29
Purchased Transportation	
PT VA-HOL	160.39
PT Administration	5,300.58
PT Cedarville	1,652.90
PT Dial A Ride	20,734.47
PT Klamath Falls	2,846.35
PT Redding	5,906.52
PT Reno	12,201.64
PT Sick Leave	802.46
Total Purchased Transportation	49,605.31
Services - Prof./Specialized	
Accounting / Auditor Services	5,576.40
Legal Services	94.00
Services - Other (Misc.)	1,277.00
Vehicle Maintenance	
T12	2,332.36
T14	4,033.49
T15	189.08

Report to Modoc Transportation Agency Board Members	
Subject Regular Business	Meeting Date December 6, 2016
Presented by MTA Staff	Agenda Item 5

Items with attachments, shown in bold:

- a. Consider approval the **FY 2015/16 Fiscal Audits**; authorize the Executive Director to approve minor modifications by Singleton-Auman.
- b. Consider adopting **Resolution 16-01a FY 2016/17 MTA Budget**; recommend approval of the budget modifications to align with the MTA 5 year Operating Plan.
- c. Declare T-15 Surplus; authorize Executive Director to advertise an invitation for sealed bids, open and award to highest bidder, and sell asset, pending approval by Caltrans.
- d. Update on Federal Transit Assistance 5311f Intercity Funding shortfall.

- e. Consider adopting the **Purchasing Authorization, Check Processing and Disbursements Policy for MTA**, effective January 1, 2017.

Following the Singleton Auman (SA) FY 2015/16 audit, discussions occurred with Clay Singleton, SA, regarding any needed policies, procedures, or other changes implemented since MCTC separated from the County. It was recommended that we implement a policy regarding 2 signatures for checks and invoice approval (being the Executive Director and Chair of MCTC). We have been working on a financial and accounting policy and procedure manual, of which this will be incorporated; this manual will likely be placed on the February 2017 MCTC agenda. Staff would like to implement this policy January 1, 2017, and recommends approval hereof.

- f. Consider adoption of **Resolution 16-04 Calendar Year 2017 Authorized Signatories for Plans and Programs**.

This is the annual resolution that authorizes staff to manage and implement agency plans and programs; staff recommends approval.

- g. Nominate MTA Chair and Vice Chair for Calendar Year 2017.

Staff recommends that the MTA appoint a Chair and Vice Chair for the coming year effective January 1, 2017.

MTA FY 2015/16
Audit - Draft 1
Clarifications / Changes
Niki Witherspoon

11/17/16

1) Pg. 11	<p>Provide Details – Notes to Financial Statements – Farebox Revenue Ratio has been removed. Can we add back in?</p> <p>Provided Details - Notes to Financial Statements – Proposition 1B Funding Note removed. Revenue not received in this year however note that \$7,940 for FY 14/15 is in reserve for a three phase Bus Shelter project. We will get revenue in future years.</p> <p>Plumas Bank Saving Account – Change to Plumas Bank CD</p>
2) Pg. 13	<p>Non-Operating Revenue (Expenses) – Add Depreciation to match Revenues of \$110,000 or Delete on Operating Revenue.</p>
3) Pg 19	<p>Provided Details – Internal Control changed from Material Weakness last Audit to Significant Deficiency in this Audit.</p>

MODOC COUNTY TRANSPORTATION COMMISSION

ALTURAS, CALIFORNIA

**AUDIT REPORT
FOR THE YEAR ENDED
JUNE 30, 2016**

MODOC COUNTY TRANSPORTATION COMMISSION
AUDIT FINANCIAL STATEMENTS
JUNE 30, 2016

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FINANCIAL SECTION

Independent Auditors' Report

Board of Commissioners
Modoc County Transportation Commission
Alturas, CA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the major funds of the Modoc County Transportation Commission (Commission) as of and for the year ended June 30, 2016, 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.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, the business-type activities, and the major funds of Modoc County Transportation Commission as of June 30, 2016, 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.

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 identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a basic part of the 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.

Other Supplementary Information

The Other Supplementary Information is presented for purposes of additional analysis and are not required part of the basic financial statements.

The other supplementary information schedules are the responsibility of management and were derived from and relate 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 or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards accepted in the United States of America. In our opinion the other supplementary information schedules as listed in the table of contents are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2016 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 the 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.

Respectfully Submitted,

SingletonAuman PC
Susanville, CA
October 13, 2016

MODOC COUNTY TRANSPORTATION COMMISSION
Management's Discussion and Analysis (MD&A)
June 30, 2016

INTRODUCTION

The Modoc County Transportation Commission (Commission) was created pursuant to California Government Code Section 67910, as a local planning commission to provide regional transportation planning activities in Modoc County.

This discussion and analysis of Modoc County Transportation Commission's financial performance provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2016. It should be read in conjunction with the Commission's financial statements, including notes and supplementary information, which follow this section.

FINANCIAL HIGHLIGHTS

- ❑ Total net position was \$3,337,964 at June 30, 2016. This was an increase of \$126,242 over the prior year.
- ❑ Overall revenues were \$980,903, which was more than expenses of \$854,661, by \$126,242.
- ❑ The total cost of the Commission's programs increased by \$176,108 from last year.
- ❑ The Commission has no long term debt for the year ended June 30, 2016.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The three sections together provide a comprehensive overview of the Commission. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- ❑ Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
- ❑ Fund financial statements focus on reporting the individual parts of the Commission operations in more detail. The fund financial statements comprise the remaining statements.
 - Governmental funds tell how services were financed in the short-term as well as what remains for future spending.
 - Proprietary funds statements provide information about the short and long-term financial information of the Commission that operate like businesses.
 - Fiduciary funds statements provide information about the financial relationships in which the Commission acts solely as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required

supplementary information that further explains and supports the financial statements. A comparison of the district's budget for the year is included.

Government-Wide Statements

The government-wide statements report information about the Commission as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government'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 Commission's net position and how they have changed. Net Position, the difference between the assets and liabilities, is one way to measure the Commission's financial health or position.

- ❑ Over time, increases or decreases in the Commission's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- ❑ To assess the overall health of the Commission, one needs to consider additional nonfinancial factors such as changes in the property tax base, changes in program funding by the Federal and State governments, and condition of facilities.

The government-wide financial statements of the Commission include business-type activities. Most of the Commission's basic services are included here, such transit services. Customer payments finance some of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Commission's most significant funds-not the Commission as a whole. Funds are accounting devices that the Commission uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by state law and by bond covenants. The Manager and Board of Commissioners establish other funds to control and manage money for particular purposes or to show that the Commission is meeting legal responsibilities for using certain revenues. The Commission has three kinds of funds

- ❑ Governmental Fund – The Planning Fund is the operating fund of the Commission. The major revenue sources for this fund are state grants and local transportation funds.
- ❑ Proprietary Fund – Services for which the Commission expects to support services from user fees are generally reported in proprietary funds. The Transit Fund is considered to be proprietary. Proprietary funds are reported in the same way as the district-wide financial statements.
- ❑ Fiduciary Funds – The Commission is the trustee, or fiduciary, for assets that belong to others. The Local Transportation Trust Fund and the State Transit Assistance Fund are expendable trust funds. The Commission is responsible for ensuring that assets reported in these funds are used only for their intended purposes. All of the Commission's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the Commission-wide financial statements because the Commission cannot use the assets to finance its operations.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The Commission's business-type and governmental net positions were \$3,118,771 and \$219,193, respectively, at June 30, 2016. See Table 1.

Table 1:
Net Position for Business-Type Activities

	Business-Type Activities		Total Percentage
	2016	2015	Change 2016-15
Assets			
Cash and Investments	\$ 994,578	\$ 737,898	34.79%
Accounts Receivable	143,661	114,348	25.63%
	<u>1,138,239</u>	<u>852,246</u>	
Capital Assets, Net of Accumulated Depreciation	<u>2,023,280</u>	<u>2,142,286</u>	-5.56%
TOTAL ASSETS	<u><u>\$ 3,161,519</u></u>	<u><u>\$ 2,994,532</u></u>	
Current Liabilities:			
Accounts Payable	\$ 42,748	\$ 1,358	3047.86%
Total Current Liabilities	<u>42,748</u>	<u>1,358</u>	
TOTAL LIABILITIES	<u><u>\$ 42,748</u></u>	<u><u>\$ 1,358</u></u>	
Net Position			
Net Investment in Capital Assets	\$ 2,023,280	\$ 2,142,286	-5.56%
Unrestricted	<u>1,095,491</u>	<u>850,888</u>	28.75%
TOTAL NET POSITION	<u><u>\$ 3,118,771</u></u>	<u><u>\$ 2,993,174</u></u>	

Net Position for Governmental Activities

	Governmental Activities		Total Percentage Change
	2016	2015	2016-2015
Assets			
Cash and Investments	\$ 218,092	\$ 234,708	-7.08%
Accounts Receivable	62,949	75,437	-16.55%
	<u>281,041</u>	<u>310,145</u>	
Capital Assets, Net of Accumulated Depreciation	9,413	2,063	356.28%
TOTAL ASSETS	<u>\$ 290,454</u>	<u>\$ 312,208</u>	
Current Liabilities:			
Accounts Payable	\$ 4,954	\$ -	
Compensated Absences	36,307	33,660	7.86%
Unearned Revenue	30,000	60,000	-50.00%
Total Current Liabilities	<u>71,261</u>	<u>93,660</u>	
TOTAL LIABILITIES	<u>\$ 71,261</u>	<u>\$ 93,660</u>	
Net Position			
Net Investment in Capital Assets	\$ 9,413	\$ 2,063	356.28%
Restricted	209,780	216,485	-3.10%
TOTAL NET POSITION	<u>\$ 219,193</u>	<u>\$ 218,548</u>	

Changes in Net Position

The Commission's business-type and governmental revenues were \$662,826 and \$318,077, respectively.

The total cost of all program expenses for transportation and planning and administration expenditures was \$537,229 and \$317,432, respectively.

Table 2:
Changes in Net Position -Governmental Activities

	Governmental Activities		Total Percentage
	2016	2015	Change
			2016-2015
Revenues			
Operating Grants and Contributions	\$ 317,405	\$ 283,097	12.12%
Other Income	672	383	75.46%
TOTAL REVENUES	318,077	283,480	12.20%
Program Expenses			
Planning and Administration	317,432	268,206	18.35%
TOTAL EXPENSES	317,432	268,206	18.35%
INCREASE (DECREASE) IN NET POSITION	<u>\$ 645</u>	<u>\$ 15,274</u>	

Changes in Net Position Business-Type Activities

	Business-Type Activities		Total Percentage
	2016	2015	Change
			2016-2015
Revenues			
Sales and Gas Taxes	\$ 150,000	\$ 140,000	7.14%
Charges for Services	79,524	69,490	14.44%
Other Income	30,772	8,260	272.54%
Operating Grants and Contributions	153,037	177,711	-13.88%
Capital Grants and Contributions	249,493	216,891	15.03%
TOTAL REVENUES	662,826	612,352	8.24%
Program Expenses			
Transit	537,229	410,347	30.92%
TOTAL EXPENSES	537,229	410,347	
INCREASE (DECREASE) IN NET POSITION	<u>\$ 125,597</u>	<u>\$ 202,005</u>	

Table 3 presents the cost of each of the Commission's functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by charges for services, operating grants and capital grants and contributions.

Table 3
Net Cost of Business-Type Activities

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
Transit	\$ 537,229	\$ 410,347	\$ (55,175)	\$ 53,745
TOTAL	\$ 537,229	\$ 410,347	\$ (55,175)	\$ 53,745

Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
Planning and Admin	\$ 317,432	\$ 268,206	\$ (27)	\$ 14,891
TOTAL	\$ 317,432	\$ 268,206	\$ (27)	\$ 14,891

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The overall financial performance of the Commission as a whole is reflected in the communication between the Board of Commissioners and the Commission employees as they all work together in providing the best quality of service to its customers. As the Commission completed the year, its proprietary fund reported a net position of \$3,118,771, which is above last year's ending net position of \$2,993,174. The Commission's governmental fund reported a fund equity of \$219,193, which is above last year's ending fund equity of \$218,548.

Budgetary Highlights

Over the course of the year, the Commission does revise its annual budget to reflect unexpected changes in revenues and expenditures. The budget was approved by June 30 for the 2015-2016 fiscal year. A schedule of the Commission's original and final budget amounts compared with actual revenues and expenses are provided in the supplemental section of the audited financial report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2016 the Commission had invested in a broad range of capital assets, including land, equipment and the sewer system. See Table 4. More detailed information about the Commission's capital assets is presented in the notes to the financial statements. During the year the Commission completed construction on the new building for operations.

Table 4
Capital Assets Business-Type Activities

	Business-Type Activities		Total Percentage
	2016	2015	Change 2016-2015
Land and Improvements	\$ 781,745	\$ 781,745	0.00%
Vehicles, Buildings and Equipment	1,883,440	1,994,587	-5.57%
Totals at Historical Cost	2,665,185	2,776,332	
Total Accumulated Depreciation	(641,905)	(634,045)	1.24%
NET CAPITAL ASSETS	\$ 2,023,280	\$ 2,142,287	

Capital Assets Governmental Activities

	Governmental Activities		Total Percentage
	2016	2015	Change 2016-2015
Vehicles and Other Equipment	\$ 64,719	\$ 60,483	7.00%
Totals at Historical Cost	64,719	60,483	
Total Accumulated Depreciation	(55,306)	(58,420)	-5.33%
NET CAPITAL ASSETS	<u>\$ 9,413</u>	<u>\$ 2,063</u>	

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Commission's financial planning is based on specific assumptions from recent trends, State of California economic forecasts and historical growth patterns in the various communities served by the Commission.

The economic condition of the Commission as it appears on the balance sheet reflects financial stability and the potential for organizational growth. The Commission continues to be encouraged by development throughout its boundaries. The Commission will continue to maintain a watchful eye over expenditures and remain committed to sound fiscal management practices to deliver the highest quality service to citizens of the area.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, participants, investors and creditors with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact:

Debbie Pedersen, Executive Director
Modoc County Transportation Commission
108 S. Main Street
Alturas, CA 96101

MODOC COUNTY TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 218,092	\$ 994,578	\$ 1,212,670
Accounts Receivable	62,949	143,661	206,610
Total Current Assets	<u>281,041</u>	<u>1,138,239</u>	<u>1,419,280</u>
Property, Plant & Equipment, Net	<u>9,413</u>	<u>2,023,280</u>	<u>2,032,693</u>
 Total Assets	 <u>\$ 290,454</u>	 <u>\$ 3,161,519</u>	 <u>\$ 3,451,973</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 4,954	\$ 42,748	\$ 47,702
Compensated Absences	36,307	-	36,307
Unearned Revenue	30,000	-	30,000
Total Current Liabilities	<u>71,261</u>	<u>42,748</u>	<u>114,009</u>
 Total Liabilities	 <u>\$ 71,261</u>	 <u>\$ 42,748</u>	 <u>\$ 114,009</u>
NET POSITION			
Net Investment in Capital Assets	\$ 9,413	\$ 2,023,280	\$ 2,032,693
Restricted	209,780	-	209,780
Unrestricted	-	1,095,491	1,095,491
Total Net Position	<u>\$ 219,193</u>	<u>\$ 3,118,771</u>	<u>\$ 3,337,964</u>

The accompanying notes are an integral part of this statement.

MODOC COUNTY TRANSPORTATION COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		Net (Expense) Revenue and Changes in Net Assets		Net (Expense) Revenue and Changes in Net Position	
	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Governmental Activities	Business Type Activities	Governmental Activities	Total
Governmental Activities									
General Government									
Planning and Administration	\$ 317,432	\$ -	\$ -	\$ -	\$ -	\$ (27)	\$ -	\$ -	\$ (27)
Total Governmental Activities	<u>317,432</u>	<u>317,405</u>	<u>-</u>	<u>(27)</u>	<u>-</u>	<u>(27)</u>	<u>-</u>	<u>-</u>	<u>(27)</u>
Business Type Activities									
Transit									
Greyhound Ticket Sales	537,229	79,524	249,493				(55,175)		(55,175)
Total Business Type Activities	<u>537,229</u>	<u>79,524</u>	<u>249,493</u>	<u>-</u>	<u>(55,175)</u>	<u>-</u>	<u>(55,175)</u>	<u>-</u>	<u>(55,175)</u>
Total Primary Government	<u>\$ 854,661</u>	<u>\$ 470,442</u>	<u>\$ 249,493</u>	<u>(27)</u>	<u>(55,175)</u>	<u>(27)</u>	<u>(55,202)</u>		<u>(55,202)</u>
General Revenues:									
Sales Tax							150,000		150,000
Interest							3,707		4,379
Other Income							27,065		27,065
Total General Revenue							<u>180,772</u>		<u>181,444</u>
Change in Net Position				645			125,597		126,242
Net Position Beginning				218,548			2,993,174		3,211,722
Net Position Ending				<u>\$ 219,193</u>			<u>\$ 3,118,771</u>		<u>\$ 3,337,964</u>

The accompanying notes are an integral part of this statement.

MODOC COUNTY TRANSPORTATION COMMISSION
BALANCE SHEET-GOVERNMENTAL FUND
JUNE 30, 2016

Planning
Fund

ASSETS

Cash in Banks	\$ 211,675
Cash in the County Treasury	6,417
Accounts Receivable	<u>62,949</u>
 TOTAL ASSETS	 <u><u>\$ 281,041</u></u>

LIABILITIES AND FUND EQUITY

Liabilities:

Accrued Liabilities	\$ 4,954
Compensated Absences	36,307
Unearned Revenue	<u>30,000</u>
Total Liabilities	<u>71,261</u>

Fund Equity:

Restricted Fund Equity	<u>209,780</u>
Total Fund Equity	<u>209,780</u>

TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 281,041</u></u>
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The accompanying notes are an integral part of this statement.

**MODOC COUNTY TRANSPORTATION COMMISSION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2016**

Total Fund Balances - Governmental Funds	\$ 209,780
Reconciling Items:	
Capital Assets are not recorded in the governmental funds	<u>9,413</u>
Total Net Position - Governmental Activities	<u><u>\$ 219,193</u></u>

The accompanying notes are an integral part of this statement.

MODOC COUNTY TRANSPORTATION COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Planning Fund</u>
Revenues	
Local Transportation Funds	\$ 70,000
Rural Planning Assistance	177,088
Planning, Programming and Monitoring	60,000
Other Income	<u>10,989</u>
 Total Revenues	 <u>318,077</u>
 Expenditures	
Planning and Administration	<u>324,782</u>
Total Expenditures	<u>324,782</u>
 Excess Of Revenues Over (Under) Expenditures	 <u>(6,705)</u>
 Fund Balances - July 1	 <u>216,485</u>
 Fund Balances - June 30	 <u><u>\$ 209,780</u></u>

The accompanying notes are an integral part of this statement.

MODOC COUNTY TANSPORTATION COMMISSION
RECONCILIATION OF THE THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF
ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Net Changes in fund balances - total governmental funds	\$ (6,705)
Reconciling Items:	
The depreciation of capital assets is not recorded in the funds	(2,941)
Capital Outlay is recorded in the governmental funds	
but not the SOA	4,236
Disposition of Capital Assets is recorded in the governmental funds	
but not the SOA	<u>6,055</u>
Changes in net position of governmental activities - statement of activities	<u>\$ 645</u>

The accompanying notes are an integral part of this statement.

**MODOC TRANSPORTATION AGENCY
TRANSPORTATION DEVELOPMENT ACT FUNDS
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

	<u>2016</u> Transit Fund	<u>2015</u> Transit Fund
ASSETS		
Current Assets:		
Cash	\$ 994,578	\$ 737,898
Accounts Receivable	<u>143,661</u>	<u>114,348</u>
Total Current Assets	1,138,239	852,246
Property, Plant & Equipment, Net	<u>2,023,280</u>	<u>2,142,286</u>
 Total Assets	 <u><u>\$ 3,161,519</u></u>	 <u><u>\$ 2,994,532</u></u>
 LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 42,748	\$ 1,358
Total Liabilities	<u><u>\$ 42,748</u></u>	<u><u>\$ 1,358</u></u>
 NET POSITION		
Net Investment in Capital Assets	\$ 2,023,280	\$ 2,142,286
Unrestricted	<u>1,095,491</u>	<u>850,888</u>
Total Net Position	<u><u>\$ 3,118,771</u></u>	<u><u>\$ 2,993,174</u></u>

The accompanying notes are an integral part of this statement.

MODOC TRANSPORTATION AGENCY
TRANSPORTATION DEVELOPMENT ACT FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)

	<u>2016</u>	<u>2015</u>
Operating Revenues:		
Fare Revenues	\$ 79,524	\$ 69,490
Total Operating Revenue	<u>79,524</u>	<u>69,490</u>
Operating Expenses:		
Contract Transportation Services	228,069	135,031
Vehicle and Equipment Maintenance	32,112	31,256
Fuel	32,241	40,376
Labor	71,398	31,285
Utilities	16,342	16,001
Marketing	5,793	8,988
Other Expenses	30,492	31,268
Depreciation	120,782	116,142
Total Operating Expenses	<u>537,229</u>	<u>410,347</u>
Operating Income (Loss)	<u>(457,705)</u>	<u>(340,857)</u>
Non-Operating Revenues and (Expenses):		
Local Transportation Funds	150,000	140,000
State Transportation Assistance Funds	20,671	44,748
Federal Grants	249,493	134,972
RSTP	95,285	57,633
Lassen Transit Service Agency	27,977	20,747
PTMISEA		107,233
LCTOP	9,104	
CTAF		7,940
Other	27,065	27,507
Interest	3,707	2,082
Total Non-Operating Revenues and (Expenses)	<u>583,302</u>	<u>542,862</u>
Change in Net Position	<u>125,597</u>	<u>202,005</u>
Net Position, Beginning of the Period	<u>2,993,174</u>	<u>2,791,169</u>
Net Position, End of the Period	<u>\$ 3,118,771</u>	<u>\$ 2,993,174</u>

The accompanying notes are an integral part of this statement.

**MODOC TRANSPORTATION AGENCY
TRANSPORTATION DEVELOPMENT ACT FUNDS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

	2016	2015
Cash Flows from Operating Activities:		
Cash Received From Passengers	\$ 79,524	\$ 69,490
Cash Payments to Employees	(71,398)	(31,285)
Cash Payments to Suppliers for Goods and Services	(303,659)	(286,608)
Net Cash Provided (Used) by Operating Activities	(295,533)	(248,403)
Cash Flows from Non-Capital Financing Activities:		
Received from Other Governmental Agencies	521,441	698,483
Greyhound and Other Income	20,492	21,507
Net Cash Provided (Used) by Non-Capital Financing Activities	541,933	719,990
Cash Flows from Capital and Related Financing Activities:		
Purchases of Property and Equipment		(417,705)
Dispositions of Property and Equipment	6,573	6,000
Net Cash Provided (Used) by Capital Financing Activities	6,573	(411,705)
Cash Flows from Investing Activities		
Interest Earned	3,707	2,082
Net Cash Provided (Used) by Investing Activities	3,707	2,082
Net Increase (Decrease) in Cash and Cash Equivalents	256,680	61,964
Cash and Cash Equivalents:		
Balance - July 1	737,898	675,934
Balance - June 30	\$ 994,578	\$ 737,898
Reconciliation:		
Operating Income (Loss)	\$ (457,705)	\$ (340,857)
Depreciation and Amortization	120,782	116,142
Increase/(Decrease) in Accounts Payable	41,390	(23,688)
Net Cash Provided (Used) by Operating Activities	\$ (295,533)	\$ (248,403)

The accompanying notes are an integral part of this statement.

MODOC COUNTY TRANSPORTATION COMMISSION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)

	2016 Expendable Trust Funds	2015 Expendable Trust Funds
<u>ASSETS</u>		
Cash in the County Treasury	\$ 21,944	\$ 12,732
Accounts Receivable		10,477
TOTAL ASSETS	<u>\$ 21,944</u>	<u>\$ 23,209</u>
<u>LIABILITIES AND NET POSITION</u>		
Liabilities:		
Accounts Payable		\$ 10,477
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 10,477</u>
Net Position:		
Held in Trust	\$ 21,944	\$ 12,732
TOTAL NET POSITION	<u>\$ 21,944</u>	<u>\$ 12,732</u>

The accompanying notes are an integral part of this statement.

MODOC COUNTY TRANSPORTATION COMMISSION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)

	2016 Expendable Trust Funds	2015 Expendable Trust Funds
Revenues		
Sales Tax	\$ 229,116	\$ 231,228
Intergovernmental	20,671	44,748
Other Local Income	<u>96</u>	<u>74</u>
 Total Revenues	 <u>249,883</u>	 <u>276,050</u>
Expenditures		
Modoc County Transportation Commission	70,000	80,000
Modoc Transportation Agency	<u>170,671</u>	<u>184,749</u>
 Total Expenditures	 <u>240,671</u>	 <u>264,749</u>
 Excess Of Revenues Over (Under)		
Expenditures	<u>9,212</u>	<u>11,301</u>
 Excess Of Revenues And Transfers In		
Over(Under) Expenditures And Transfers Out	9,212	11,301
 Net Position - July 1	 <u>12,732</u>	 <u>1,431</u>
 Net Position - June 30	 <u><u>\$ 21,944</u></u>	 <u><u>\$ 12,732</u></u>

The accompanying notes are an integral part of this statement.

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – REPORTING ENTITY

The Modoc County Transportation Commission (the Commission) was created pursuant to California Government Code Section 67910, as a local planning commission to provide regional transportation planning activities for the area of Modoc County. The Commission is also responsible for the administration of the Transportation Development Act Funds (Local Transportation and State Transit Assistance Fund). The Commission does not exercise control over any other governmental commission or authority. Criteria used in determining the reportable entity was based on control or dependence determined on the basis of budget adoption, funding, and appointment of the respective governing board.

The Modoc County Transportation Commission accounts for its financial transactions in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Commission conform to U.S. generally accepted accounting principles and are applicable to governments. The following is a summary of the significant policies:

A. Description of Blended Component Unit

The Commission's combined financial statements include the accounts of all its operations. The criteria for including organizations as component units within the Commission's reporting entity are set forth in GASB Statement No. 14 "The Financial Reporting Entity" and GASB Statement No. 39 "Determining Whether Certain Organizations Are Component Units."

The Modoc Transportation Agency, although a legally separate entity, is reported as if it were part of the primary government because the Board of Directors of the Commission are the same individuals that make up the component unit's governing body, or appoints the majority of representatives to the unit's governing board, or the unit provides services entirely to the Commission. Under the blended method of inclusion, the component unit's balances and transactions are reported in a manner similar to the balances and transactions of the Commission itself.

As a result, the basic financial statements of the Commission include the Modoc Transportation Agency (MTA). The MTA is a separate legal entity established to provide transit services within and outside of Modoc County. The financial operations of the MTA are closely related, and the same individuals on the Board of Directors have continuing oversight responsibility.

Complete financial statements of the above component unit may be obtained directly from the Modoc Transportation Agency, 108 S. Main St, Alturas, CA, 96101.

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Business-type activities are financed in whole or in part by fares charged to external parties, as well as operating grants.

The statement of activities presents a comparison between direct expenses and program revenues for the different governmental and business-type activities of the Commission. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The Commission does not allocate indirect expenses in the statement of activities. Program revenues include (a) fares 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. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Commission's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, grants, entitlements and investment earnings, result from nonexchange transactions or ancillary activities.

The Commission reports the following major Governmental and Proprietary Funds:

The Planning Fund is the operating fund of the Commission. The major revenue sources for this fund are state, federal and local transportation funds. Expenditures are made for administration, as well as local and regional planning projects.

The Transit Fund collects fares from operating transportation services, as well as receiving local and state transit assistance, to operate and provide public transit services to the County of Modoc, the City of Alturas, and out of the region.

C. Basis of Accounting

Government-wide Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

exchange, include taxes, grants, entitlements, donations, and other miscellaneous income. On an accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Commission considers revenues collected after its year-end to be available if they are collected within sixty days after year-end. Revenues from local sources consist primarily of taxes and charges for services. Revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Agency gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are received. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The Commission has chosen not to apply future FASB standards.

D. Budgets

Governmental Fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Proprietary fund budgets are adopted using the modified accrual basis of accounting, instead of the accrual basis of accounting.

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Planning Fund – 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 Federal Transit Administration.

The work program, in draft form, is prepared by the staff, approved by the Commission, and submitted to the State of California, Department of Transportation (Caltrans) in March and the final is approved by June 30. Caltrans, as the grantor of Rural Planning Assistance and FTA funds, approves the work program, which then becomes part of the budget for the operating fund of the Commission.

Fiduciary Funds – There are two expendable trust funds, the Local Transportation Fund (LTF) and the State Transit Assistance Fund (STA). The Transportation Demand Management Program was made obsolete by SB 45 in 1998. The LTF funds are available for transit, streets and roads, pedestrian and bicycle, administration of the Transportation Development Act (TDA), and the transportation planning. The STA funds are available for transit purposes.

The process for delivering the LTF and STA funds to the various recipients is as follows:

- The County Auditor-Controller estimates the amount of funds to be available in the LTF, and notifies the Commission before February 1 of each year.
- The Commission determines how much funding it will need for the planning work program and administration of the TDA, as well as how much of the funds will be reserved for pedestrian and bicycle facilities. The Commission then determines the split of LTF funds between the County and the Cities based upon the population amounts provided by the State of California Department of Finance. Each recipient is then notified of the amount of LTF funds available in its area of apportionment (apportionment being the process of dividing the funds based upon population). The County of Modoc then submits a claim for LTF funds as a joint power of eligible claimants, with transit needs required to be met before any streets and roads funds can be claimed.
- The Commission acts upon the one annual transit claim, adopting resolutions, and preparing allocation instructions that notify the recipient of the funds approved, and notifies the County Auditor-Controller of what expenditures are approved, and when they are to be paid.

The STA process is similar, except that the estimate is made by the State of California Controller's Office, and the funds cannot be used for administration, streets and roads or pedestrian and bicycle facilities.

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

E. Fiduciary Fund Types

These funds account for assets held by the Commission as a trustee or agent for other units of governments. Private purpose trust funds are used by the Commission for the following purposes:

Local Transportation Fund (LTF) – This fund is utilized by the Commission, as trustee, to receive the ¼ of 1% retail sales tax that is returned to each county by the State Board of Equalization. These funds are apportioned and allocated by the Commission to eligible claimants for transit, transportation planning, and for administration of the TDA. While it is legal to allocated LTF fund for street and road purposes under certain conditions, the Commission has adopted a Local Transportation Reserve Fund policy that precludes any street and road allocations.

State Transit Assistance Fund (STA) – This fund is utilized by the Commission, as trustee, to receive sales tax derived from statewide sales of gasoline and diesel fuel. Each county receives its share of these funds based upon a population and operator revenue formula. These funds are allocated by the Commission to transit operators.

F. Use of Estimates

The financial statements have been prepared in conformity with accounting principles generally accepted in the United State of America, and as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those amounts.

G. Unearned Revenue

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent cash received on specific projects and programs exceeds qualified expenditures.

H. Risk Management

The Commission is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

I. Internal Balances

Internal balances are presented in the government-wide financial statement only. They represent the net interfund receivables and payable remaining after the elimination of all such balances within governmental activities and business-type activities.

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

J. Cash and Cash Equivalents

The cash that is maintained in the County of Modoc Treasury is considered a highly liquid demand account and as such meets the definition of cash or cash equivalent for purposes of the statement of cash flows. The Commission considers cash investments in the Local Agency investment Fund to be cash equivalents. The Commission is authorized to to deposit cash and invest excess funds by California Government Code 53648 et seq.

The remainder of the Commission's cash is held in Plumas Bank. The FDIC insures cash balances up to \$250,000. Periodically, the Commission's cash balances exceed FDIC limits; however, the Commission believes that no significant concentration of credit risk exists for these excess deposits. As of June 30, 2016, \$53,397 in funds were held in excess of the FDIC limits.

K. Receivable and Payable Balances

The Commission believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

NOTE 3 – CASH AND INVESTMENTS

The Commission's cash is maintained with various financial institutions. A summary of the Commission's cash at June 30, 2016 is as follows:

MCTC Local Agency Investment Fund	\$ 150,881
MCTC Plumas Bank Operating	60,794
MTA Local Agency Investment Fund	592,385
MTA Plumas Bank Operating	98,796
MTA Certificates of Deposit	303,397
Cash in County Treasury	28,361
	<u>\$ 1,234,614</u>

Credit Risk, Carrying Amount and Market Value of Investments

The Commission maintains specific cash deposits with the County of Modoc and involuntarily participates in the external investment pool of the County of Modoc. The County of Modoc is restricted by state code in the types of investments it can make. Furthermore, the County of Modoc Treasurer has written investment policy, approved by the Board of Supervisors, which is more restrictive than state code as to terms of maturity and type of investment. Also, the County of Modoc has an investment committee that performs regulatory oversight for its pool as required

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

by California Government Code Section 27134. The County of Modoc's investment policy authorized the County of Modoc to invest in obligations of the U. S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, and the State Treasurer. These pooled funds are carried at cost, which closely approximates fair market value as determined by the pooled fund manager. Therefore, no adjustment has been made to reflect the current market value in the financial statements.

NOTE 4 – COMPENSATED ABSENCES

The Commission's labor is contracted out from employees of Modoc County. County of Modoc employees are entitled to certain compensated absences based on their length of employment. Compensated absences accumulate and are accrued when they are earned.

NOTE 5 – EQUITY CLASSIFICATIONS

The Commission has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance—amounts that are not in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance—amounts constrained to specific purposes by the Commission itself, using its highest level of decision-making authority (i.e., District Board). To be reported as committed, amounts cannot be used for any other purpose unless the Commission takes the same highest level action to remove or change the constraint.
- Assigned fund balance—amounts the Commission intends to use for a specific purpose. Intent can be expressed by the Commission or by an official or body to which the Commission delegates the authority. The Commission has chosen not to delegate this authority.
- Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

The Commission establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as obligated for future contracts). Assigned fund balance is established by the Commission through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Commission considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Commission has provided otherwise in its commitment or assignment actions.

For Government-Wide Financial Statements, equity is classified in three components as follows:

- Net Investment in Capital Assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of debt borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position consists of net assets with restrictions placed on their use either by external groups such as contributors, grantors or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted Net Position consists of all other net assets that do not meet the definition of in capital assets, net of "restricted" or "net investment in capital assets."

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

NOTE 6 – CONTINGENCIES

The Commission receives revenue from Federal, State and Local agencies that have requirements to be followed when expending these revenues. If the requirements are not followed, the unauthorized expenditures would be a liability to be refunded to the appropriate agency.

The Commission is not involved in any litigation. Commission management, based upon the opinion of legal counsel, is of the opinion that the ultimate resolution of any matters should not have a materially adverse effect on the Commission's financial position or results of operations.

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7 – CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical costs is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Capital assets with a value of \$100 or more and with a useful life of one year or more are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the assets useful life ranging between 3-50 years.

A summary of changes in fixed assets of the Governmental Fund for fiscal years 2014-15 and 2015-16 follows:

	Balance 6/30/14	Additions	Dispositions	Balance 6/30/15
Vehicles and Other Equipment	\$ 59,299	\$ 1,184	\$ -	\$ 60,483
Total	<u>59,299</u>	<u>1,184</u>	<u>-</u>	<u>60,483</u>
Accumulated Depreciation	<u>(54,541)</u>	<u>(3,879)</u>	<u>-</u>	<u>(58,420)</u>
Property, Plant and Equipment, Net	<u>\$ 4,758</u>	<u>\$ (2,695)</u>	<u>\$ -</u>	<u>\$ 2,063</u>

	Balance 6/30/15	Additions	Dispositions	Balance 6/30/16
Vehicles and Other Equipment	\$ 60,483	\$ 4,236	\$ -	\$ 64,719
Total	<u>60,483</u>	<u>4,236</u>	<u>-</u>	<u>64,719</u>
Accumulated Depreciation	<u>(58,420)</u>	<u>(2,941)</u>	<u>(6,055)</u>	<u>(55,306)</u>
Property, Plant and Equipment, Net	<u>\$ 2,063</u>	<u>\$ 1,295</u>	<u>\$ (6,055)</u>	<u>\$ 9,413</u>

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

A summary of changes in fixed assets of the Proprietary Fund for fiscal years 2014-15 and 2015-16 follows:

	Balance <u>6/30/14</u>	<u>Additions</u>	<u>Dispositions</u>	Balance <u>6/30/15</u>
Land and Improvements	\$ 625,410	\$ 156,335	\$ -	\$ 781,745
Vehicles, Buildings and Equipment	<u>1,851,124</u>	<u>261,371</u>	<u>117,908</u>	<u>1,994,587</u>
Total	2,476,534	417,706	117,908	2,776,332
Accumulated Depreciation	<u>(635,811)</u>	<u>(116,051)</u>	<u>(117,908)</u>	<u>(633,954)</u>
Property, Plant and Equipment, Net	<u>\$ 1,840,723</u>	<u>\$ 301,655</u>	<u>\$ -</u>	<u>\$ 2,142,378</u>

	Balance <u>6/30/15</u>	<u>Additions</u>	<u>Dispositions</u>	Balance <u>6/30/16</u>
Land and Improvements	\$ 781,745		\$ -	\$ 781,745
Vehicles, Buildings and Equipment	<u>1,994,587</u>		<u>111,147</u>	<u>1,883,440</u>
Total	2,776,332	-	111,147	2,665,185
Accumulated Depreciation	<u>(634,045)</u>	<u>(120,782)</u>	<u>(112,922)</u>	<u>(641,905)</u>
Property, Plant and Equipment, Net	<u>\$ 2,142,287</u>	<u>\$ (120,782)</u>	<u>\$ (1,775)</u>	<u>\$ 2,023,280</u>

Depreciation and amortization was charged to functions as follows:

Planning and Administration	<u>\$ 2,941</u>
Transit	<u>\$ 120,782</u>

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8 – SUBSEQUENT EVENTS

In preparing these financial statements, the Modoc County Transportation Commission has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued.

NOTE 9– COMPLIANCE AND ACCOUNTABILITY

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, should be reported with actions taken to address such violations:

No violations of finance-related legal provision, or deficit Fund net position existed at June 30, 2016.

NOTE 10 – EXCESS OF EXPENDITURES OVER BUDGET

As of June 30, 2016, the following expense categories exceeded budgeted amounts:

<u>CATEGORY</u>	<u>AMOUNT IN EXCESS OF BUDGET</u>
Planning and Administration	\$ 12,594
Vehicle and equipment Maintenance	\$ 2,112
Depreciation	\$ 10,782

LEAVING SPACE HERE FOR EXPLANATIONS

**MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 8 – SUBSEQUENT EVENTS

In preparing these financial statements, the Modoc County Transportation Commission has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued.

NOTE 9– COMPLIANCE AND ACCOUNTABILITY

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, should be reported with actions taken to address such violations:

No violations of finance-related legal provision, or deficit Fund net position existed at June 30, 2016.

NOTE 10 – EXCESS OF EXPENDITURES OVER BUDGET

As of June 30, 2016, the following expense categories exceeded budgeted amounts:

<u>CATEGORY</u>	<u>AMOUNT IN EXCESS OF BUDGET</u>
Planning and Administration	\$ 12,594
Vehicle and equipment Maintenance	\$ 2,112
Depreciation	\$ 10,782

PLEASE PROVIDE EXPLANATIONS HERE

REQUIRED SUPPLEMENTARY INFORMATION

**MODOC COUNTY TRANSPORTATION COMMISSION
PLANNING FUND BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2016**

	Planning Fund			Variance
	Budget Amounts		Actual	Favorable
	Original	Final		(Unfavorable)
Revenues				
Local Tansportation Funds	\$ 70,000	\$ 70,000	\$ 70,000	\$ -
Intergovernmental:				-
Planning Programming and Monitoring	60,000	60,000	60,000	-
Rural Planning Assistance	158,000	177,088	177,088	-
FTA Grants	-	-	-	-
Miscellaneous	5,100	5,100	10,989	5,889
Total Revenues	293,100	312,188	318,077	5,889
Expenditures				
Planning and Administration	293,100	312,188	324,782	(12,594)
Total Expenditures	293,100	312,188	324,782	(12,594)
Excess of Revenues Over (Under)				
Expenditures	\$ -	\$ -	(6,705)	\$ (6,705)
Fund Balance - July 1			216,485	
Fund Balance - June 30			\$ 209,780	

MODOC TRANSIT SERVICE AGENCY
TRANSIT FUND BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating Revenues:				
Fare Revenues	\$ 65,000	\$ 70,000	79,524	\$ 9,524
Total Operating Revenue	65,000	70,000	79,524	9,524
Operating Expenses:				
Contract Transportation Services	160,000	230,000	228,069	1,931
Vehicle and Equipment Maintenance	30,000	30,000	32,112	(2,112)
Fuel	50,000	47,920	32,241	15,679
Labor	107,000	104,600	71,398	33,202
Utilities	19,600	19,600	16,342	3,258
Marketing	10,000	10,000	5,793	4,207
Other Expenses	38,200	38,200	30,492	7,708
Capital Expenditures	122,849	94,500	-	94,500
Depreciation	110,000	110,000	120,782	(10,782)
Total Operating Expenses	647,649	684,820	537,229	147,591
Operating Income (Loss)	(582,649)	(614,820)	(457,705)	157,115
Non-Operating Revenue (Expense):				
Local Transportation Funds	150,000	150,000	150,000	-
State Transportation Assistance Funds	46,512	46,512	20,671	(25,841)
RSTP	52,329	52,329	95,285	42,956
Federal Grants	183,708	183,708	249,493	65,785
Lassen Transit Service Agency	30,000	30,000	27,977	(2,023)
LCTOP	-	12,101	9,104	(2,997)
CTAF	-	7,940	-	(7,940)
Other	10,100	22,230	27,065	4,835
Interest	-	-	3,707	3,707
Total Non-Operating Revenues (Expenses)	472,649	504,820	583,302	78,482
Change in Net Position	\$ (110,000)	\$ (110,000)	\$ 125,597	\$ 235,597

OTHER SUPPLEMENTARY INFORMATION

**MODOC COUNTY TRANSPORTATION COMMISSION
COMBINING BALANCE SHEET
EXPENDABLE TRUST FUNDS
JUNE 30, 2016**

	Local Transportation Trust Fund	State Transit Assistance Fund	Total
<u>ASSETS</u>			
Cash in County Treasury	\$ 21,159	\$ 785	\$ 21,944
TOTAL ASSETS	<u>\$ 21,159</u>	<u>\$ 785</u>	<u>\$ 21,944</u>
<u>LIABILITIES AND NET POSITION</u>			
Net Position:			
Held in Trust	<u>\$ 21,159</u>	<u>\$ 785</u>	<u>\$ 21,944</u>
Total Net Position	<u>21,159</u>	<u>785</u>	<u>21,944</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 21,159</u>	<u>\$ 785</u>	<u>\$ 21,944</u>

MODOC COUNTY TRANSPORTATION COMMISSION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FIDUCIARY NET POSITION
EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Local Transportation Trust Fund	State Transit Assistance Fund	Total
Revenues			
Sales Tax	\$ 229,116	\$ -	\$ 229,116
Intergovernmental	-	20,671	20,671
Other Local Income	<u>61</u>	<u>35</u>	<u>96</u>
 Total Revenues	 <u>229,177</u>	 <u>20,706</u>	 <u>249,883</u>
Expenditures			
Modoc County Transportation Commission	70,000	-	70,000
Modoc Transportation Agency	<u>150,000</u>	<u>20,671</u>	<u>170,671</u>
 Total Expenditures	 <u>220,000</u>	 <u>20,671</u>	 <u>240,671</u>
 Excess Of Revenues Over (Under) Expenditures	 <u>9,177</u>	 <u>35</u>	 <u>9,212</u>
 Excess Of Revenues And Transfers In Over(Under) Expenditures And Transfers Out	 9,177	 35	 9,212
 Net Position - July 1	 <u>11,982</u>	 <u>750</u>	 <u>12,732</u>
 Net Position - June 30	 <u>\$ 21,159</u>	 <u>\$ 785</u>	 <u>\$ 21,944</u>

MODOC COUNTY TRANSPORTATION COMMISSION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BY FUNDING SOURCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	OWP Budget	LTF 15/16	PPM 13/14	RPA 15/16	Interest	Other-Misc.	Depreciation	TOTAL	Budget Variance
Revenues									
LTF 15/16	\$ 70,000	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ -
PPM 13/14	60,000		60,000					60,000	-
RPA 15/16	177,088			177,088				177,088	-
Interest	-				672			672	672
Other-Misc.	5,100	-	-	-	-	10,317	-	10,317	5,217
Total Income	312,188	70,000	60,000	177,088	672	10,317	-	318,077	5,889
Expenses									
7001 Admin, IT & Equip Maint								-	-
7002 Public Partic & Coord								-	-
7003 Regional Transp Mngmnt								-	-
7004 Public & SS Transp								-	-
7005 Cont to Other Agencies								-	-
7006 Modoc Transp Handbook								-	-
7007 Transit Devlp Plan								-	-
Reserve Expense								-	-
Misc Expense								-	-
Depreciation Expense								-	-
Total Expenses	-	-	-	-	-	-	-	-	-
Change in Net Position	\$ 312,188	\$ 70,000	\$ 60,000	\$ 177,088	\$ 672	\$ 10,317	\$ -	\$ 318,077	\$ 5,889

NEED NUMBERS FROM NIKKI

**MODOC COUNTY TRANSPORTATION COMMISSION
SCHEDULE OF ALLOCATION AND EXPENDITURES
LOCAL TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Public Utilities Code Section</u>		
		<u>Contracted</u>	
	<u>Administration</u>	<u>Transit Services</u>	<u>Total</u>
	<u>99233.1</u>	<u>99400 (c)</u>	
Allocations			
Sales Tax and Other Income	\$ 70,000	\$ 150,000	\$ 220,000
Total Allocations	<u>70,000</u>	<u>150,000</u>	<u>220,000</u>
Expenditures			
Modoc County Transportation Commission	70,000		70,000
Modoc Transportation Agency	<u>-</u>	<u>150,000</u>	<u>150,000</u>
Total Expenditures	<u>70,000</u>	<u>150,000</u>	<u>220,000</u>
Excess Of Allocations Over (Under)			
Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MODOC COUNTY TRANSPORTATION COMMISSION
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
STATE TRANSIT ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	Public Utilities
	<u>Code Section</u>
	General Public
	<u>6731</u>
Allocation	
Intergovernmental Revenue	\$ 20,671
Total Allocations	<u>20,671</u>
Expenditures	
Modoc Transportation Agency and Miscellaneous	<u>20,671</u>
Total Expenditures	<u>20,671</u>
Excess Of Allocations Over (Under)	
Expenditures	<u>\$ -</u>

**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**

Board of Commissioners
Modoc County Transportation Commission
Alturas, California

Report on State Compliance

We have audited the financial statements of the Transportation Development Act Funds of the Modoc County Transportation Commission as of and for the year ended June 30, 2016 and have issued a report thereon dated October 13, 2016.

Management's Responsibility for State Compliance

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

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. We have also audited the Commission's compliance with the California Code of Regulations Sections 6661, 6662, 6666 and 6751 that are applicable to Modoc County Transportation Commission. Additionally, we performed tests to determine that expenditures paid by the Modoc Transportation Agency were made in accordance with the allocation instructions and resolutions of Modoc County Transportation Commission and in conformance with the California Transportation Development Act. Also as part of our audit, we performed test of compliance to determine whether certain state bond funds were received and expended in accordance with applicable bond act and state accounting requirements. Compliance with the requirements referred to above is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

The auditing standards referred to above require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the state laws and regulations applicable to the items above occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Commission's compliance with those requirements.

Opinion on State Compliance

In our opinion, the Modoc County Transportation Commission complied, in all material respects, with the statutes, rules, and regulations of the California Transportation Development Act, the allocation instructions and resolutions, and with applicable bond act and state accounting requirements.

Purpose of This Report

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

Respectfully submitted,

SingletonAuman, PC
Susanville, CA
October 13, 2016

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

Board of Commissioners
Modoc County Transportation Commission
Alturas, 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, business-type activities, and each major fund of the Modoc County Transportation Commission as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated October 13, 2016.

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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. See Finding 2016-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Commission'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 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 that are required to be reported under *Government Auditing Standards*.

Commission's Response to Findings

The Commission's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of the Report

This 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.

Respectfully submitted,

SingletonAuman PC
Susanville, CA
October 13, 2016

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**MODOC COUNTY TRANSPORTATION COMMISSION
COMBINED SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2016**

EXECUTIVE SUMMARY

The Commission provides regional transportation planning activities for the area of Modoc County.

The quality of the Commission's internal controls is dependent upon oversight by the Board Members. A summary of the auditors' results follows:

1. **Type of Auditors' Report on Financial Statements:** Unmodified.
2. **Internal Control Findings:** 1 Significant Deficiency.
3. **Material Noncompliance Noted:** None.

**MODOC COUNTY TRANSPORTATION COMMISSION
COMBINED SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2016**

**YELLOW BOOK SECTION
Internal Control – Significant Deficiency**

Finding 2016-1 Financial Reporting

Criteria Upon Which Audit Finding is Based (Legal Citation)

Statement on Auditing Standards No. 122.

Finding (Condition)

Similar to many small governmental entities, the Commission is not providing complete and accurate MD&A and footnote disclosures that are prepared in accordance with GAAP prior to the annual audit.

Amount of Questioned Cost, How Computed and Prevalence

None.

Effect

There is a risk that a material financial statement misstatement may exist and not be prevented or detected by the Commission's system of internal control.

Cause

The Commission does not have the resources to address this deficiency.

Recommendation

We recommend that the Commission consider the cost benefit of hiring an accountant familiar with GAAP or contracting with an independent CPA firm to compile financial statements in conformity with GAAP.

Commission's Response

The Commission has determined that the costs of correcting the control weakness outweigh the benefits to be received. The Commission will continue to rely on the independent auditor to prepare its annual financial statements.

**MODOC COUNTY TRANSPORTATION COMMISSION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(FINDINGS FROM THE JUNE 30, 2015 AUDIT REPORT)
FOR THE YEAR ENDED JUNE 30, 2016**

Finding 2015-1 Financial Reporting

Similar to many small governmental entities, the Commission is not providing complete and accurate MD&A and footnote disclosures that are prepared in accordance with GAAP prior to the annual audit

Status: Not Implemented. See Current Year Finding 2016-1.

**MODOC COUNTY TRANSPORTATION COMMISSION
CORRECTIVE ACTION PLAN
JUNE 30, 2016**

Person Monitoring Corrective Action Plan
Debbie Pedersen, Executive Director

Finding 2016-1 Financial Reporting

Finding (Condition)

Similar to many small governmental entities, the Commission is not providing complete and accurate MD&A and footnote disclosures that are prepared in accordance with GAAP prior to the annual audit.

Corrective Action Planned

The Commission has determined that the costs of correcting the control weakness outweigh the benefits to be received. The Commission will continue to rely on the independent auditor to prepare its annual financial statements.

Expected Completion Date

Ongoing.

MODOC TRANSPORTATION AGENCY
Revised RESOLUTION No. 16-01a
FY 2016/17 Budget

WHEREAS, the Modoc Transportation Agency (MTA) is responsible for adopting an annual Budget each fiscal year (FY) that identifies anticipated revenues and expenditures; and

WHEREAS, the Modoc County Transportation Commission allocated Transportation Development Act (TDA) funds in Resolution 16-03 for its administration and the Modoc Transportation Agency/Transit Operations; and

WHEREAS, the MTA FY 2016/17 Budget, as shown in Attachment A, includes revenues from TDA, Federal Transit Assistance, Regional Surface Transportation Program, Lassen County Transportation Commission, other rents, fare revenue, and grant sources identified in Resolution 15-05; and

WHEREAS, the MTA FY 2016/17 Budget, as shown in Attachment A, identifies estimated expenditures to administer the revenue from the Agency grants and programs; and

WHEREAS, the MTA authorizes the Executive Director or Chairman to modify line item amounts within the budget for daily operations so long as the overall revenues and expenditures are in accordance with amounts shown in Attachment A, and with a subsequent approval by MTA.

NOW, THEREFORE, BE IT RESOLVED that the Modoc Transportation Agency hereby adopts this revised FY 2016/17 Budget (\$615,758)

PASSED AND ADOPTED this 7th day of December, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

John Dederick, Chairman

Debbie Pedersen, Executive Director
Modoc Transportation Agency

Modoc Transportation Agency
FY 2016/17 Budget
16-01a - Attachment A

Adopted 12/6/16 (Replaces 16-01 adopted 6/7/16)		
<u>REVENUES</u>	Operating	Capital Expense
Facility Sub-Lease - AP Tech Drug & Alcohol	\$ 20,760	
Local Transportation Fund (LTF)		
Estimate - Sales Tax Revenues (FY 16/17)	\$ 56,342	\$ 79,158
State Transit Assistance Fund (STAF)		
STAF (FY 16/17 Estimate - Q3 & Q4 FY 15/16)	\$ 59,800	
MTA		
Regional Surface Transportation Program (FY 15/16)		\$ 42,956
Regional Surface Transportation Program (FY 14/15)		\$ 52,329
Local Gov Collaborative - LTSA Reno Route Agreement	\$ 30,000	
FTA 5311 Operating Assistance (15/16)	\$ 37,170	
FTA 5311(f) Intercity Routes (RNO, RDG, KF, CDV/FB)	\$ 165,743	
FTA 5311(f) Capital (16/17)		
Farebox	\$ 70,000	
Rural Transit Assist. Prog. - 1 scholarship per agency	1,500	
Total Revenues	\$ 441,315	\$ 174,443
	\$	615,758
<u>EXPENSES</u>		
Fuel	\$ 41,000	
Insurance (Building & Liability)	\$ 10,000	
Legal Notices	\$ 500	
Marketing / Public Information	\$ 9,000	
Professional / Specialized		
Accounting / Auditor Services	\$ 6,000	
IT Service & Support (<i>IT Monthly, Hosting, Domains</i>)	\$ 6,000	
Legal Services	\$ 1,500	
Miscellaneous Services	\$ 4,000	
Purchased Transportation	\$ 180,000	
Supplies Consumed		
Office Supplies	\$ 4,700	
Vehicle & Shop Supplies	\$ 1,990	
Salaries / Labor	\$ 102,000	
Travel / Staff Training / Memberships	\$ 3,500	
Uniforms	\$ 1,000	
Utilities	\$ 18,500	
Vehicle Maintenance & Repair	\$ 45,000	
<u>CAPITAL & RESERVE</u>		
Transit Vehicles		\$ 174,443
Building Improvements - Reserve	\$ 6,625	
Operating - Reserve	\$ -	
Total Expenses	\$ 441,315	\$ 174,443
	\$	615,758



MODOC TRANSPORTATION AGENCY

Modoc Transportation Agency
108 S. Main Street
Alturas, CA 96101

(530) 233-6410 Phone
233-3744 Fax

Board of Directors

John Dederick
Chairman
City of Alturas Mayor

David Allan
Director
County Supervisor I

Jim Wills
Director
County Supervisor IV

Danny Parker
Board Member
City at Large Citizen

Bobby Ray
Board Member
City Councilmember

Mark Moriarty
Director
County at Large Citizen

Kathie Alves
Alternate
County Supervisor III

Cheryl Nelson
Alternate
City Councilmember

Staff

Debbie Pedersen
Executive Director

Niki Witherspoon
Systems Manager

Cindy Imbach
Transit Manager

November 23, 2016

Kathy Grah, Office Chief
Office of Regional and Community Planning
1657 Riverside Drive
Redding, CA 96001

Attn: Aaron Casas

Subject: Request useful life determination and release of federal interest

Dear Aaron:

The Modoc Transportation Agency (MTA) is requesting a determination of useful life for vehicle T-15, purchased with 5311f funds and further described as: 2010 Dodge Chrysler (minivan), VIN 2D4RN4DE6AR297100. This vehicle currently has 66,675 miles and accommodates either 4 + 1 wheel chair passenger or 2 + 2 wheelchair passengers.

In addition, since the fair market value has decreased below \$3,500 (please see attached appraisal) we request a determination that the federal interest has been met for T-15.

It is MTA's intent to surplus the vehicle and dispose of it through competitive bid.

If you need more information, have questions, or concerns please contact me at (530) 233-6410.

Sincerely,

Debbie Pedersen
Executive Director

Enc.

Cc: Ronaldo Hu, Caltrans Division of Mass Transportation 5311f program

Deborah Pedersen

From: Jerry Locken [jlocken@A-ZBus.com]
Sent: Wednesday, November 16, 2016 12:04 PM
To: Deborah Pedersen
Cc: Clay Hartman; cimbach@modoctransportation.com
Subject: RE: Mini van - request value of vehicle

Hello Debbie,
After reviewing you van...I would estimate the value to be \$3,500.00
Please let me know if you have any questions.

Thank you

JERRY LOCKEN

Director of Sales, Pre-Owned Bus Division

A-Z Bus Sales, Inc.

1900 Riverside Ave.

Colton, CA 92324

Mobile: 951-217-5649

Direct: 951-781-1821

Email: jlocken@a-zbus.com

Web: www.a-zusedbus.com



From: Deborah Pedersen [mailto:dpedersen@modoctransportation.com]
Sent: Wednesday, November 16, 2016 8:23 AM
To: Jerry Locken <jlocken@A-ZBus.com>
Cc: Clay Hartman <CHartman@A-ZBus.com>; cimbach@modoctransportation.com
Subject: Mini van - request value of vehicle

Good morning Jerry,
Can you please provide us a value for the vehicle below – we are interested in a useful life determination from Caltrans and starting the invitation for sealed bid process for this vehicle. Please let me know if you need additional information.

T15 (12/15/10)	2010	Dodge Chrysler	Braun Enter Van	2D4RN4DE6AR297100	1358642	FTA 5311f Capital 08/09	Unleaded	4 + 1 whchr or 2 + 2whchr	Mini Van	66,675
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Thank you,

Debbie Pedersen
Executive Director
MCTC/MTA Sage Stage
108 S Main Street
Alturas, California 96101
(530) 233-6410 (office)
(530) 233-3744 (fax)

Modoc Transportation Agency

Purchasing, Check Processing and Disbursements Policy

Purchasing authorization. It is the agency's intent to ensure that monies are not spent without advanced approval. Purchasing shall be in accordance with the *MTA Contracting and Purchasing Procedures adopted 12/4/12*.

- 1) The MTA will adopt a budget resolution prior to July 1 each Fiscal Year. The budget resolution will provide an estimate of anticipated revenues by fund source and expenditures by category. The MTA may modify the budget during the year by either modifying the current budget resolution or adopting a new budget resolution. Staff will utilize the MTA 5 year Operating Plan when preparing the budget.
 - a) The Executive Director (ED) shall manage the budget as adopted by the MTA. Budget line item amounts can be modified, with approval of the ED and Chair, if the overall revenues and expenditures remain in accordance with total amounts shown in the adopted/approved budget. These line item adjustments shall be approved by the MTA along with a subsequent budget modification. Any expenditure that exceeds the budget requires prior approval of the MTA.
 - b) The ED and Chair are authorized to approve expenditures in accordance with the MTA Purchasing and Contracting Procedures. The MTA utilizes a purchase order (PO) system for tracking, recording, and paying for purchases, rentals, or services above \$2,500 (see Contracting and Purchasing Procedures Adopted 12/4/12 by Resolution 12-13).
 - c) The Executive Assistant Secretary, or office staff, will receive any invoices by placing their initials and the date received via USPS, email, or delivery, etc. These stamped, dated and initialed invoices will be submitted to the ED and Chair for approval.
 - d) Following approval of the bills/invoices by the Chair and ED, the Chief Fiscal Officer (CFO) shall verify that the invoice includes the vendors name, address, date, invoice number and the amount due. The CFO will assign the expenditure to an account, enter the invoice into the accounting software, and generate a check for signature. Checks with the accompanied invoice shall be submitted to the ED and Chair for their signatures. Bills/invoices that are paid online will follow the same procedure and require these two approval signatures as previously stated.
 - e) Bills/invoices that are on automatic pay online or are repetitive in nature may be on a standing accepted list that is approved by the ED and Chair. These shall be printed as a debit to the account and be approved by the ED and Chair.
 - f) Contract invoices and payment requests will be accompanied by a spreadsheet showing the contract amount, previously paid invoices, and the remaining balance of the contract. This will provide the documentation for approval of the invoice by the ED and Chair.
 - g) Expense and travel claim forms must be prepared and signed by the employee, and submitted to ED and Chair for approval. The travel claim will include an agenda or documentation for travel purpose prior to payment of the expense. After approval of the travel claim expense form, they will be submitted to the CFO for generating a check (as stated in (d) above).

2) Check Processing/Accounts Payable

Modoc Transportation Agency

Purchasing, Check Processing and Disbursements Policy

Accounts payable shall be paid no later than thirty (30) days after receipt of a correct invoice unless the invoice specifically states a due date, such as: Net 10 – payment is due 10 days after receipt of invoice; Net 30 – payment is due 30 days after receipt of invoice; or when a specific due date is specified, payment is due to the vendor or consultant by that date. Those invoices that state “due immediately” will be paid within 30 days of receipt of invoice. Consideration may be given to early payment of local vendors. The CFO will notify the ED and vendor if for any reason an invoice cannot be paid on time and of any invoices that have been returned for corrections.

- a) All checks written shall be created from the accounting software program wherein a check register may be generated. Checks shall be signed no less than two times per month and preferably once a week.
- b) It is the policy of the MTA to have two original signatures on every check the combination of the ED, Chair or Vice Chair upon written delegation by the Chair.
- c) Signed checks will be mailed or hand delivered by staff.
- d) Electronic payments require the same approval process as manual checks.

3) Disbursement Verification

- a) The ED will sign first and review the invoice payment requests and verify supporting documentation, accuracy and that the invoice includes the ED and Chair approvals to be paid.

4) Internal Check Control

- a) All blank checks will be locked up at the end of the business day.
- b) No signature stamp may be used in place of the ED or Chair initials (invoice approval) or signatures (check).
- c) Voided checks will be marked VOID, posted to the accounting software program, and filed with the fiscal file in the month which it is voided.
- d) No checks will be made payable to “Cash” or “Bearer.” Petty Cash checks will be made out to the institution that maintains the general checking account.
- e) Blank checks will not be pre-signed.
- f) All checks must have prior authorization and supporting documentation attached.

MODOC TRANSPORTATION AGENCY

RESOLUTION No. 16-04

Calendar Year 2017 Authorized Signatories for Plans and Programs

WHEREAS, the Modoc Transportation Agency (MTA) is the public transit and intercity bus operator for the Modoc County region and the Consolidated Transportation Service Agency, serving travelers and residents of the County of Modoc and the incorporated City of Alturas;

WHEREAS, it is often required by various programs and funding sources to have a resolution that identifies MTA's designated signature authorities; and

WHEREAS, various agencies such as the California Department of Transportation (Caltrans), California Emergency Management Agency (CalEMA), Federal Transit Administration (FTA), Federal Highway Administration (FHWA), U.S. Department of Homeland Security (DHS) and other agencies require said resolution to be submitted; and

WHEREAS, it is the intent of the MTA to name the Executive Director, Senior Transportation Planner or Chairperson as its designated signature authority for various transportation funds, including but not limited to:

- Local Transportation Funds (LTF)
- State Transit Assistance Funds (STAF)
- Federal Highway Administration (FHWA) funds
- Federal Transit Administration (FTA) Section 5304, 5310, 5311, 5311(f), and 5316 funds
- Regional Surface Transportation Program (RSTP) funds
- State / Regional Improvement Transportation Program (STIP / RTIP) funds
- STIP Planning Programming and Monitoring (PPM) funds
- Alternative Transportation Program (ATP) funds
- Prop 1B funds including Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) and California Transit Assistance Fund (CTAF) programs
- State-funded transit project funds
- American Recovery and Reinvestment Act (ARRA) funds
- Low Carbon Transit Ops Program (LCTOP)

WHEREAS, the Board directs staff to perform or administer all related work, including but not limited to allocation requests, certificates of assurances, master agreements, fund transfer agreements, final expenditure reports, grant proposals and all related work, preparation of grant applications, fixed asset procurement, invoices, reports agency coordination, planning work, amendments, budget updates, correspondence and preparation of California Transportation Commission (CTC) agenda items for STIP projects, among other duties for calendar year 2017.

NOW, THEREFORE, BE IT RESOLVED that the Modoc Transportation Agency Board of Directors does hereby authorize the Executive Director, Senior Transportation Planner or Chairperson to serve as its designated signature authority(ies).

BE IT FURTHER RESOLVED that the MTA does hereby authorize such persons to act on behalf of the Agency and to execute documents related to any transportation funding program.

PASSED AND ADOPTED this 6th day of December 2016 by the following vote:

AYES: Board Members:

NOES: None

ABSENT: Board Members:

John Dederick, Chairperson
Modoc Transportation Agency

ATTEST:

Tiffany Gwinn, Executive Assistant Secretary
Modoc Transportation Agency

Report to Modoc Transportation Agency Board Members	
Subject System Update, Communications and Calendar	Meeting Date December 6, 2016
Presented by MTA Staff	Agenda Item 6

a. System Update – Note: Attachments shown in **bold** type.

1) Sage Stage Operations Report – Performance statistics (below) are accurate although unaudited.

Month	Passenger Trips			Miles			Fares		
	2016	2015	Change	2016	2015	Change	2016	2015	Change
Sept	1,037	1,242	↓16.5%	12,754	11,589	↑10.1%	\$5,726	\$6,621	↓13.5%
Oct	1,034	1,128	↓8.3%	12,323	13,678	↓9.9%	\$5,675	\$6,360	↓10.8%
Nov		1,021	↓16.5%		11,909	↑%	\$	\$5,518	↓%

2) Revenue Service Miles compared to Fuel Cost

Month	Miles			Fuel Cost			Fuel Cost per Mile		
	2016	2015	2014	2016	2015	2014	2016	2015	2014
Sept	12,754	11,589	10,282	\$2,728	\$2,690	\$3,941	.21 ¢	.23 ¢	.38¢
Oct	12,323	13,678	11,389	\$2,503	\$2,809	\$3,839	.20¢	.20¢	.33 ¢
Nov		11,909	9,221		\$2,637	\$2,990	.21 ¢	.22 ¢	.32¢

3) Ridership - US 395 intercity route by county of origin or destination (O/D) – Operates between Alturas, Susanville and Reno on reservation basis three (3) times per week on Mondays, Wednesdays & Fridays.

Month	Modoc O/D		Lassen O/D		Total Route Ridership	
	2016	2015	2016	2015	2016	2015
Sept	52	52	75	69	127	121
Oct	69	50	73	85	142	135
Nov		41		81		122

Subject System Update, Communications and Calendar - Continued	Meeting Date December 6, 2016
Presented by MTA Staff	Agenda Item 6- Continued

4) Ridership - Alturas-Cedarville-Ft. Bidwell - Operates Thursdays by reservation

Month	Cedarville		Ft. Bidwell		Total Route Ridership	
	2016	2015	2016	2015	2016	2015
Sept	2	0	13	8	15	8
Oct	6	1	8	13	14	14
Nov		6		3		9

b. Other Information

Calendar – consider future dates and events of interest:

12/6/16 MCTC and MTA regular meetings - Alturas City Council Chambers, 200 W. North St., Alturas

12/23/16 Holiday – Office closed for Christmas Eve Day – No Sage Stage services

12/26/16 Holiday - Office closed for Day after Christmas - Sage Stage services closed

12/29/16 **Last Cedarville/Ft. Bidwell Service – Discontinue Service Effective January 1, 2017**

12/30/16 Holiday – Office closed for New Year's Eve Day – Sage Stage services operate

1/2/17 Holiday – Office closed for New Year's Day – No Sage Stage services

1/16/17 Holiday – Office closed for Martin Luther King, Jr – Sage Stage services operate

2/7/17 MCTC and MTA regular meetings - Alturas City Council Chambers, 200 w. North St., Alturas