



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

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

Board of Directors

John Dederick
Chairman
City Representative

Kathie Rhoads
Vice Chair
County Supervisor

Bobby Ray
Director
Mayor, City of Alturas

Elizabeth Cavasso
Director
County Supervisor IV

Danny Parker
Director
City at Large Member

Jim Wills
Director
County at Large Member

Patricia Cullins
Alternate
County Supervisor II

Cheryl Nelson
Alternate
City Councilman

Staff

Debbie Pedersen
Executive Director

Niki Lemke
Chief Fiscal Officer

Cindy Imbach
Sr. Transportation Planner

AGENDA

REGULAR MEETING

DECEMBER 4, 2018

City of Alturas Council Chambers
200 W North St., 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 the minutes from the 10/02/18 MTA Regular Meeting
 - b. Financial Transactions 09/01/18 through 10/31/18
 - c. YTD expenditures through 10/31/18
 - d. System Information and Statistics
5. **Regular Business** **Information/Action**
 - a. Consider approval of the Fiscal Year 2017/18 Financial Audit.
 - b. Update regarding the Sage Stage Transit Operations Request for Proposal (years 2019-2024) process.
 - c. Consider adopting Resolution 18-03 Designating signatories for calendar year 2019.
 - d. Consider appointing Chair and Vice Chair for calendar year 2019.
6. **Staff Updates and Calendar of Events** **Information**
 - a. Staff updates
 - b. Calendar of Events
7. **Adjourn until next regular MTA meeting**, scheduled for February 5, 2019, (Tuesday) in the Alturas City Council Chambers, 200 W North Street, Alturas, CA, at about 2:00 p.m., following the MCTC meeting.

Report to Modoc Transportation Agency Board Members	
Subject Consent Agenda	Meeting Date December 4, 2018
Presented by MTA Staff	Agenda Item 4

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

- a. Approve minutes from the **10/02/18 MTA Regular Meeting**
- b. **Financial Transactions – 09/01/18 through 10/31/18.**

Summary of incidental expenditures

Vendor	Transaction	Amount	Explanation
Basin Tire Service	2660	1,596.16	Rear Tires - T14
Perry's Automotive	2665	1,064.27	Schedule A / Front & Rear Breaks
Larranaga Trucking	2666	1,000.00	T12 Transport to Richie Bros. Auction
MCTC	2675	16,955.20	Q1 Salaries / Fiscal Audit 2017/18
Les Schwab	2697	\$762.37	Tire repair enroute to Reno
Les Schwab/Basin Tires	Various	Various	New studded tires for fleet

- c. **Year to Date revenue and expenditure (through 10/31/18) report.**
- d. **System Information and Statistics**



MINUTES
Regular Meeting
October 2, 2018

Board Members Present

Kathie Rhoads, Vice Chair	Board of Supervisors, District III, Modoc County
Elizabeth Cavasso	Board of Supervisors District IV, Modoc County
Bobby Ray	Mayor, City of Alturas
Danny Parker	City At-Large Member

Board Members Absent

John Dederick	Representative, City of Alturas
Jim Wills	County At-Large Member
Patricia Cullins (Alternate)	Board of Supervisors, District II, Modoc County
Cheryl Nelson (Alternate)	Councilmember, City of Alturas

Staff Present

Debbie Pedersen	Executive Director
Niki Lemke	Chief Fiscal Officer
Cindy Imbach	Senior Transportation Planner
Jacque Dockery	Office Assistant

Public Present

Doreen Smith Powers

1. **Call to Order** – Vice Chair Rhoads called the meeting to order at 2:20 p.m. in the Alturas City Hall Chambers, 200 W. North Street, Alturas, CA.
2. **Public Forum** –There were no public comments.
3. **Confirm Agenda** –Motion by Board Member Ray to confirm agenda, seconded by Board Member Parker. All ayes; motion carried.
4. **Consent Agenda**
 - a. Approve minutes from 08/07/18 MTA Regular Meeting.
Motion by Board Member Cavasso to approve the minutes from the 08/07/18 MTA Regular Meeting with the correction of Patricia Cullins, Board of Supervisors, District II (instead of 11), seconded by Board Member Ray. Ayes by Board Member Ray, Board Member Cavasso, Vice Chair Rhoads. Board Member Parker abstained; motion carried.
 - b. Financial Transactions 07/01/18 through 08/31/18.

Summary of Incidental Expenditures:

Vendor	Trans #	Amount	Explanation
Perry's Automotive	2655	\$3,309.76	T-19 – Schedule A, AC Overhaul & Cooling System Replacement

Motion by Board Member Ray to approve Financial Transactions 07/01/18 through 08/31/18, seconded by Board Member Cavasso. All ayes; motion carried.

- c. Year-To-Date revenue and expenditure report (through 08/31/18)
- d. System Information and Statistics

Executive Director, Debbie Pedersen, stated that the System Information and Statistics report will be included in the Consent Agenda as a report document.

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

Month	Passenger Trips			Miles			Fares		
	2018	2017	Change	2018	2017	Change	2018	2017	Change
July	1,040	1,052	↓1.1%	9,467	10,412	↓9.0%	\$4,630	\$5,147	↓10.0%
Aug	1,288	1,212	↑6.3%	11,487	12,232	↓6.1%	\$5,631	\$5,148	↑9.4%
Sept	1,029	1,134	↓9.3%	9,912	10,549	↓6.0%	\$4,030	\$4,809	↓16.2%

2. Revenue Service Miles compared to Fuel Costs.

Month	Miles			Fuel Cost			Fuel Cost per Mile		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
July	9,467	10,412	12,723	\$2,983	\$2,357	\$2,768	.31¢	.22¢	.21¢
Aug	11,487	12,232	14,777	\$3,633	\$2,973	\$3,079	.31¢	.24¢	.20¢
Sept	9,912	10,549	12,754	\$3,085	\$2,729	\$2,728	.31¢	.25¢	.21¢

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	
	2018	2017	2018	2017	2018	2017
July	61	60	75	65	136	125
Aug	45	53	98	71	143	124
Sept	41	75	67	41	108	116

Motion by Board Member Ray to approve consent agenda items c and d above, seconded by Board Member Parker. All ayes; motion carried.

5. Regular Business

- a. Request for Proposal (RFP) and award contract for Sage Stage transit operations.

Director Pedersen stated that MTA is required, by the Federal Transit Assistance (FTA), to solicit proposals and have contracts to operate Sage Stage every five years. The previous

contract was awarded in 2013 to MV Transportation for a five year period with the option to contract two additional one year terms. MTA has exercised a one year extension under our current contract which will continue through June 2019. The RFP process and contract are reviewed by Caltrans Federal Transit Programs and their Legal to ensure compliance with grant funding; the process can take nine months to complete.

A draft RFP is currently being prepared and will be reviewed and approved by Caltrans prior to solicitation. It is anticipated that the RFP will be ready to advertise mid November to mid December. A new operating contract is anticipated to be awarded and in place beginning July 1, 2019 through June 30, 2024. Two optional one year extensions will be included in the contract; the MTA may opt to use the one year extensions at the conclusion of the five year contract period. In 2012, Commissioner Ray was appointed to review the proposals with staff.

Motion by Board Member Parker to authorize Executive Director to circulate Request for proposal (RFP) and award contract for Sage Stage transit operations, seconded by Board Member Cavasso. All ayes; motion carried.

b. Staff to provide update on Fiscal Year 2017/18 Financial Audit.

Chief Fiscal Auditor, Niki Lemke, mentioned that the MTA audits are being prepared on the same schedule as MCTC. Singleton Auman has been onsite June 26-27, 2018, and August 23-24, 2018. Draft fiscal audits are anticipated early October; the completed audits will be distributed when received.

The audits will be placed on the December Agendas for MCTC and MTA acceptance. The Transportation Development Act (TDA) requires that annual fiscal compliance audits be submitted to the State Controllers' Office by December 30, following the close of each fiscal year.

c. Vehicle updates - new vehicle T-21, bus T-20, and status of T-12 surplus.

Director Pedersen reported the following:

T-21 – A Ford Transit nine passenger bus with gasoline engine was ordered in February 2018 and funded through the FTA Intercity (Section 5311f) program.

AZ Bus Sales has received the bus from the manufacturer and is installing the accessories (bus wrap, camera system, etc.). This is a smaller bus with an acceptable profile for windy highway conditions and should be delivered soon.

T-20 – ARBOC

T-20 was towed to Hall Motors, Lakeview on June 25, due to the vehicle intermittently shutting down; mileage is around 41,500. Hall Motors has not been able to determine why T-20 is shutting down around each thousand miles (the past 5,000 miles).

The dealer, manufacturer, Chevy, Interlock and Hall Motors have been in communication to troubleshoot and run tests. They were unable to find a problem with the bus. T-20 was picked up (9/26) and put back into service. It then broke down the next day. When the bus shut down, Hall Motors sent a technician onsite to the bus to try to understand why it is shutting down. It was determined that the engine wasn't receiving fuel and that the extended

ramp was crimping the fuel line, allowing air to enter. The shut-downs are showing up on the internal computer, however no computer code is generated to document why it occurs.

The bus was purchased through the CalACT contract, and in discussions with CalACT they indicated that the Lemon Law only applies if a problem has been identified and not fixed after three attempts. We have requested that A-Z Bus give us a trade-in for another vehicle and or find us a buyer for the ARBOC. If the issues with T-20 cannot be remedied, we will pursue legal remedy. The bus is currently in service at this time and it is hoped that it will continue without issues. There is a thorough paper trail and report on file to support the issues with this bus.

T-12 - Surplus.

T-12 was trucked to Ritchie Brothers in Dunnigan, on August 13. Ritchie Brothers auctioned the bus on September 21, 2018. T-12 sold for \$6,000 - Ritchie Brothers will retain 15% + vehicle transfer fees.

- d. Consider approval of the MTA Local Agency Investment Fund (LAIF) Account - transfer of funds

Niki Lemke, Chief Fiscal Officer, reported that the MTA LAIF (restricted) account is the operating reserve for MTA. Annually, the Modoc County Transportation Commission prepares and approves the annual account True Up and Reconciliation. The report is an actual accounting of funds and expenditures for the past fiscal year. The MTA LAIF reserve is \$620,000; the current balance is \$626,262.70; LAIF requires transfers to the nearest \$1,000. MTA approval is required to transfer funds from this account.

Motion by Board Member Ray to approve the transfer of \$6,000 from the LAIF to the MTA annual operating account, seconded by Board Member Cavasso. All ayes; motion carried.

6. System Update, Communications, and Calendar

a. Staff updates

Director Pedersen mentioned that there is a new driver in training.

b. Other Information

Update on special events

- Modoc Harvest – Farmers Markets (July 21, 2018; August 4, 2018)

Visitors by Date

- 07/21 - 225
- 08/04 - 166
- 08/18 - 161
- 09/01 - 120
- 09/15 - 146

Director Pedersen reported that this season's last Farmer's Market will be Saturday, October 13. During the winter, MCTC/MTA will be working on a legal Use Agreement/Permit for public use of the park area. The Use Agreement/Permit will include facility use policies/fees and necessary insurance responsibility for the public. The Modoc Harvest – Farmers Market directors and vendors are very pleased with the facility and are interested in returning next summer.

Calendar – consider future dates and events of interest:

- 10/02/18 MCTC/MTA - meetings 1:30 p.m. - City Council Chambers, 200 North St., Alturas
- 10/08/18 Columbus Day; MCTC holiday, the office is closed, Sage Stage will operate regular schedule
- 11/05/18 Modoc Technical Advisory Committee Meeting - Sage Stage Office - 108 S Main Street Alturas
- 11/12/18 Veterans' Day - Sage Stage Services operating (no holiday) - office closed
- 11/22/18 Thanksgiving Day - Sage Stage and Office Closed - both observe this holiday
- 11/23/18 Day after Thanksgiving Day - Sage Stage and Office Closed - both observe this holiday
- 12/04/18 MCTC and MTA Meetings - City of Alturas Council Chambers, 200 W North St., Alturas

7. **Adjournment** – Motion to adjourn by Board Member Parker at 2:37 p.m.; seconded by Board Member Cavasso. All ayes, motion carried. The next regular meeting will be December 4, 2018 (Tuesday), in the Alturas City Council Chambers, 200 W. North Street, Alturas, CA at about 2:00 p.m., following the MCTC meeting.

Submitted by,

Jacque Dockery
Office Assistant

Modoc Transportation Agency
Transactions by Account
As of October 31, 2018

Date	Num	Name	Amount	Balance
LAIF-8025001 (\$620K)				629,234.36
10/05/2018	1585173	Modoc Transportation Agency	-6,000.00	623,234.36
10/15/2018		Interest	3,418.85	626,653.21
Total LAIF-8025001 (\$620K)			-2,581.15	626,653.21
Plumas Operating MTA-0477				134,565.42
Reserve - Building Improvements				8,568.26
Total Reserve - Building Improvements				8,568.26
Plumas Operating MTA-0477 - Other				125,997.16
09/01/2018	82022	Frontier Communications	0.00	125,997.16
09/04/2018		Farebox	291.00	126,288.16
09/04/2018	2660	Basin Tire Service Inc.	-1,596.16	124,692.00
09/04/2018		Farebox	22.00	124,714.00
09/04/2018	2661	EDI Media	-150.00	124,564.00
09/04/2018	2662	Waste Management	-59.25	124,504.75
09/04/2018	2669	Pepsi-Cola Bottling Company	-42.98	124,461.77
09/05/2018		Farebox	18.00	124,479.77
09/05/2018	2663	City Of Alturas	-191.12	124,288.65
09/05/2018	2664	Ed Staub & Sons	-3,632.60	120,656.05
09/05/2018		Farebox	77.10	120,733.15
09/05/2018	2665	Perry's Automotive	-1,064.27	119,668.88
09/05/2018		Farebox	289.00	119,957.88
09/05/2018	90618	Four Corner's Market	-19.83	119,938.05
09/05/2018	2670	Ray Morgan Company	-72.86	119,865.19
09/06/2018	2666	Larranaga Trucking & Construction	-1,000.00	118,865.19
09/06/2018		Farebox	22.00	118,887.19
09/06/2018		Farebox	54.00	118,941.19
09/06/2018	2667	Pepsi-Cola Bottling Company	0.00	118,941.19
09/06/2018	2668	Frontier Communications	-69.47	118,871.72
09/07/2018		Farebox	81.00	118,952.72
09/07/2018		Farebox	72.00	119,024.72
09/08/2018	90818	Home Depot	-18.56	119,006.16
09/10/2018		Farebox	185.10	119,191.26
09/10/2018		Farebox	22.00	119,213.26
09/11/2018		Farebox	189.15	119,402.41
09/11/2018	91118	TCE Communications	-48.98	119,353.43
09/12/2018		Farebox	131.49	119,484.92
09/13/2018		Farebox	243.20	119,728.12
09/13/2018	2671	Frontier Communications	-148.38	119,579.74
09/14/2018		Farebox	162.00	119,741.74
09/17/2018		Farebox	246.85	119,988.59
09/17/2018		Farebox	54.00	120,042.59
09/17/2018		Farebox	33.00	120,075.59

Modoc Transportation Agency
Transactions by Account
As of October 31, 2018

Date	Num	Name	Amount	Balance
09/18/2018		Farebox	155.10	120,230.69
09/18/2018		AP Tech	400.00	120,630.69
09/18/2018		LTF	9,031.78	129,662.47
09/18/2018	90318	Basys Processing, Inc.	-80.09	129,582.38
09/18/2018		Farebox	28.00	129,610.38
09/18/2018	91818	Canby Family Practice	-114.30	129,496.08
09/19/2018		Farebox	149.05	129,645.13
09/19/2018		Farebox	22.00	129,667.13
09/19/2018	92519	Amazon	-39.09	129,628.04
09/20/2018		Farebox	266.50	129,894.54
09/20/2018		Farebox	33.00	129,927.54
09/20/2018	2672	Fredrick Janitorial	-275.00	129,652.54
09/20/2018		Farebox	20.50	129,673.04
09/21/2018		Farebox	76.75	129,749.79
09/21/2018		Farebox	52.00	129,801.79
09/21/2018		Farebox	10.00	129,811.79
09/24/2018		Farebox	96.00	129,907.79
09/25/2018		Farebox	267.00	130,174.79
09/25/2018		Farebox	126.30	130,301.09
09/25/2018	2673	MV Transportation	-16,586.97	113,714.12
09/25/2018	2675	Modoc County Transportation Commission	-16,955.20	96,758.92
09/25/2018	92518	Four Seasons Supply	-4.28	96,754.64
09/26/2018		Farebox	25.00	96,779.64
09/26/2018	2676	Perry's Automotive	-997.98	95,781.66
09/26/2018	2677	Pacific Power	-676.17	95,105.49
09/26/2018	2679	Verizon Wireless	-289.36	94,816.13
09/26/2018	92618	Hall Motors	-185.85	94,630.28
09/26/2018		MCTC (Q1 Lease)	4,282.35	98,912.63
09/26/2018		Farebox	84.90	98,997.53
09/27/2018		Farebox	291.00	99,288.53
09/27/2018	2680	David Phillips	-566.00	98,722.53
09/27/2018	92718	Postmaster	-7.15	98,715.38
09/28/2018		Farebox	28.00	98,743.38
09/30/2018		Interest	5.51	98,748.89
10/01/2018		Farebox	394.34	99,143.23
10/01/2018	100118	Postmaster	-6.70	99,136.53
10/01/2018	2681	Modoc County Record	-42.00	99,094.53
10/01/2018	2682	MV Transportation	-14,422.65	84,671.88
10/01/2018	2683	Waste Management	-59.25	84,612.63
10/01/2018	2684	City Of Alturas	-166.18	84,446.45
10/01/2018		Farebox	26.00	84,472.45
10/01/2018	2691	Pepsi-Cola Bottling Company	-39.99	84,432.46

Modoc Transportation Agency
Transactions by Account
As of October 31, 2018

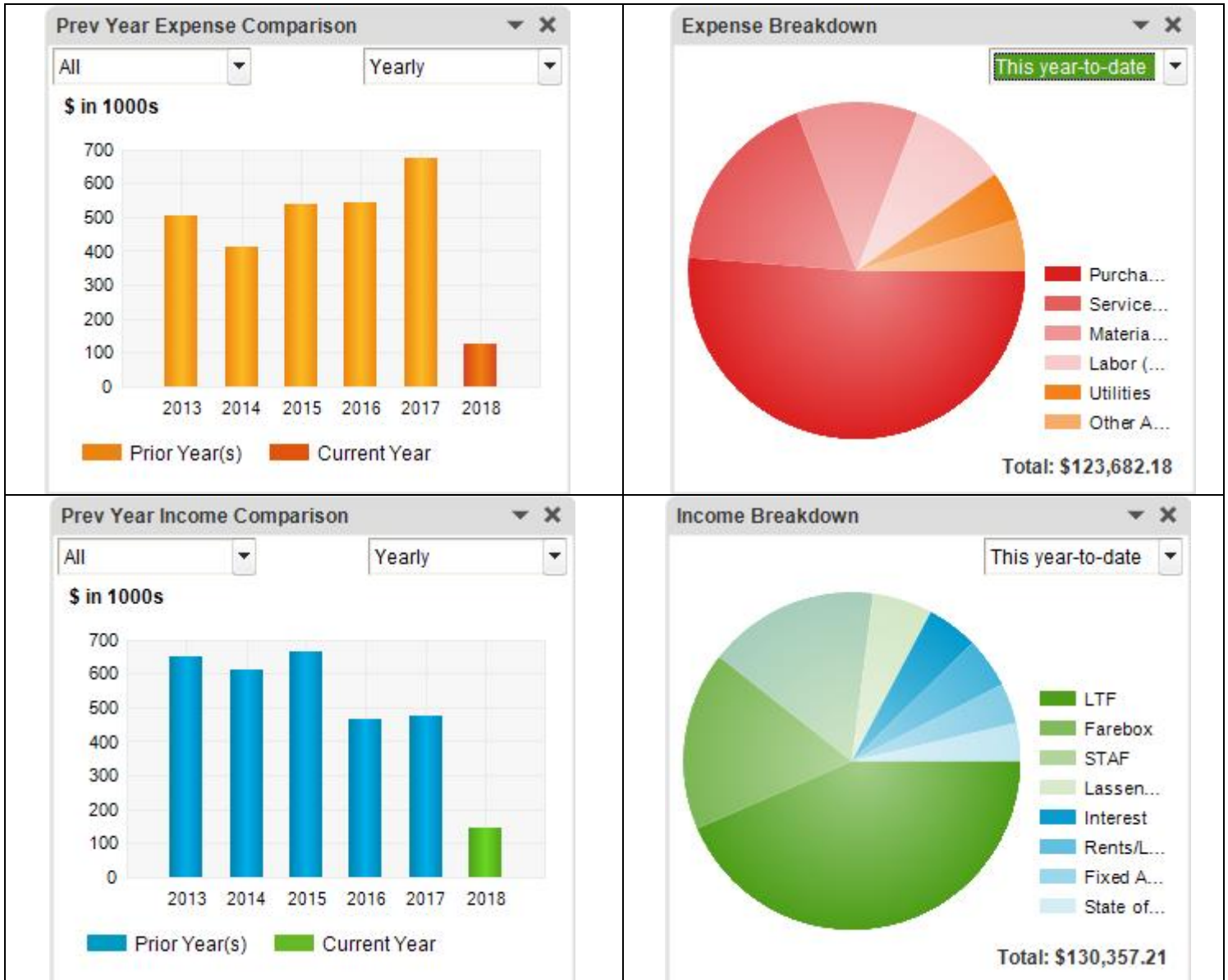
Date	Num	Name	Amount	Balance
10/01/2018	2692	Ray Morgan Company	-102.44	84,330.02
10/02/2018		AP Tech	400.00	84,730.02
10/02/2018		Farebox	393.00	85,123.02
10/02/2018	100218	Staples	-98.65	85,024.37
10/02/2018		Farebox	28.00	85,052.37
10/02/2018	91018	Tnet Broadband Internet, LLC	-48.00	85,004.37
10/02/2018		Farebox	32.00	85,036.37
10/03/2018		Farebox	20.00	85,056.37
10/03/2018		Farebox	110.50	85,166.87
10/03/2018	2685	Ed Staub & Sons	-3,084.62	82,082.25
10/03/2018	2686	Perry's Automotive	-371.98	81,710.27
10/03/2018		LTF / State of Good Repair	19,351.56	101,061.83
10/03/2018		STAF	21,383.00	122,444.83
10/03/2018	2687	EDI Media	-150.00	122,294.83
10/03/2018	100318	Four Corner's Market	-39.66	122,255.17
10/03/2018		Farebox	20.00	122,275.17
10/03/2018	100318	Basys Processing, Inc.	-149.16	122,126.01
10/04/2018		Farebox	339.05	122,465.06
10/04/2018		Farebox	30.00	122,495.06
10/04/2018		Farebox	22.00	122,517.06
10/04/2018		Farebox	54.00	122,571.06
10/05/2018		Farebox	40.00	122,611.06
10/05/2018	100518	Days Inn, Rancho Cordova	-360.25	122,250.81
10/05/2018		LAIF Transfer	6,000.00	128,250.81
10/08/2018		Farebox	32.00	128,282.81
10/09/2018		Farebox	268.00	128,550.81
10/09/2018		Farebox	172.50	128,723.31
10/09/2018	2688	David Phillips	-402.00	128,321.31
10/09/2018	100918	Four Seasons Supply	-35.31	128,286.00
10/09/2018	101019	TCE Communications	-49.09	128,236.91
10/10/2018		Farebox	125.25	128,362.16
10/10/2018	101018	Days Inn, Rancho Cordova	-68.13	128,294.03
10/10/2018	2709	Tnet Broadband Internet, LLC	-48.00	128,246.03
10/11/2018		Farebox	485.70	128,731.73
10/11/2018	2689	Frontier Communications	-69.30	128,662.43
10/11/2018	2690	Frontier Communications	-69.30	128,593.13
10/11/2018		Farebox	54.00	128,647.13
10/11/2018		Farebox	32.00	128,679.13
10/12/2018		Farebox	84.90	128,764.03
10/15/2018		Farebox	234.00	128,998.03
10/15/2018		Ritchie Bros. (Sell T12)	5,035.00	134,033.03
10/16/2018		Farebox	182.00	134,215.03

Modoc Transportation Agency
Transactions by Account
As of October 31, 2018

Date	Num	Name	Amount	Balance
10/16/2018		Farebox	66.00	134,281.03
10/16/2018	2693	Perry's Automotive	-387.00	133,894.03
10/17/2018		Farebox	23.00	133,917.03
10/17/2018		Farebox	10.00	133,927.03
10/18/2018		Farebox	134.87	134,061.90
10/19/2018		Farebox	97.65	134,159.55
10/19/2018	2694	Fredrick Janitorial	-275.00	133,884.55
10/19/2018		Farebox	22.00	133,906.55
10/19/2018		Farebox	27.00	133,933.55
10/22/2018		Farebox	212.50	134,146.05
10/22/2018		Farebox	19.50	134,165.55
10/22/2018		Farebox	32.00	134,197.55
10/22/2018	102218	Amazon	-11.26	134,186.29
10/22/2018	102219	Amazon	-54.69	134,131.60
10/23/2018		Farebox	298.00	134,429.60
10/23/2018	2696	Pacific Power	-553.48	133,876.12
10/23/2018	2697	Les Schwab (Reno)	-762.37	133,113.75
10/24/2018		Farebox	99.00	133,212.75
10/24/2018	2698	Perry's Automotive	-496.28	132,716.47
10/24/2018	2699	Basin Tire Service Inc.	-365.00	132,351.47
10/25/2018		Farebox	293.00	132,644.47
10/25/2018		Farebox	350.00	132,994.47
10/25/2018	102518	Tnet Broadband Internet, LLC	-48.00	132,946.47
10/26/2018		Farebox	70.05	133,016.52
10/26/2018		Farebox	48.00	133,064.52
10/26/2018		Farebox	16.50	133,081.02
10/29/2018		Farebox	209.50	133,290.52
10/29/2018		Farebox	32.00	133,322.52
10/30/2018		Farebox	164.00	133,486.52
10/30/2018	2700	Verizon Wireless	-0.23	133,486.29
10/30/2018	2701	Les Schwab Tires	-546.03	132,940.26
10/30/2018		MCTC (Q1, Q2, Q3 Lease)	12,847.05	145,787.31
10/31/2018		Lassen Transit Service Agency	7,500.00	153,287.31
10/31/2018		Farebox	173.00	153,460.31
10/31/2018		Interest	6.00	153,466.31
Total Plumas Operating MTA-0477 - Other			27,469.15	153,466.31
Total Plumas Operating MTA-0477			27,469.15	162,034.57
Treasurer Operating MTA-650				0.00
Total Treasurer Operating MTA-650				0.00
TOTAL			24,888.00	788,687.78

Modoc Transportation Agency

Company Snapshots (As of 11/21/18)



Report to Modoc Transportation Agency Board Members	
Subject Regular Business	Meeting Date December 4, 2018
Presented by MTA Staff	Agenda Item 5

Items with attachments, shown in bold:

- a. Consider approval of the Fiscal Year 2017/18 Financial Audit.

- b. Update regarding the Sage Stage Transit Operations Request for Proposal (years 2019-2024) process.
 The Request for Proposal was emailed to Caltrans Division of Rail and Mass Transportation (DRMT) October 24, 2018. DRMT responded with comments 10/30/18 and revisions were made by MTA staff and sent for review 10/31/18. Tentative schedule for the RFP is as follows:

Release of RFP	December 3, 2018
Deadline for Submission of Written Questions	January 14, 2019
Response to Written Questions or Clarifications	January 24, 2019
Proposals Due.....	February 27, 2019
Review Proposals	March 4-7, 2019
Award Contract	March 14, 2019
Protests due	March 28, 2019, before 2:00 p.m.
Contract Start	July 1, 2019

- c. Consider adopting Resolution 18-03 Designating signatories for calendar year 2019.
 This is an annual resolution that authorizes staff to sign contracts and documents related to funding that MTA administers and receives.

- d. Consider appointing Chair and Vice Chair for calendar year 2019.

MODOC TRANSPORTATION AGENCY

ALTURAS, CALIFORNIA

**AUDIT REPORT
FOR THE YEAR ENDED
JUNE 30, 2018 and 2017**

**MODOC TRANSPORTATION AGENCY
AUDIT REPORT
JUNE 30, 2018 and 2017**

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Independent Auditors' Report on Financial Statements

Board of Commissioners
Modoc County Transportation Commission
Alturas, California

Board of Directors
Modoc Transportation Agency
Alturas, California

We have audited the accompanying financial statements of the Transportation Development Act Funds Allocated to the Modoc Transportation Agency (MTA) as of and for the years ended June 30, 2018 and 2017, and the related notes to the 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 Agency'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 Agency'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.

Basis for Qualified Opinion

As discussed in Note 1, the financial statements present only Transportation Development Act funds, Federal Grants, bus fares and other revenues of the Modoc Transportation Agency and are not intended to present fairly the financial position and results of operations of the Modoc Transportation Agency in conformity with accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, except for the matters discussed in the “Basis for Qualified Opinion” paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Transportation Development Act Funds allocated to Modoc Transportation Agency as of June 30, 2018 and 2017, and the respective changes in financial position and, where applicable, cash flows thereof 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 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. The Agency has chosen not to include the Management Discussion and Analysis in this report.

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 September 14, 2018 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 Agency's internal control over financial reporting and compliance.

Respectfully submitted,

SingletonAuman PC
Susanville, CA
September 14, 2018

FINANCIAL SECTION

**MODOC TRANSPORTATION AGENCY
TRANSPORTATION DEVELOPMENT ACT FUNDS
STATEMENTS OF NET POSITION
PROPRIETARY FUND
TRANSIT FUND
JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)**

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets:		
Cash and Investments	\$ 756,128	\$ 864,709
Accounts Receivable	153,681	175,664
Total Current Assets	<u>909,809</u>	<u>1,040,373</u>
Property, Plant & Equipment, Net	<u>1,954,256</u>	<u>2,059,875</u>
Total Assets	<u>\$ 2,864,065</u>	<u>\$ 3,100,248</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 19,429	\$ 47,752
Unearned Revenue	5,223	14,768
Total Liabilities	<u>\$ 24,652</u>	<u>\$ 62,520</u>
NET POSITION		
Net Investment in Capital Assets	\$ 1,954,256	\$ 2,059,875
Unrestricted	885,156	977,853
Total Net Position	<u>\$ 2,839,412</u>	<u>\$ 3,037,728</u>

The accompanying notes are an integral part of this statement.

MODOC TRANSPORTATION AGENCY
TRANSPORTATION DEVELOPMENT ACT FUNDS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
TRANSIT FUND
YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

	2018	2017
Operating Revenues:		
Fare Revenues	\$ 58,133	\$ 67,148
Total Operating Revenue	<u>58,133</u>	<u>67,148</u>
Operating Expenses:		
Contract Transportation Services	203,475	173,407
Vehicle and Equipment Maintenance	41,190	37,211
Building Improvements	549	2,790
Fuel	32,729	29,820
Labor	66,242	108,622
Utilities	17,855	18,525
Marketing	3,959	6,085
Other Expenses	35,866	30,796
Depreciation	138,935	137,848
Total Operating Expenses	<u>540,800</u>	<u>545,114</u>
Operating Income (Loss)	<u>(482,667)</u>	<u>(477,966)</u>
Non-Operating Revenues and (Expenses):		
Local Transportation Funds	56,555	135,500
State Transportation Assistance Funds	55,246	42,427
Federal Grants	209,478	164,442
Prop 1B- CTAF	22,232	-
Lassen Transit Service Agency	28,445	30,000
LCTOP	11,079	(6,828)
Other	25,506	25,880
Interest	6,812	5,502
Total Non-Operating Revenues and (Expenses)	<u>415,353</u>	<u>396,923</u>
Transfers (Out)	<u>(131,000)</u>	
Change in Net Position	<u>(198,314)</u>	<u>(81,043)</u>
Net Position, Beginning of the Period	<u>3,037,728</u>	<u>3,118,771</u>
Net Position, End of the Period	<u>\$ 2,839,414</u>	<u>\$ 3,037,728</u>

The accompanying notes are an integral part of this statement.

**MODOC TRANSPORTATION AGENCY
TRANSPORTATION DEVELOPMENT ACT FUNDS
STATEMENTS OF CASH FLOWS
PROPRIETARY FUND
TRANSIT FUND
FISCAL YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)**

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Cash Received From Passengers	\$ 58,133	\$ 67,148
Cash Payments to Employees	(66,242)	(108,622)
Cash Payments to Suppliers for Goods and Services	(363,946)	(293,640)
Net Cash Provided (Used) by Operating Activities	<u>(372,055)</u>	<u>(335,114)</u>
Cash Flows from Non-Capital Financing Activities:		
Received from Other Governmental Agencies	395,472	348,306
Other Income	25,506	20,729
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>420,978</u>	<u>369,035</u>
Cash Flows from Capital and Related Financing Activities:		
Purchases of Property and Equipment	(33,316)	(174,443)
Dispositions of Property and Equipment	-	5,151
Transfer (Out)	(131,000)	
Net Cash Provided (Used) by Capital Financing Activities	<u>(164,316)</u>	<u>(169,292)</u>
Cash Flows from Investing Activities		
Interest Earned	6,812	5,502
Net Cash Provided (Used) by Investing Activities	<u>6,812</u>	<u>5,502</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(108,581)	(129,869)
Cash and Cash Equivalents:		
Balance - July 1	<u>864,709</u>	<u>994,578</u>
Balance - June 30	<u><u>\$ 756,128</u></u>	<u><u>\$ 864,709</u></u>
Reconciliation:		
Operating Income (Loss)	\$ (482,667)	\$ (477,966)
Depreciation and Amortization	138,935	137,848
Increase/(Decrease) in Accounts Payable	<u>(28,323)</u>	<u>5,004</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (372,055)</u></u>	<u><u>\$ (335,114)</u></u>

The accompanying notes are an integral part of this statement.

**MODOC TRANSPORTATION AGENCY
TRANSPORTATION DEVELOPMENT ACT FUNDS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Modoc Transportation Agency is the only public transit operator in Modoc County, California. The Agency was established in a Joint Powers Agreement between the County of Modoc and the City of Alturas on August 13, 1997.

The financial statements of Modoc Transportation Agency Transportation and Development Act Funds are prepared in conformity with U.S. generally accepted accounting principles. Modoc Transportation Agency (the Agency) applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary Funds apply Financial Accounting Standard Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

A. Reporting Entity

The financial statements are intended to present the financial position and results of operations of only those transactions attributable to the Modoc Transportation Agency.

The Agency received Local Transportation Fund and State Transit assistance allocation from the Modoc County Transportation Commission, as well as Federal Grants, Fares and other revenues to operate and provide public transit services to the County of Modoc, the City of Alturas, and the surrounding regions.

The Agency includes all activities (operations of its administrative staff and Board of Directors) considered to be a part of the Agency. The Agency reviewed the criteria developed by GASB in its issuance of Statement No. 14, relating to the financial reporting entity to determine whether the Agency is financially accountable for other entities. The Agency has determined that no other outside entity meets the above criteria, and therefore, no entity has been included as a component unit in the financial statements.

The Agency, although a legally separate entity from Modoc County Transportation Commission (the Commission), is a blended component unit of the Commission because the individuals on the Agency's governing board are the same as those on the Commission. The Commission is also responsible for approving the Agency's Transportation Development Act revenue allocations.

B. Fund Accounting

The Agency uses funds to report on its financial position and on the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

**MODOC TRANSPORTATION AGENCY
TRANSPORTATION DEVELOPMENT ACT FUNDS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

A fund is a separate accounting entity with a self-balancing set of accounts.

The Agency makes use of an enterprise fund type (of the proprietary fund category) to account for the majority of the Agency's activity. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies (internal service funds).

C. Basis of Accounting

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Nonexchange transactions, in which the Agency give (or receives) value without directly receiving (or giving) equal value in exchange, included grants, entitlements and donations. On the accrual basis, revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

An enterprise fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Agency's principal ongoing operations. The principal operating revenues of the Agency are charges to passengers for public transit services. Operating expenses for the Agency include the cost of transit services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted net assets are available, unrestricted resources are used only after restricted resources are depleted.

D. Capital Assets

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value as the date received. The Agency's capitalization threshold is \$100. 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.

**MODOC TRANSPORTATION AGENCY
TRANSPORTATION DEVELOPMENT ACT FUNDS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

Depreciation of buildings, equipment and vehicles in the proprietary fund is computed using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30
Vehicles	5-10
Equipment	3-10

The Agency has acquired certain capital assets with funding provided by federal assistance from various grant programs. The Agency holds title to these assets; however, the federal government retains an interest in these assets should the asset no longer be used for transit purposes.

E. Cash and Cash Equivalents

The Agency considers cash, investments in the local agency investment fund, and reserved cash to be cash equivalents. Excess cash has been invested in the Local Agency Investment Fund (LAIF). The Agency is authorized to deposit cash and invest excess funds by California Government Code 53648 et seq.

The remainder of the Agency's cash is held in Plumas Bank. The FDIC insures cash balances held in banks up to \$250,000. Periodically, the Agency's cash balances exceed FDIC limits; however the Agency believes that no significant concentration of credit risk exists for these excess deposits. As of June 30, 2017, no funds were held in excess of the FDIC limits. As of June 30, 2017, \$55,881 in funds were held in excess of the FDIC limits.

F. Receivable and Payable Balances

The Agency 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.

G. Use of Estimates

The financial statements have been prepared in conformity with U.S. generally accepted accounting principles, 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.

**MODOC TRANSPORTATION AGENCY
TRANSPORTATION DEVELOPMENT ACT FUNDS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

H. Expenses in Excess of Budget

The following expense categories exceeded budget during the 2016-17 fiscal year:

<u>Category</u>	<u>Amount in Excess of Budget</u>
Depreciation	\$ 138,935
Building Improvements	549

Depreciation and Building Improvements expense were not budgeted.

I. Budgets and Budgetary Accounting

The Agency's budget is consistent with the modified accrual basis of accounting. In order to be consistent with accrual basis accounting used in proprietary funds, capital expenditures will need to be eliminated and depreciation will need to be added.

J. Unearned Revenue

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

K. Fair Value Measurements and Investments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets and liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

**MODOC TRANSPORTATION AGENCY
TRANSPORTATION DEVELOPMENT ACT FUNDS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include various types of mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

NOTE 2 – CASH AND INVESTMENTS

The Agency's cash and investments are maintained with various financial institutions. A summary of the Agency's cash and investments follows:

	2017	2017
Plumas Bank Operating Account	\$ 129,432	\$ 112,949
Plumas Bank Certificate of Deposit	-	305,681
Local Agency Investment Fund	626,263	445,603
Undeposited Funds	433	476
	<u>\$ 756,128</u>	<u>\$ 864,709</u>

Investments consist of Certificates of Deposit and the Local Agency Investment Fund, and are stated at fair value based on significant other observable inputs. Certificates of Deposits are summarized as follows:

June 30, 2018			June 30, 2017		
Cost	Fair Value	Unrealized Gain(Loss)	Cost	Fair Value	Unrealized Gain(Loss)
			\$ 303,397	\$ 305,681	\$ 2,284

The total amount of interest income for the year ended June 30, 2018 and 2017 was \$6,812 and \$5,502, respectively. This interest is included in the balances of the accounts and fair value measurements.

**MODOC TRANSPORTATION AGENCY
TRANSPORTATION DEVELOPMENT ACT FUNDS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

The following tables present the fair value measurements of assets recognized in the accompanying statement of financial position measured at fair value on a recurring basis and level within the fair value hierarchy in which the fair value measurements fall:

June 30, 2018				
Fair Value Measurements Using				
	Fair Value	Quoted Prices		
		In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Local Agency Investment Fund	\$ 626,263		\$ 626,263	

June 30, 2017				
Fair Value Measurements Using				
	Fair Value	Quoted Prices		
		In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Local Agency Investment Fund	\$ 445,603		\$ 445,603	
Certificate of Deposit	\$ 305,681		\$ 305,681	

**MODOC TRANSPORTATION AGENCY
TRANSPORTATION DEVELOPMENT ACT FUNDS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

NOTE 3 – CAPITAL ASSETS

A capital assets summary of the Agency is shown below:

	Balance <u>6/30/17</u>	<u>Additions</u>	<u>Dispositions</u>	Balance <u>6/30/17</u>
Land	\$ 781,745			\$ 781,745
Vehicles, Buildings, and Equipment	1,987,085	\$ 11,995		1,999,080
Total	<u>2,768,830</u>	<u>11,995</u>	<u>-</u>	<u>2,780,825</u>
Accumulated Depreciation	<u>(708,955)</u>	<u>(117,614)</u>		<u>(826,569)</u>
Property, Plant and Equipment, Net	<u>\$ 2,059,875</u>	<u>\$ (105,619)</u>	<u>\$ -</u>	<u>\$ 1,954,256</u>

	Balance <u>6/30/2016</u>	<u>Additions</u>	<u>Dispositions</u>	Balance <u>6/30/2017</u>
Land	\$781,745			\$781,745
Vehicles, Buildings, and Equipment	1,883,440	\$189,486	\$85,841	1,987,085
Total	<u>2,665,185</u>	<u>189,486</u>	<u>85,841</u>	<u>2,768,830</u>
Accumulated Depreciation	<u>(641,905)</u>	<u>(137,848)</u>	<u>(70,798)</u>	<u>(708,955)</u>
Property, Plant and Equipment, Net	<u>\$2,023,280</u>	<u>\$51,638</u>	<u>\$15,043</u>	<u>\$2,059,875</u>

Depreciation and amortization was charged to functions as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Transit	<u>\$ 138,935</u>	<u>\$ 137,848</u>

**MODOC TRANSPORTATION AGENCY
TRANSPORTATION DEVELOPMENT ACT FUNDS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

NOTE 4 – CONCENTRATIONS

The Agency receives a substantial amount of its support from a statewide retail sales tax from the Local Transportation Fund created by the Transportation Development Act. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Agency's activities.

NOTE 5 – CONTINGENCIES

The Agency receives funding for specific purposes that are subject to review and audit by the granting agencies funding source. Such audits could result in a request for reimbursement for expenditures disallowed under the terms and conditions of the contracts. Management is of the opinion that no material liabilities will result from such potential audits.

NOTE 6 – NET POSITION

Net Position is the excess of all the Agency's assets over all its liabilities. Net assets are divided into captions under GASB Statement No. 34. These captions apply only to net assets, which are described below:

Net Investment in Capital Assets describes the portion of net assets that is represented by the current net book value of the Agency's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted Net Position describes the portion of net assets that are legally restricted for certain purposes.

Unrestricted describes the portion of net assets that is not restricted to use or invested in capital assets.

NOTE 7 – SUBSEQUENT EVENTS

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

OTHER SUPPLEMENTARY INFORMATION

**MODOC TRANSPORTATION AGENCY
TRANSPORTATION DEVELOPMENT ACT FUNDS
TRANSIT FUND BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating Revenues:				
Fare Revenues	\$ 67,000	\$ 60,000	\$ 58,133	\$ (1,867)
Total Operating Revenue	67,000	60,000	58,133	(1,867)
Operating Expenses:				
Contract Transportation Services	185,000	212,000	203,475	8,525
Vehicle Maintenance	40,000	48,858	41,190	7,668
Building Improvements	-	-	549	(549)
Fuel	35,589	41,820	32,729	9,091
Labor	112,000	110,000	66,242	43,758
Utilities	20,000	20,000	17,855	2,145
Marketing	6,000	9,180	3,959	5,221
Other Expenses	38,750	52,050	35,866	16,184
Capital Expenditures	175,806	120,622	-	120,622
Depreciation			138,935	(138,935)
Total Operating Expenses	613,145	614,530	540,800	73,730
Operating Income (Loss)	(546,145)	(554,530)	(482,667)	71,863
Non-Operating Revenue (Expense):				
Local Transportation Funds	113,500	113,500	56,555	(56,945)
State Transportation Assistance Funds	53,922	63,216	55,246	(7,970)
Federal Grants	300,597	285,711	209,478	(76,233)
Lassen Transit Service Agency	30,000	30,000	28,445	(1,555)
LCTOP	11,759	11,079	11,079	-
Prop 1b -CTAF	22,232	22,232	22,232	-
State of Good Repair Program	-	14,157		(14,157)
Other	20,760	21,260	25,506	4,246
Interest	-	-	6,812	6,812
Total Non-Operating Revenues (Expenses)	552,770	561,155	415,353	(145,802)
Transfer to MCTC Trust Fund			(131,000)	
Change in Net Position	\$ 6,625	\$ 6,625	\$ (198,314)	\$ (73,939)

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE OVER FINANACIAL 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

Board of Directors
Modoc Transportation Agency
Alturas, California

Report on State Compliance

We have audited the financial statements of the Transportation Development Act Funds allocated to the Modoc Transportation Agency as of and for the years ended June 30, 2018 and 2017 and have issued our report thereon dated September 14, 2018.

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 Agency's compliance with the California Code of Regulations Sections 6664 and 6667 that are applicable to Modoc Transportation Agency. Additionally, we performed tests to determine that expenditures paid by 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 Agency's management. Our responsibility is to express an opinion on the Agency'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 Agency'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 Agency's compliance with those requirements.

Opinion on State Compliance

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

Purpose of This Report

The report is intended solely for the information and use of Modoc Transportation Agency, 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
September 14, 2018

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

Board of Commissioners
Modoc County Transportation Commission
Alturas, California

Board of Directors
Modoc Transportation Agency
Alturas, California

Members of the Board of Directors:

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 Transportation Development Act Funds allocated to the Modoc Transportation Agency as of and for the years ended June 30, 2018 and 2017 and the related notes to the financial statements and have issued our report thereon dated September 14, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) 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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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 2018-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Agency's Response to Findings

The Agency's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Agency'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 Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

SingletonAuman PC
Susanville, CA
September 14, 2018

**MODOC TRANSPORTATION AGENCY
COMBINED SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018**

EXECUTIVE SUMMARY

The quality of the Agency'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:** Qualified.
2. **Internal Control Findings:** 1 Significant Deficiency.
3. **Material Noncompliance Noted:** None.

**MODOC TRANSPORTATION AGENCY
COMBINED SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018**

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

Finding 2018-1 Financial Reporting

Criteria Upon Which Audit Finding is Based (Legal Citation)

In accordance with Statement on Auditing Standards No. 122 (SAS 122), the Agency is responsible for preparing complete and accurate financial statements and footnote disclosures in accordance with Generally Accepted Accounting Principles (GAAP).

Finding (Condition)

Similar to many small governmental entities, the Agency does not have policies and procedures in place to ensure that complete and accurate financial statements, MD&A and footnote disclosures are prepared in accordance with GAAP prior to the annual audit. Management relies upon the auditor to recommend footnote disclosures for the financial statements and to prepare adjusting journal entries for approval in order to report financial information in accordance with GAAP.

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 Agency's system of internal control.

Cause

This condition has always existed at the Agency, and is being reported in accordance with SAS 122.

Recommendation

We recommend that the Agency 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.

Agency's Response

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

**MODOC TRANSPORTATION AGENCY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(FINDINGS FROM THE JUNE 30, 2017 AUDIT REPORT)
FOR THE YEAR ENDED JUNE 30, 2018**

Finding 2017-1 Financial Reporting

Finding (Condition)

Similar to many small governmental entities, the Agency does not have policies and procedures in place to ensure that complete and accurate financial statements, MD&A and footnote disclosures are prepared in accordance with GAAP prior to the annual audit. Management relies upon the auditor to recommend footnote disclosures for the financial statements and to prepare adjusting journal entries for approval in order to report financial information in accordance with GAAP.

Status

Partially implemented. See current year finding 2018-1.

**MODOC TRANSPORTATION AGENCY
CORRECTIVE ACTION PLAN
JUNE 30, 2018**

Person Monitoring Corrective Action Plan

Debbie Pedersen, Executive Director

Finding 2018-1 Financial Reporting

Finding (Condition)

Similar to many small governmental entities, the Agency does not have policies and procedures in place to ensure that complete and accurate financial statements, MD&A and footnote disclosures are prepared in accordance with GAAP prior to the annual audit. Management relies upon the auditor to recommend footnote disclosures for the financial statements and to prepare adjusting journal entries for approval in order to report financial information in accordance with GAAP.

Corrective Action Planned

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

Expected Completion Date

Ongoing.

MODOC TRANSPORTATION AGENCY

RESOLUTION No. 18-03

Calendar Year 2018 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)
- SB 1 State of Good Repair (SGR) Program

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 2019.

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 4th day of December 2018 by the following vote:

AYES: Board Members:

NOES: None

ABSENT: Board Members:

John Dederick, Chair
Modoc Transportation Agency

ATTEST:

Debbie Pedersen, Executive Director
Modoc Transportation Agency

Report to Modoc Transportation Agency Board Members	
Subject Staff Updates and Calendar of Events	Meeting Date December 4, 2018
Presented by MTA Staff	Agenda Item 6

a) Staff Updates

b) Other Information

Received delivery of T-21 Ford Transit on October 18, 2018

Calendar – consider future dates and events of interest:

12/04/18 MCTC and MTA Meetings - City of Alturas Council Chambers, 200 W North St., Alturas
12/24/18 Christmas Eve Holiday - MCTC office is closed-no Sage Stage Bus Service
12/25/18 Christmas Holiday - MCTC office is closed-no Sage Stage Bus Service
12/31/18 New Years Eve Holiday - MCTC Office is closed - Sage Stage Bus operating
01/01/19 New Years Day Holiday - MCTC office is closed-no Sage Stage Bus Service
01/07/19 Modoc TAC meeting - Sage Stage Conference Room