



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

Meets First Tuesday  
even-numbered months  
after the MCTC meeting  
or about 1:50 p.m.

Board of Directors

John Dederick  
Chairman  
City Representative

Kathie Rhoads  
Vice Chair  
County Supervisor  
District III

Bobby Ray  
Director  
City Representative

Elizabeth Cavasso  
Director  
County Supervisor  
District IV

Cheryl Nelson  
Director  
City Councilmember

Mark Moriarity  
Director  
County at Large Member

Ned Coe  
Alternate  
County Supervisor  
District I

Loni Lewis  
Alternate  
City Councilman

Staff

Debbie Pedersen  
Executive Director

Niki Lemke  
Chief Fiscal Officer

Michelle Cox  
Executive Assistant Secretary

# AGENDA

## REGULAR MEETING

DECEMBER 7, 2021

Sage Stage Conference Room  
108 S Main Street, Alturas

Following the MCTC meeting at or about 1:50 p.m.  
Or soon thereafter

**Teleconference Number (712) 451-0647**

**Access Code 113785**

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 10/05/21 MTA Regular Meeting.
  - b. Financial Transactions 09/01/21 through 10/31/21.
  - c. YTD expenditures through 10/31/21.
5. **Regular Business** **Information/Action**
  - a) California Highway Patrol Terminal Inspection and General Public Paratransit Vehicle certification. **Information**
  - b) Accept the FY 2020/21 Fiscal Audit. **Action**
  - c) Accept the 2020/21 Triennial Performance Audit. **Action**
  - d) Consider adopting Resolution 21-02 Calendar Year 2022 Designated Signatories for Plans and Programs. **Action**
  - e) Nominate the Chair and Vice Chair for 2022. **Action**
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 1, 2022, (Tuesday) in the Sage Stage Conference Room, 108 S. Main Street, Alturas, CA, at about 1:50 p.m., following the MCTC meeting.

<b>Report to Modoc Transportation Agency Board Members</b>	
Subject <b>Consent Agenda</b>	Meeting Date <b>December 7, 2021</b>
Presented by <b>MTA Staff</b>	Agenda Item <b>4</b>

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

- a. Approve **the 10/05/21 MTA Regular Meeting minutes.**
- b. **Financial Transactions – 09/01/21 through 10/31/21**

Summary of incidental expenditures

<b>Vendor</b>	<b>Transaction</b>	<b>Amount</b>	<b>Explanation</b>
Perry's Automotive	3500	\$7,243.85	T-18 Replace EGR (Exhaust Gas Recirculation) valve, Fan clutch, radiator, cooling fan clutch, AC system belt, serpentine belt.

- c. **Year to Date revenue and expenditure (through 10/31/21) report.**





MODOC TRANSPORTATION AGENCY

108 South Main, Alturas, CA 96101

Phone (530) 233-6410

## MINUTES

### Regular Meeting

October 5, 2021

#### Board Members Present

Kathie Rhoads, Vice Chair  
Bobby Ray  
Cheryl Nelson  
Mark Moriarity  
Ned Coe (Alternate)

Board of Supervisors, District III, Modoc County  
Representative, City of Alturas  
Councilmember, City of Alturas  
County At-Large Member  
Board of Supervisors, District I, Modoc County

#### Board Members Absent

Loni Lewis (Alternate)  
John Dederick, Chair  
Elizabeth Cavasso

Councilmember, City of Alturas  
Representative, City of Alturas  
Board of Supervisors, District IV, Modoc County

#### Staff Present

Debbie Pedersen  
Niki Lemke  
Michelle Cox

Executive Director  
Chief Fiscal Officer  
Executive Assistant Secretary

#### Public Present

None

1. **Call to Order** – Vice Chair Rhoads called the meeting to order at 1:48 p.m. in the Sage Stage Conference Room, 108 S. Main Street, Alturas, CA.
2. **Public Forum** – There were no public comments.
3. **Confirm Agenda** – Motion by Board Member Coe to confirm agenda, seconded by Board Member Ray. All Ayes; motion carried.
4. **Consent Agenda**
  - a. Approve minutes from 08/03/21 MTA Regular Meeting.
  - b. Financial Transactions 07/01/21 through 08/31/21.

Summary of Incidental Expenditures:

Vendor	Transaction	Amount	Explanation
Golden State Risk Management Authority	3402	\$4,648.00	Insurance
Perry's Automotive	3421	\$1,373.91	T-17 Schedule A
Perry's Automotive	3453	\$1,359.18	T-19 Schedule C
Perry's Automotive	3460	\$1,597.81	T-18 Schedule C/replace coolant res.
Perry's Automotive	3450	\$4,411.68	T-17 NOX sensor, fan clutch, etc.

- c. Year-To-Date revenue and expenditure report through 08/31/21.

Motion by Board Member Coe to approve consent agenda items a through c above, seconded by Board Member Moriarity. All Ayes; motion carried.

## **5. Regular Business**

- a. Update regarding CARES funding.

Chief Fiscal Officer, Niki Lemke explained due to COVID-19 CARES and CRRSAA funding, MTA is eligible and has applied for several grants. An FTA grant summary chart was provided showing the breakdown of funding source, funding amount, and current status of each grant for FY 2019/20 and FY 2020/21.

- b. California Highway Patrol Terminal Inspection and General Public Paratransit Vehicle certification.

Executive Director, Pedersen was contacted today by Officer Maxwell with CHP, he will be here this Friday October 8, 2021, to do both the Terminal Inspections and the GPPV Inspections. To complete the inspections Officer Maxwell offered to inspect T-18 while it is in Redding having repairs done at Perry's Automotive.

## **6. System Update, Communications, and Calendar**

- a. Staff updates

The Boys and Girls Club of Sweet Water Wyoming were very excited to learn they had the high bid at \$5,000 for T-14. They will be use T-14 to transport school aged children. The bus was picked up on September 3, 2021.

- b. Other Information

Calendar – consider future dates and events of interest:

11/25/21 Thanksgiving Holiday; office is closed-No Bus Service

11/26/21 Thanksgiving Holiday; office is closed-No Bus Service

12/07/21 MTA Meeting following the MCTC Meeting

## **7. Adjournment**

Motion to adjourn by Board Member Ray at 1:59 p.m. seconded by Board Member Nelson. All Ayes, motion carried. The next regular meeting will be Tuesday, December 7, 2021, in the Sage Stage Conference Room, 108 S. Main Street, Alturas at 1:50 p.m. or soon thereafter.

Submitted by,

Michelle Cox  
Executive Assistant Secretary

# Modoc Transportation Agency

## Transactions by Account

As of October 31, 2021

Date	Num	Name	Amount	Balance
<b>LAIF-8025001 (\$620K)</b>				<b>620,047.83</b>
10/15/2021		Interest	379.19	620,427.02
Total LAIF-8025001 (\$620K)			379.19	620,427.02
<b>Plumas Operating MTA-0477</b>				<b>248,422.78</b>
<b>Reserve - LTF / LCTOP Exchange</b>				<b>49,109.00</b>
Total Reserve - LTF / LCTOP Exchange				49,109.00
<b>Reserve - Vehicles</b>				<b>69,525.00</b>
Total Reserve - Vehicles				69,525.00
<b>Reserve - Building Improvements</b>				<b>22,663.96</b>
09/14/2021	3475	Larranaga Trucking & Construction	-1,400.00	21,263.96
09/28/2021	3484	McCombs Electric Inc.	-3,504.98	17,758.98
Total Reserve - Building Improvements			-4,904.98	17,758.98
<b>Plumas Operating MTA-0477 - Other</b>				<b>107,124.82</b>
09/01/2021		Farebox	88.00	107,212.82
09/01/2021		Farebox	87.00	107,299.82
09/01/2021		Farebox	63.00	107,362.82
09/01/2021		AP-Tech / Farebox	456.00	107,818.82
09/01/2021		FTA 5311/5311f & CARES ACT	283,173.79	390,992.61
09/01/2021		Refund - Coolant	8.00	391,000.61
09/02/2021	3462	Pepsi-Cola Bottling Company	-39.99	390,960.62
09/02/2021	3463	Frank Willis	-75.00	390,885.62
09/02/2021	3464	Ed Staub & Sons	-2,899.69	387,985.93
09/03/2021		Farebox	18.00	388,003.93
09/03/2021		Farebox	101.05	388,104.98
09/03/2021		Farebox	108.00	388,212.98
09/03/2021	3465	First Transit, Inc.	-22,509.33	365,703.65
09/07/2021		Farebox	17.00	365,720.65
09/07/2021	3466	City Of Alturas	-85.10	365,635.55
09/07/2021	3467	EDI Media	-150.00	365,485.55
09/07/2021	90721	Basys Processing, Inc.	-82.61	365,402.94
09/07/2021	3468	Apex Technology Management, Inc.	-1,157.00	364,245.94
09/07/2021		FTA 5311 Grant	6,397.44	370,643.38
09/08/2021		Farebox	51.00	370,694.38
09/08/2021	9721	Verizon Wireless	-253.92	370,440.46
09/08/2021	9821	Verizon Wireless	-253.92	370,186.54
09/08/2021	9921	Amazon	-188.74	369,997.80
09/08/2021	3469	Perry's Automotive	-1,624.55	368,373.25
09/08/2021	3470	Frontier Communications	-86.10	368,287.15
09/09/2021		Farebox	172.50	368,459.65
09/09/2021		Farebox	75.00	368,534.65
09/10/2021		Farebox	109.00	368,643.65
09/13/2021	3471	Frontier Communications	-92.44	368,551.21

# **Modoc Transportation Agency** **Transactions by Account** **As of October 31, 2021**

Date	Num	Name	Amount	Balance
09/13/2021	3472	Ray Morgan Company	-102.66	368,448.55
09/13/2021	3473	Waste Management	-64.48	368,384.07
09/13/2021	3474	Frank Willis	-299.49	368,084.58
09/14/2021		Farebox	59.00	368,143.58
09/14/2021		Farebox	7.00	368,150.58
09/14/2021		Farebox	73.00	368,223.58
09/14/2021		Refund - Paper	9.28	368,232.86
09/15/2021		Farebox	75.00	368,307.86
09/15/2021		Farebox	423.00	368,730.86
09/15/2021	91521	Amazon	-364.62	368,366.24
09/15/2021	3476	Basin Tire Service Inc.	-90.00	368,276.24
09/16/2021		Farebox	114.50	368,390.74
09/16/2021		Farebox	116.00	368,506.74
09/17/2021		Farebox	42.00	368,548.74
09/17/2021		Farebox	26.00	368,574.74
09/20/2021	3477	Frank Willis	-75.00	368,499.74
09/20/2021	3478	Perry's Automotive	-1,541.30	366,958.44
09/20/2021		Farebox	131.80	367,090.24
09/21/2021	92121	TCE Communications	-49.54	367,040.70
09/22/2021		Farebox	81.50	367,122.20
09/22/2021		Farebox	110.00	367,232.20
09/22/2021		Farebox	44.00	367,276.20
09/22/2021		Farebox	68.00	367,344.20
09/23/2021		Farebox	144.50	367,488.70
09/24/2021		Farebox	29.00	367,517.70
09/27/2021		Farebox	30.00	367,547.70
09/28/2021		Farebox	13.00	367,560.70
09/28/2021		Farebox	80.00	367,640.70
09/28/2021	3479	Fredrick Janitorial	-275.00	367,365.70
09/28/2021	3480	Frank Willis	-75.00	367,290.70
09/28/2021		Farebox	22.00	367,312.70
09/28/2021	3481	Perry's Automotive	-1,183.88	366,128.82
09/28/2021	3482	Pacific Power	-506.59	365,622.23
09/28/2021		STAF / SGR	20,711.59	386,333.82
09/28/2021		LTF	21,901.92	408,235.74
09/28/2021	3483	Verizon Wireless	-156.16	408,079.58
09/29/2021		Farebox	132.50	408,212.08
09/30/2021		Farebox	91.00	408,303.08
09/30/2021		Farebox	62.00	408,365.08
10/01/2021		Farebox	34.10	408,399.18
10/01/2021		Farebox	22.00	408,421.18
10/01/2021		Farebox	19.00	408,440.18

# **Modoc Transportation Agency** **Transactions by Account** **As of October 31, 2021**

Date	Num	Name	Amount	Balance
10/04/2021		Farebox	95.00	408,535.18
10/04/2021	100421	Basys Processing, Inc.	-180.34	408,354.84
10/04/2021	3485	Ed Staub & Sons	-2,598.83	405,756.01
10/04/2021	3486	Pepsi-Cola Bottling Company	-39.99	405,716.02
10/04/2021	3487	City Of Alturas	-85.10	405,630.92
10/04/2021	3488	Perry's Automotive	-1,620.85	404,010.07
10/04/2021	100421	Tnet Broadband Internet, LLC	-48.00	403,962.07
10/04/2021	3489	Modoc County Record	-42.00	403,920.07
10/04/2021	3490	Apex Technology Management, Inc.	-1,157.00	402,763.07
10/04/2021	3491	First Transit, Inc.	-21,798.67	380,964.40
10/05/2021		Farebox	191.00	381,155.40
10/06/2021		Farebox	114.50	381,269.90
10/06/2021	3492	Trillium Solutions	-4,200.00	377,069.90
10/06/2021	100621	TCE Communications	-49.47	377,020.43
10/06/2021	3493	Modoc County Record	-1,198.15	375,822.28
10/06/2021	3494	Frontier Communications	-86.10	375,736.18
10/06/2021	3495	EDI Media	-150.00	375,586.18
10/07/2021		Farebox	64.00	375,650.18
10/08/2021		Farebox	58.00	375,708.18
10/12/2021		Farebox	80.00	375,788.18
10/12/2021		Farebox	125.00	375,913.18
10/12/2021		Farebox	27.00	375,940.18
10/12/2021		Farebox	116.00	376,056.18
10/13/2021		Farebox	57.50	376,113.68
10/13/2021	3496	Modoc County Transportation Commission	-18,440.15	357,673.53
10/13/2021	101322	Modoc Steel and Supply	-60.04	357,613.49
10/14/2021		Farebox	104.25	357,717.74
10/14/2021	101421	Modoc Steel and Supply	-60.04	357,657.70
10/14/2021	101421	Amazon	-17.96	357,639.74
10/14/2021	101422	Amazon	-19.20	357,620.54
10/14/2021	101423	Amazon	-73.43	357,547.11
10/15/2021		Farebox	43.00	357,590.11
10/15/2021		Farebox	22.00	357,612.11
10/15/2021	3497	Apex Technology Management, Inc.	-5,402.68	352,209.43
10/15/2021	3498	Frontier Communications	-91.98	352,117.45
10/15/2021	3499	Waste Management	-64.48	352,052.97
10/19/2021		Farebox	143.50	352,196.47
10/19/2021		Farebox	139.33	352,335.80
10/19/2021		LTF	25,322.76	377,658.56
10/19/2021	3500	Perry's Automotive	-7,243.85	370,414.71
10/19/2021	3501	Ray Morgan Company	-110.21	370,304.50
10/19/2021		Farebox	21.00	370,325.50

9:30 AM  
11/18/21  
Accrual Basis

# Modoc Transportation Agency Transactions by Account As of October 31, 2021

Date	Num	Name	Amount	Balance
10/19/2021		MCTC	4,282.35	374,607.85
10/20/2021		Farebox	82.50	374,690.35
10/20/2021		Farebox	20.00	374,710.35
10/21/2021		Farebox	130.00	374,840.35
10/21/2021	102121	A-Z Bus Sales, Inc.	-89.49	374,750.86
10/22/2021		Farebox	61.00	374,811.86
10/22/2021		Farebox	48.00	374,859.86
10/25/2021		AP-Tech	423.00	375,282.86
10/26/2021		Farebox	95.00	375,377.86
10/26/2021		Farebox	188.00	375,565.86
10/26/2021	3502	Fredrick Janitorial	-275.00	375,290.86
10/26/2021	3503	Pacific Power	-511.11	374,779.75
10/26/2021	3504	Verizon Wireless	-156.00	374,623.75
10/26/2021		Farebox	34.00	374,657.75
10/27/2021		Farebox	94.00	374,751.75
10/28/2021		Farebox	46.00	374,797.75
10/28/2021	3505	Completely Custom Inc.	-58.88	374,738.87
10/28/2021		Farebox	24.00	374,762.87
10/29/2021		Farebox	32.00	374,794.87
Total Plumas Operating MTA-0477 - Other			267,670.05	374,794.87
Total Plumas Operating MTA-0477			262,765.07	511,187.85
<b>Treasurer Operating MTA-650</b>				<b>0.00</b>
Total Treasurer Operating MTA-650				0.00
<b>TOTAL</b>			<b>263,144.26</b>	<b>1,131,614.87</b>

# Modoc Transportation Agency

## Company Snapshots (As of 11/18/21)



8:37 AM

11/18/21

Accrual Basis

**Modoc Transportation Agency**  
**Profit & Loss**  
 July through October 2020

	Jul - Oct 20
Ordinary Income/Expense	
Income	
CoVID - 5311 Reimb.	44,700.94
CoVID - 5311f Reimb.	79,943.13
Farebox	
Dial A Ride Fares	225.90
Klamath Falls Fares	294.00
Redding Fares	261.50
Reno Fares	910.00
Total Farebox	1,691.40
Interest	3,689.81
LTF	49,203.06
Rents/Leases	5,974.35
STAF	22,102.00
Total Income	207,304.69
Expense	
Building Maint / Improve	422.30
Insurance	4,253.54
Labor (Contract Admin)	67,131.22
Legal Notices	51.00
Marketing/Promotions	4,422.19
Materials/Supplies Consumed	
Fuel/Lubricants	2,168.02
Office Supplies	1,001.61
Shop & Bus Supplies	2,254.85
Total Materials/Supplies Consumed	5,424.48
Purchased Transportation	58,051.56
Services - Prof./Specialized	
Accounting / Auditor Services	2,500.00
IT Service & Support	5,508.00
Services - Other (Misc.)	1,806.66
Vehicle Maintenance	
T21	1,032.21
T14	75.00
T17	2,406.34
T18	2,586.78
T19	1,193.32
Total Vehicle Maintenance	7,293.65
Total Services - Prof./Specialized	17,108.31
Utilities	5,178.58
Total Expense	162,043.18
Net Ordinary Income	45,261.51
Net Income	45,261.51



**Modoc Transportation Agency**  
**Balance Sheet**  
As of October 31, 2021

	Oct 31, 21
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
LAIF-8025001 (\$620K)	620,427.02
Plumas Operating MTA-0477	
Reserve - LTF / LCTOP Exchange	49,109.00
Reserve - Vehicles	69,525.00
Reserve - Building Improvements	17,758.98
Plumas Operating MTA-0477 - Other	374,794.87
Total Plumas Operating MTA-0477	511,187.85
Total Checking/Savings	1,131,614.87
Accounts Receivable	7,590.00
Other Current Assets	
Undeposited Funds	133.90
Total Other Current Assets	133.90
Total Current Assets	1,139,338.77
Fixed Assets	1,675,013.37
<b>TOTAL ASSETS</b>	<b>2,814,352.14</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	1,644.11
Other Current Liabilities	
Def Rev - SGR 20/21	12,303.20
Def Rev - SGR 19/20	14,215.77
Def Rev - SGR 18/19	13,868.13
Def Rev - SGR 17/18	86.66
Total Other Current Liabilities	40,473.76
Total Current Liabilities	42,117.87
Total Liabilities	42,117.87
Equity	
Opening Bal Equity	654,612.39
Retained Earnings	2,151,912.97
Net Income	-34,291.09
Total Equity	2,772,234.27
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>2,814,352.14</b>

<b>Report to Modoc Transportation Agency Board Members</b>	
Subject <b>Regular Business</b>	Meeting Date <b>December 7, 2021</b>
Presented by <b>MTA Staff</b>	Agenda Item <b>5</b>

**Items with attachments, shown in bold:**

- a) California Highway Patrol (CHP) Terminal Inspection and General Public Paratransit Vehicle certification. *Information*  
CHP performed the terminal inspection on October 8, 2021. There were no findings.
- b) Accept the **FY 2020/21 Fiscal Audit**. *Action*  
Staff recommends accepting the FY 2020/21 Fiscal Audit.
- c) Accept the **2020/21 Triennial Performance Audit**. *Action*  
Staff recommends accepting the 2020/21 Triennial Performance Audit.
- d) Consider adopting **Resolution 21-02 Calendar Year 2022 Designated Signatories for Plans and Programs**. *Action*  
This is the annual resolution for MTA programs. Resolution 21-02 designates and authorizes persons to sign documents, invoices, etc. for the grants and allocations for various programs.  
Staff Recommends approval of Resolution 21-02.
- e) Nominate the Chair and Vice Chair for 2022. *Action*

**MODOC TRANSPORTATION AGENCY  
ALTURAS, CALIFORNIA**

Financial Statements, Management's Discussion & Analysis,  
And Independent Auditor's Report  
As of and for the years ended June 30, 2021 & 2020

**MODOC TRANSPORTATION AGENCY**  
Audited Financial Statements  
June 30, 2021 & 2020

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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, 2021 and 2020, 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.

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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, 2021 and 2020, 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 October 8, 2021 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,

A handwritten signature in black ink, appearing to read 'SingletonAuman PC', followed by a stylized flourish or mark.

**SingletonAuman PC**  
**Susanville, CA**  
October 8, 2021

## **FINANCIAL SECTION**



**MODOC TRANSPORTATION AGENCY  
TRANSPORTATION DEVELOPMENT ACT FUNDS  
STATEMENTS OF NET POSITION  
PROPRIETARY FUND  
TRANSIT FUND  
JUNE 30, 2021  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 840,958	\$ 788,803
Accounts Receivable	295,849	148,647
Other Current Assets	108	
Total Current Assets	<u>1,136,915</u>	<u>937,450</u>
Restricted Cash	40,474	
Property, Plant & Equipment, Net	<u>1,669,611</u>	<u>1,763,603</u>
Total Assets	<u><u>\$ 2,847,000</u></u>	<u><u>\$ 2,701,053</u></u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ -	\$ 50,269
Unearned Revenue		25,717
Total Liabilities	<u><u>\$ -</u></u>	<u><u>\$ 75,986</u></u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 1,669,611	\$ 1,763,603
Restricted for State of Good Repair	40,474	
Unrestricted	1,136,915	861,464
Total Net Position	<u><u>\$ 2,847,000</u></u>	<u><u>\$ 2,625,067</u></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, 2021 WITH COMPARATIVE TOTALS FOR JUNE 30, 2020**

	2021	2020
Operating Revenues:		
Fare Revenues	\$ 9,949	\$ 36,460
Total Operating Revenue	<u>9,949</u>	<u>36,460</u>
Operating Expenses:		
Contract Transportation Services	243,353	235,920
Vehicle and Equipment Maintenance	32,585	41,031
Building Improvements	1,524	7,093
Fuel	13,602	25,482
Labor	101,494	114,854
Utilities	18,095	17,311
Marketing	15,449	5,811
Other Expenses	8,830	5,190
Professional Services	20,962	19,297
Insurance	4,254	2,000
Depreciation	93,992	127,814
Total Operating Expenses	<u>554,140</u>	<u>601,803</u>
Operating Income (Loss)	<u>(544,191)</u>	<u>(565,343)</u>
Non-Operating Revenues and (Expenses):		
Local Transportation Funds	158,093	4,324
State Transportation Assistance Funds	74,557	88,759
Federal Grants	86,120	156,286
Covid 5311 Reimbursement	367,508	15,863
State of Good Repair	40,474	
Lassen Transit Service Agency	6,224	26,894
LCTOP - Exchange with Tehama County	10,618	38,491
Rents, Leases and Other	22,527	21,696
Building Improvement Reserve	9,634	
Interest	5,369	14,898
Total Non-Operating Revenues and (Expenses)	<u>781,124</u>	<u>367,211</u>
Transfers Out	<u>(15,000)</u>	<u>(14,000)</u>
Change in Net Position	<u>221,933</u>	<u>(212,132)</u>
Net Position, Beginning of the Period	<u>2,625,067</u>	<u>2,837,199</u>
Net Position, End of the Period	<u><u>\$ 2,847,000</u></u>	<u><u>\$ 2,625,067</u></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, 2021  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)**

	2021	2020
Cash Flows from Operating Activities:		
Cash Received From Passengers	\$ 9,949	\$ 36,460
Cash Payments to Employees	(101,494)	(114,854)
Cash Payments to Suppliers for Goods and Services	(409,031)	(330,236)
Net Cash Provided (Used) by Operating Activities	(500,576)	(408,630)
Cash Flows from Non-Capital Financing Activities:		
Received from Other Governmental Agencies	570,675	343,449
Other Income	32,161	21,696
Net Cash Provided (Used) by Non-Capital Financing Activities	602,836	365,145
Cash Flows from Capital and Related Financing Activities:		
Purchases of Property and Equipment		
Transfer (Out)	(15,000)	(14,000)
Net Cash Provided (Used) by Capital Financing Activities	(15,000)	(14,000)
Cash Flows from Investing Activities		
Interest Earned	5,369	14,898
Net Cash Provided (Used) by Investing Activities	5,369	14,898
Net Increase (Decrease) in Cash and Cash Equivalents	92,629	(42,587)
Cash and Cash Equivalents:		
Balance - July 1	788,803	831,390
Balance - June 30	<u>\$ 881,432</u>	<u>\$ 788,803</u>
Reconciliation:		
Operating Income (Loss)	\$ (544,191)	\$ (565,343)
Depreciation and Amortization	93,993	127,814
(Increase)/Decrease in Other Current Assets	(109)	
Increase/(Decrease) in Accounts Payable	(50,269)	28,899
Net Cash Provided (Used) by Operating Activities	<u>\$ (500,576)</u>	<u>\$ (408,630)</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, 2021 and 2020**

**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.

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

**MODOC TRANSPORTATION AGENCY  
TRANSPORTATION DEVELOPMENT ACT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 and 2020**

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, 2021 and 2020**

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, 2021 and June 30, 2020, no 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.

**H. Expenses in Excess of Budget**

The following expense categories exceeded budget during the 2020-20 fiscal year:

**MODOC TRANSPORTATION AGENCY  
TRANSPORTATION DEVELOPMENT ACT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 and 2020**

<u>Category</u>	<u>Excess of Budget</u>
Depreciation	\$ 93,992
Marketing	\$ 449

Marketing exceeded budget by small amounts. Depreciation was 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

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



**MODOC TRANSPORTATION AGENCY  
TRANSPORTATION DEVELOPMENT ACT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 and 2020**

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.

	2021	2020
Plumas Bank Operating Account	\$ 255,895	\$ 153,617
Local Agency Investment Fund	625,537	635,186
	<u>\$ 881,432</u>	<u>\$ 788,803</u>

Investments consist of amounts deposited with the Local Agency Investment Fund, and are stated at fair value based on significant other observable inputs.

The total amount of interest income for the year ended June 30, 2021 and 2020 was \$5,369 and \$14,898, respectively. This interest is included in the balances of the accounts and fair value measurements.

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:

<b>June 30, 2021</b>				
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	\$ 625,537			\$ 625,537

<b>June 30, 2020</b>				
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	\$ 635,186			\$ 635,186



**MODOC TRANSPORTATION AGENCY  
TRANSPORTATION DEVELOPMENT ACT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 and 2020**

**NOTE 3 – CAPITAL ASSETS**

A capital assets summary of the Agency is shown below:

	Balance <u>6/30/20</u>	<u>Additions</u>	<u>Dispositions</u>	Balance <u>6/30/21</u>
Land	\$ 781,745			\$ 781,745
Vehicles, Buildings, and Equipment	1,945,887			1,945,887
Total	<u>2,727,632</u>	<u>-</u>	<u>.</u>	<u>2,727,632</u>
Accumulated Depreciation	<u>(964,029)</u>	<u>(93,992)</u>		<u>(1,058,021)</u>
Property, Plant and Equipment, Net	<u>\$ 1,763,603</u>	<u>\$ (93,992)</u>	<u>\$ -</u>	<u>\$ 1,669,611</u>

	Balance <u>6/30/2019</u>	<u>Additions</u>	<u>Dispositions</u>	Balance <u>6/30/2020</u>
Land	\$ 781,745			\$ 781,745
Vehicles, Buildings, and Equipment	1,945,887	\$ -	\$ -	1,945,887
Total	<u>2,727,632</u>	<u>-</u>	<u>-</u>	<u>2,727,632</u>
Accumulated Depreciation	<u>(836,215)</u>	<u>(127,814)</u>	<u>-</u>	<u>(964,029)</u>
Property, Plant and Equipment, Net	<u>\$ 1,891,417</u>	<u>\$ (127,814)</u>		<u>\$ 1,763,603</u>

Depreciation and amortization was charged to functions as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Transit	<u>\$ 93,993</u>	<u>\$ 127,814</u>

**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.

**MODOC TRANSPORTATION AGENCY  
TRANSPORTATION DEVELOPMENT ACT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 and 2020**

**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.

**NOTE 8 - FARE REVENUE RATIO**

The Agency claims TDA funding per Article 8, Section 99400(c), not Article 4, Section 99268. The Agency adopted resolution 21-02, which requires the Agency to follow the Commission's performance criteria and, therefore, does not have a fare box requirement. However, for comparison purposes only, the Agency's ratio of fare revenues to operating costs for the years ended June 30, 2021 and 2020 are presented below:

**MODOC TRANSPORTATION AGENCY  
TRANSPORTATION DEVELOPMENT ACT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Operating Revenues:		
Fare Revenue	\$ 9,949	\$ 36,460
Total Operating Revenue	<u>\$ 9,949</u>	<u>\$ 36,460</u>
Operating Expenses:		
Operating Expenses	\$ 554,140	\$ 601,803
Less: Depreciation	<u>(93,992)</u>	<u>(127,814)</u>
Adjusted Operating Expenses	<u>\$ 460,148</u>	<u>\$ 473,989</u>
Fare Revenue Ratio	<u>2.16%</u>	<u>7.69%</u>

The Agency adopted a resolution requiring a 10% Farebox ratio, however this requirement was waived due to the Coronavirus pandemic with the passage of California Assembly Bill 90.

**MODOC TRANSPORTATION AGENCY  
TRANSPORTATION DEVELOPMENT ACT FUNDS  
TRANSIT FUND BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating Revenues:				
Fare Revenues	\$ 60,000	\$ 8,000	\$ 9,949	\$ 1,949
Total Operating Revenue	60,000	8,000	9,949	1,949
Operating Expenses:				
Contract Transportation Services	250,000	250,000	243,353	6,647
Vehicle Maintenance	63,705	40,000	32,585	7,415
Building Improvements	6,625	6,625	1,524	5,101
Fuel	40,000	20,000	13,602	6,398
Labor	145,000	110,000	101,494	8,506
Utilities	20,000	20,000	18,095	1,905
Marketing	4,500	15,000	15,449	(449)
Other Expenses	11,500	10,200	8,830	1,370
Professional Services	25,000	23,700	20,962	2,738
Insurance	3,000	4,500	4,254	246
Transit Property & Vehicle Reserve	56,703	48,251	-	48,251
Depreciation	-	-	93,992	(93,992)
Total Operating Expenses	626,033	548,276	554,140	(5,864)
Operating Income (Loss)	(566,033)	(540,276)	(544,191)	(3,915)
Non-Operating Revenue (Expense):				
Local Transportation Funds	109,825	109,825	158,093	48,268
State Transportation Assistance Funds	90,382	72,169	74,557	2,388
Federal Grants			86,120	86,120
Covid 5311 Reimbursement	255,418	282,826	367,508	
Lassen Transit Service Agency	30,000	5,000	6,224	1,224
Rural Transit Assistance Program	1,500			
LCTOP - Exchange with Tehama County			10,618	10,618
State of Good Repair Program			40,474	40,474
Other	22,205	22,205	22,527	322
Building Improvement Reserve			9,634	9,634
Transit Property & Vehicle Reserve	56,703	48,251		(48,251)
Interest	-		5,369	5,369
Total Non-Operating Revenues (Expenses)	566,033	540,276	781,124	156,166
Transfers Out			(15,000)	(15,000)
Change in Net Position	\$ -	\$ -	\$ 221,933	\$ 152,251

**MODOC TRANSPORTATION AGENCY  
TRANSPORTATION DEVELOPMENT ACT FUNDS  
NOTES TO THE BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2021**

Notes to Transit Fund Budgetary Comparison Schedule:

Under the Transportation Development Act and the California Code of Regulations, no operator or transit provider shall receive Local Transportation Funds (LTF) or State Assistance Funds (STAF) exceeding actual net costs. To balance and return any unused funds to the trust accounts, the agencies prepare an annual "End-of-year True-up and Reconciliation." STAF may only be used for transit related activities. It is spent first in the MTA operating account until exhausted, and therefore is not included in the reconciliation.

This reconciliation is accomplished by taking the final year-end cash balance as of June 30, 2020 for both entities and deducting any unearned revenue or obligated funds for capital projects. The ending balance is then added to or deducted from the the current year (FY 2020-21) due for allocation. The LTF due for each Agency is then allocated as funds become available.

	<u>MTA</u>
LTF unused Cash balance as of 6/30/20	\$ (25,093)
LTF FY 2020/21 Allocated	158,093
	<hr/>
FY 2020/21 LTF Allocation Total	\$ 133,000
	<hr/>

**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, 2021 and 2020 and have issued our report thereon dated October 8, 2021.

**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.

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### **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,

A handwritten signature in black ink, appearing to read 'SingletonAuman PC', with a stylized flourish at the end.

SingletonAuman PC

Susanville, CA

October 8, 2021



**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, 2021 and 2020 and the related notes to the financial statements and have issued our report thereon dated October 8, 2021.

**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.

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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 2021-001.

### **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,

A handwritten signature in black ink, appearing to read 'SingletonAuman PC', with a stylized flourish at the end.

SingletonAuman PC  
Susanville, CA  
October 8, 2021

**MODOC TRANSPORTATION AGENCY  
COMBINED SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2021**

**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, 2021**

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

**Finding 2021-001 Financial Reporting**

**Criteria Upon Which Audit Finding is Based (Legal Citation)**

In accordance with *AU-C Section 265, Communicating Internal Control Matters identified in an Audit* 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 *AU-C Section 265*.

**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, 2020 AUDIT REPORT)  
FOR THE YEAR ENDED JUNE 30, 2021**

**Finding 2020-1 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 2021-001.

**MODOC TRANSPORTATION AGENCY  
CORRECTIVE ACTION PLAN  
JUNE 30, 2021**

**Person Monitoring Corrective Action Plan**

Debbie Pedersen, Executive Director

**Finding 2021-001 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.



# TDA Triennial Performance Audit, FY 2019 - FY 2021 Modoc Transportation Agency/Sage Stage

Final Report  
October 2021

**MCTC**

MODOC COUNTY  
TRANSPORTATION COMMISSION

**MTA**  
MODOC TRANSPORTATION AGENCY

**S SAGE  
STAGE**

moore  
& associates



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## Chapter 1 | Executive Summary

In 2021, the Modoc County Transportation Commission (MCTC) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the single transit operator to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. Audits of Article 8 recipients are encouraged.

Given it receives no funding under Article 4, the Modoc Transportation Agency (MTA) is not statutorily required to undergo a Triennial Performance Audit, nor has it traditionally been held to the requirements of the TDA. However, the RTPA has requested the MTA be audited to provide a comprehensive and objective review to offer beneficial insights into program performance and to establish a baseline for future audits.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the Modoc Transportation Agency as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of the Modoc Transportation Agency's public transit program for the period:

- Fiscal Year 2018/19,
- Fiscal Year 2019/20, and
- Fiscal Year 2020/21.

The Modoc Transportation Agency currently operates three inter-city routes and a general public demand-response service. During the audit period, inter-city service, marketed as Sage Stage, consisted of three routes: Alturas to Reno, Alturas to Redding, and Alturas to Klamath Falls. Alturas to Reno operates between 8:00 a.m. and 5:30 p.m. Monday, Wednesday, and Friday. Alturas to Redding operates between 7:30 a.m. and 4:30 p.m. on Tuesday. Alturas to Klamath Falls operates between 8:00 a.m. and 3:45 p.m. on Thursday. No service is provided on weekends or nine designated holidays. Sage Stage requires a reservation of at least one day in advance to guarantee service. Same-day reservations are accepted when possible.



The Local Bus is the agency's demand-response service for the general public that provides door-to-door, shared-ride transportation within 10 miles of Alturas. The Local Bus operates between 7:45 a.m. and 4:05 p.m. Monday through Friday. Reservations can be made up to 14 days in advance. Same-day service and subscription service is available as well. Priority is given to individuals utilizing the service for health care

appointments scheduled at least one day in advance.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates believes the evidence obtained provides a reasonable basis for its findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

#### Test of Compliance

Based on discussions with Modoc Transportation Agency staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

#### Status of Prior Recommendations

The prior audit – completed in January 2019 by Monica Derner CPA PC for the three fiscal years ending June 30, 2018 – included one recommendation:

1. Identify and implement strategies to correctly exclude vehicle inspection, clean time, and deadhead time from its vehicle service miles/hours.

**Status:** Implemented.

#### Findings and Recommendations

Based on discussions with MTA staff, analysis of program performance, and a review of program compliance and function, the audit team submits no compliance findings for the MTA.

The auditors have identified two functional findings. While these findings are not compliance findings, we feel they are significant enough to be addressed within this audit:

1. The MTA files a Specialized Services report to the State Controller, despite being open to the general public (which should be reported on a general Transit Operator form).
2. The MTA's annual TDA fiscal audit does not include a detailed calculation of its farebox recovery ratio.

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the MTA's public transit program. They have been divided into two categories: TDA Program compliance recommendations and functional recommendations. TDA program compliance recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Two functional findings are presented below.

Exhibit 1.1 Summary of Audit Recommendations

Functional Recommendations		Importance	Timeline
1	Follow up with the State Controller's Office to determine if Modoc Transportation Agency should be filing a Transit Operator report instead of a Specialized Services report.	Medium	FY 2021/22
2	Begin including the farebox recovery ratio calculation in the MTA's annual TDA fiscal audit.	Medium	FY 2021/22

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## Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the Modoc Transportation Agency’s public transit program covers the three-year period ending June 30, 2021.

In 2021, the Modoc County Transportation Commission selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the single transit operator to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of Modoc Transportation Agency as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that an independent auditor plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The auditors believe the evidence obtained provides a reasonable basis for its findings and conclusions.

The audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Audit Standards* published by the U.S. Comptroller General.

### Objectives

A Triennial Performance Audit (TPA) has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Evaluate the efficiency and effectiveness of the transit operator; and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.



## Scope

The Triennial Performance Audit is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of the Modoc Transportation Agency included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
3. A verification of the methodology for calculating performance indicators including the following activities:
  - Assessment of internal controls,
  - Test of data collection methods,
  - Calculation of performance indicators, and
  - Evaluation of performance.
4. Comparison of data reporting practices:
  - Internal reports,
  - State Controller Reports, and
  - National Transit Database.
5. Examination of the following functions:
  - General management and organization;
  - Service planning;
  - Scheduling, dispatching, and operations;
  - Personnel management and training;
  - Administration;
  - Marketing and public information; and
  - Fleet maintenance.
6. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of a transit operator's major functions.

## Methodology

The methodology for the Triennial Performance Audit of the MTA included thorough review of documents relevant to the scope of the audit, as well as information contained on MTA's website. The documents reviewed included the following (spanning the full three-year period):

- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- TDA claims;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection reports;

- National Transit Database reports;
- Accident/road call logs; and
- Organizational chart.

Given impacts of the ongoing COVID-19 pandemic, the methodology for this audit included a virtual site visit with Modoc Transportation Agency representatives on July 29, 2021. The audit team met with Niki Lemke (MCTC Chief Fiscal Officer), Debbie Pedersen (MCTC Executive Director), and Kathleen Cravens (General Manager, First Transit), and reviewed materials germane to the triennial audit.

This report is comprised of eight chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
  - Compliance with statutory and regulatory requirements,
  - Status of prior recommendations,
  - Consistency among reported data,
  - Performance measures and trends,
  - Functional audit, and
  - Findings and recommendations.

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## Chapter 3 | Program Compliance

This section examines Modoc Transportation Agency's compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. The MTA considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Status of compliance items was determined through discussions with MTA staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, National Transit Database reports, year-end performance reports, and other compliance-related documentation.

No compliance items were identified for the Modoc Transportation Agency.

### Developments Occurring During the Audit Period

The last half of the audit period was markedly different from the first half. The impacts of the COVID-19 pandemic resulted in significant declines in ridership and revenue. In many instances, transit operators strove to retain operations staff despite adopting a reduced schedule, resulting in significant changes to many cost-related performance metrics. While infusions of funding through the CARES Act mitigated some of the lost revenues, most transit programs have yet to return to pre-pandemic ridership and fare levels. As a result, the Triennial Performance Audits will provide an assessment not only of how COVID-19 impacted each organization, as well as how it responded to the crisis.

In addition to the COVID-19 pandemic, recent and proposed changes to the TDA will result in audit reports that look somewhat different than in prior years. In the nearly 50 years since introduction of the Transportation Development Act, there have been many changes to public transportation in California. Many operators have faced significant challenges in meeting the farebox recovery ratio requirement, calling into question whether it remains the best measure for TDA compliance. In 2018, the chairs of California's state legislative transportation committees requested the California Transit Association spearhead a policy task force to examine the TDA, which resulted in a draft framework for TDA reform released in early 2020. The draft framework maintains the farebox recovery ratio requirement, but eliminates financial penalties and allows more flexibility with respect to individual operator targets. These changes have yet to be implemented.

Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. While the ability to maintain state mandates and performance measures is important, AB 90 offered much-needed relief from these requirements for these years initially impacted by the COVID-19 pandemic while TDA reform continues to be discussed. AB 90 included provisions specific to transit operator funding through the TDA, including temporary farebox recovery ratio waivers, changes regarding the allocation of State Transit Assistance funding, and eligibility for using STA for operating purposes.

Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief with respect to Transportation Development Act (TDA) compliance. Recognizing the ongoing impact of the COVID-19 pandemic, it extended the provisions of AB 90 through FY 2022/23 as well as provided additional relief with respect to local funding, operating cost, and use of STA funds.

There are several key considerations from AB 149 that are important for the Modoc County Transportation Commission to note across the next audit period, including compliance waivers and funding allocations. Of particular importance across the next three years is being mindful of when various waivers expire. Most extend through FY 2023, which is the second year of the next audit period. A couple of options extend through FY 2026, so it is important for both the RTPA and operator to be aware of these end dates.

Key considerations include the following:

1. PUC 75230 (Low Carbon Transit Operations Program) – For FY 2020 through FY 2023, LCTOP allocations are tied to transit operator ratios used for allocating STA funds. Although not new in AB 149, this section requires annual TDA fiscal audits to also include an audit of LCTOP funds.
2. PUC 99244 – The requirement to annually analyze transit operator productivity is waived for FY 2021 through FY 2023.
3. PUC 99246.5 – Caltrans will be reviewing the triennial performance audit process, with a report to be completed by November 30, 2021.
4. PUC 99268.9 – Penalties for not meeting the required farebox recovery ratio are waived for FY 2020 through FY 2023.
5. PUC 99268.17 – Beginning with FY 2022, additional operating costs may be exempted when calculating the farebox recovery ratio. These include costs for ADA paratransit, operating costs for demand-response and microtransit services that expand service beyond fixed-route corridors; costs for ticketing/payment systems; security costs; some pension costs; and planning costs specific to operations improvements, transition to zero-emission, and regional integration.
6. PUC 99268.19 – Beginning in FY 2022, transit operators may count federal funding as local funds (i.e., CARES Act or Coronavirus Response and Relief Supplemental Appropriations Act). It also allows operators to calculate free and reduced fares at their actual value.
7. PUC 99268.20 – This new Section provides an exemption from Farebox Recovery Ratio compliance if an operator expends at least the same amount in local funds as it did in FY 2019. The operator must be able to demonstrate this to the satisfaction of the State Controller's office or it will be required to reimburse any funds it should not have received. It also exempts transit operators from having to file reports that are only required for compliance with the Sections from which it is exempted. Caltrans is charged with providing a report to the Legislature for transit operators exempted from these Sections. This Section is in effect from FY 2022 through FY 2026. It offers some additional flexibility for transit operators during the three-year period after the penalty waivers (PUC 99268.9) expire.
8. PUB 99312.1 (State Transit Assistance) - This allows transit operators to use STA funds as needed (operating or capital) to keep transit service levels from being reduced or eliminated (when declared necessary by the governing board) for FY 2020 through FY 2023. It also relieves transit operators from some of the reporting requirements for these funds.

9. PUC 99314.6 (STA) – This allows transit operators to exclude certain costs (as amended in Section 99268.17) from the efficiency calculation used to determine an operator’s eligibility to use STA funds for operating purposes. It also exempts transit operators from the eligibility requirement for FY 2021, FY 2022, and FY 2023.
10. PUC 99314.10 (STA) – This Section pertains to funding allocations for STA. It extends the coverage of this Section through FY 2023 (instead of FY 2022), and extends the State Controller’s Transit Assistance Allocation memo date to June 30, 2023.
11. PUC 99314.11 (STA) – Similar to PUC 99268.20, this new Section eliminates the eligibility requirements for receiving STA funds for transit operators that expended at least the same amount in local funds as they did in FY 2019. The operator must be able to demonstrate this to the satisfaction of the Controller’s office or it will be required to reimburse any funds it should not have received. It also exempts transit operators from having to file reports that are only required for compliance with the Sections from which it is exempted. Caltrans is charged with providing a report to the Legislature for operators exempted from these Sections. This Section is in effect through FY 2026.
12. PUC 99405 – This Section exempts transit operators that are in compliance with Section 99268.20 (which provides an exemption from the Farebox Recovery Ratio if they meet the level of local funding expended in FY 2019) from the 50-percent limitation.

## Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	In compliance*	FY 2018/19: January 14, 2020 FY 2019/20: January 22, 2021 FY 2020/21: Pending
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance*	FY 2018/19: September 16, 2019 FY 2019/20: September 16, 2020 FY 2020/21: Pending
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	May 24, 2018 (MV) May 8, 2019 (MV) October 30, 2019 (First Transit) October 13, 2020 (First Transit)
Operator's claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	PUC 99270.1	Not applicable	
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	Not applicable	
An operator receiving allocations under Article 8(c) may be subject to regional, county-wide, or sub-area performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	Not applicable	
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	PUC 99266	In compliance	FY 2018/19: -11.5% FY 2019/20: +25.3% FY 2020/21: -9.82%  The increase in FY 2020 is due largely to a new, higher-cost operations contract.
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	Not applicable	

\*In compliance pending on-time submittal of reports for FY 2020/21. Given these reports have historically been submitted on time, there is no reason to anticipate the FY 2020/21 reports will be submitted late.

Compliance Element	Reference	Compliance	Comments
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	In compliance	FY 2018/19: 17.4% FY 2019/20: 10.8% FY 2020/21: 1.6% (penalty waived under AB 90)
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	Not applicable	
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	PUC 99271	In compliance	Transit operations is contracted to a third-party contractor. Administrative staff are employees of the Modoc County Transportation Commission and participate in a multiple-employer defined benefit pension plan administered by the Public Agency Retirement System (PARS).
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	In compliance	
In order to use State Transit Assistance funds for operating assistance, the operator's total operating cost per revenue hour does not exceed the sum of the preceding year's total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year's total operating cost per revenue hour. An operator may qualify based on the preceding year's operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.	PUC 99314.6	In compliance	MTA met at least one of the efficiency standards in FY 2018/19 and FY 2019/20; this requirement was waived in FY 2020/21.
A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.	CCR 6634	In compliance	



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## Chapter 4 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance the Modoc Transportation Agency has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in January 2019 by Monica Derner CPA PC for the three fiscal years ending June 30, 2018 – included one recommendation:

1. Identify and implement strategies to correctly exclude vehicle inspection, clean time, and deadhead time from its vehicle service miles/hours.

**Discussion:** The prior auditor found the MTA correctly excluded lunch periods, rest breaks, and standby time in its terminus city on inter-city routes. However, the Agency did not exclude vehicle inspection/clean time and deadhead time. Overall, the time associated with deadhead travel and inspection/cleaning was relatively small compared to total vehicle service hours and would not significantly change performance measures calculated as part of that audit. The auditor noted changing the vehicle hour/mile calculation process would require changing driver run sheets and re-training drivers. However, to be consistent with state regulations, the MTA is required to report vehicle service hours in accordance with the TDA definition. Similarly, vehicle service miles should not include mileage accrued during deadhead travel. If changing the reporting process proves too costly, the MTA's management could estimate the number of deadhead hours/miles each month based on driver run sheets and subtract this figure from vehicle service hours and miles reported to the State Controller.

Management noted implementation of new processes to exclude deadhead time would not be cost-effective considering the insignificant down time in relation to total time. It also noted other processes are in place to measure deadhead time that can be evaluated when needed.

**Progress:** MV Transportation's contract ended on June 30, 2019, and it did not have a database system in place to track non-revenue service hours. First Transit's management and database has provided tools that track deadhead, administrative, and bus cleaning schedules separately from revenue service hours. An in-house system to report non-revenue service hours for NTD reporting will complete this recommendation.

**Status:** Implemented.

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## Chapter 5 | Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by the Modoc Transportation Agency both internally as well as to outside entities during the audit period.

Generally, operating cost, fare revenue, ridership, and full-time equivalent employees have been consistently calculated and reported. There were some discrepancies between vehicle service miles and vehicle service hours as reported to various sources. These are detailed below.

- **Vehicle Service Hours (VSH):** In FY 2019, VSH reported to the State Controller was 24 percent higher than that reported to the NTD. In FY 2020, VSH reported to the State Controller was 18 percent higher than that reported to the NTD. In neither year was this data documented on monthly performance reports, so it could not be assessed for accuracy. (Data for FY 2021 was unavailable.)
- **Vehicle Service Miles (VSM):** In FY 2019, VSM reported to the State Controller and NTD was 2.6 percent higher than that on the monthly performance reports. In FY 2020, the State Controller Report and monthly performance reports were largely consistent, but were approximately 3.5 percent higher than that reported to the NTD. (Data for FY 2021 was unavailable.)

(Note: For this draft report, the TDA fiscal audit, State Controller Report, and NTD report for FY 2020/21 were not yet available.)

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2018/19	FY 2019/20	FY 2020/21
Operating Cost (Actual \$)			
<i>TDA fiscal audit</i>	\$402,203	\$473,989	<i>Data not available</i>
<i>National Transit Database</i>	\$401,881	\$474,028	<i>Data not available</i>
<i>State Controller Report</i>	\$402,203	\$476,989	<i>Data not available</i>
Fare Revenue (Actual \$)			
<i>TDA fiscal audit</i>	\$55,675	\$36,460	<i>Data not available</i>
<i>Monthly Performance Reports</i>	\$55,676	\$36,460	\$9,919
<i>National Transit Database</i>	\$55,675	\$36,460	<i>Data not available</i>
<i>State Controller Report</i>	\$55,675	\$36,460	<i>Data not available</i>
Vehicle Service Hours (VSH)			
<i>Monthly Performance Reports</i>	0	0	6,010
<i>National Transit Database</i>	5,759	4,676	<i>Data not available</i>
<i>State Controller Report</i>	7,154	5,515	<i>Data not available</i>
Vehicle Service Miles (VSM)			
<i>Monthly Performance Reports</i>	119,547	91,165	50,206
<i>National Transit Database</i>	122,655	88,478	<i>Data not available</i>
<i>State Controller Report</i>	122,655	91,591	<i>Data not available</i>
Passengers			
<i>Monthly Performance Reports</i>	14,133	11,257	7,763
<i>National Transit Database</i>	14,133	11,257	<i>Data not available</i>
<i>State Controller Report</i>	14,133	11,257	<i>Data not available</i>
Full-Time Equivalent Employees			
<i>State Controller Report</i>	3	3	<i>Data not available</i>
<i>Per TDA methodology</i>	4	3	3

## Chapter 6 | Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

The Transportation Development Act (TDA) requires recipients of TDA funding to track and report five performance indicators:

- Operating Cost/Passenger,
- Operating Cost/Vehicle Service Hour,
- Passengers/Vehicle Service Hour,
- Passengers/Vehicle Service Mile, and
- Vehicle Service Hours/Employee.

To assess the validity and use of performance indicators, the audit team performed the following activities:

- Assessed internal controls in place for the collection of performance-related information,
- Validated collection methods of key data,
- Calculated performance indicators, and
- Evaluated performance indicators.

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

### Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667<sup>1</sup>. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excluded the following during the audit period<sup>2</sup>:

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<sup>1</sup> CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

<sup>2</sup> Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.

- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,
- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

#### Vehicle Service Hours and Miles

*Vehicle Service Hours* (VSH) and *Miles* (VSM) are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.<sup>3</sup> For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

#### Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

#### Employees

*Employee hours* is defined as the total number of hours (regular or overtime) which all employees have worked, and for which they have been paid a wage or salary. The hours must include transportation system-related hours worked by persons employed in connection with the system (whether or not the person is employed directly by the operator). Full-Time Equivalent (FTE) is calculated by dividing the number of person-hours by 2,000.

#### Fare Revenue

*Fare revenue* is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media.

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<sup>3</sup> A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

### TDA Required Indicators

To calculate the TDA indicators for the Modoc Transportation Agency, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller Reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in the MTA's audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via State Controller Reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts. Fare revenue data reported to the State Controller may not reflect other revenues reported as fare revenue to the NTD.
- Vehicle Service Hours (VSH) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. The MTA calculates VSH using driver trip sheets. The MTA's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. The MTA calculates VSM by subtracting deadhead and out-of-service miles from total vehicle mileage (as noted on each vehicle's odometer). This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. The MTA's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from State Controller Reports for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation was confirmed.

### System Performance Trends

Systemwide, operating cost has remained largely consistent across the past six years, resulting in a net increase of less than 20 percent across the entire period. Operating costs actually decreased between FY 2015/16 and FY 2017/18. A new operations contract in FY 2019/20 likely contributed to increased operating costs in the last two years of the audit period.

Fare revenues decreased significantly throughout the six-year period. A net 30 percent decline was noted between FY 2015/16 and FY 2018/19, even before the COVID-19 pandemic. During the pandemic, fare revenues rapidly declined, by 34.5 percent in FY 2019/20 and then by 72.8 percent in FY 2020/21. Overall, the system saw an 87.5 percent decrease in fare revenue in six years.

Vehicle service hours (VSH) saw a modest fluctuation across the past six years, the most significant pre-COVID change being an 8.5 percent drop in FY 2016/17. During the pandemic, VSH decreased nearly 20 percent in FY 2019/20 but rebounded 28.5 percent in FY 2020/21.

VSM has declined steadily throughout the six-year period, though the greatest change took place in FY 2019/20 and FY 2020/21. The continued decline in VSM in FY 2020/21 was not consistent with the



increase in VSH that same year. [This may be due to COVID hours being included in the monthly performance report, but not ultimately reported to the State Controller or NTD, and this may change.]

Ridership dipped in FY 2016/17 before steadily increasing through FY 2018/19. The COVID-19 pandemic resulted in a 20 percent decrease in FY 2019/20, followed by a 31 percent decrease in FY 2020/21.

Cost-related metrics were relatively stable during the first four years of the six-year period, with significant increases in FY 2019/20 and FY 2020/21 due to the disruption caused by the COVID-19 pandemic. Operating cost/VSH saw a significant (45.3 percent) increase in FY 2019/20, followed by a 19 percent decrease. Operating cost/passenger and operating cost/VSM both increased in FY 2019/20 (48.1 percent and 63.5 percent, respectively), and continued to increase in FY 2020/21. The first four years saw a slight decrease in efficiency, which greatly increased the last two years.

Passenger-related metrics saw only modest changes during the first four years, and were less impacted by the pandemic than other metrics. This is because changes in ridership were also accompanied by reductions in VSH and VSM. As a result, passengers/VSM actually increased in FY 2019/20 and FY 2020/21, while passengers/VSH decreased.

The farebox recovery ratio stood well above the 10 percent threshold prior to FY 2019/20. In FY 2019/20 and FY 2020/21, the two years of the COVID-19 pandemic, it decreased to 7.7 percent and 2.0 percent, respectively. Both years were exempt from penalties due to the waiver of AB 90.

## Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
<b>Operating Cost (Actual \$)</b>	\$415,808	\$405,892	\$401,252	\$401,881	\$474,028	\$493,400
Annual Change		-2.4%	-1.1%	0.2%	18.0%	4.1%
<b>Fare Revenue (Actual \$)</b>	\$79,523	\$67,148	\$58,133	\$55,675	\$36,460	\$9,919
Annual Change		-15.6%	-13.4%	-4.2%	-34.5%	-72.8%
<b>Vehicle Service Hours (VSH)</b>	6,473	5,923	5,738	5,759	4,676	6,010
Annual Change		-8.5%	-3.1%	0.4%	-18.8%	28.5%
<b>Vehicle Service Miles (VSM)</b>	152,855	140,372	121,945	122,655	88,478	50,206
Annual Change		-8.2%	-13.1%	0.6%	-27.9%	-43.3%
<b>Passengers</b>	15,674	12,624	13,251	14,133	11,257	7,763
Annual Change		-19.5%	5.0%	6.7%	-20.3%	-31.0%
<b>Employees</b>	3	3	3	3	3	3
Annual Change		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$64.24	\$68.53	\$69.93	\$69.78	\$101.37	\$82.10
Annual Change		6.7%	2.0%	-0.2%	45.3%	-19.0%
<b>Operating Cost/Passenger (Actual \$)</b>	\$26.53	\$32.15	\$30.28	\$28.44	\$42.11	\$63.56
Annual Change		21.2%	-5.8%	-6.1%	48.1%	50.9%
<b>Passengers/VSH</b>	2.42	2.13	2.31	2.45	2.41	1.29
Annual Change		-12.0%	8.4%	6.3%	-1.9%	-46.3%
<b>Passengers/VSM</b>	0.10	0.09	0.11	0.12	0.13	0.15
Annual Change		-12.3%	20.8%	6.0%	10.4%	21.5%
<b>Farebox Recovery</b>	19.1%	16.5%	14.5%	13.9%	7.7%	2.0%
Annual Change		-13.5%	-12.4%	-4.4%	-44.5%	-73.9%
<b>Hours/Employee</b>	2157.7	1974.3	1912.7	1,919.7	1,558.7	2,003.3
Annual Change		-8.5%	-3.1%	0.4%	-18.8%	28.5%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$2.72	\$2.89	\$3.29	\$3.28	\$5.36	\$9.83
Annual Change		6.3%	13.8%	-0.4%	63.5%	83.4%
<b>VSM/VSH</b>	23.61	23.70	21.25	21.30	18.92	8.35
Annual Change		0.4%	-10.3%	0.2%	-11.2%	-55.9%
<b>Fare/Passenger</b>	\$5.07	\$5.32	\$4.39	\$3.94	\$3.24	\$1.28
Annual Change		4.8%	-17.5%	-10.2%	-17.8%	-60.5%

Source: Prior Triennial Performance Audit for FY 2016 – FY 2018. NTD Reports for FY 2019 and FY 2020, monthly performance reports for FY 2021.  
 FY 2021 Operating Cost based on budgeted amount as a placeholder.

Exhibit 6.2 System Ridership

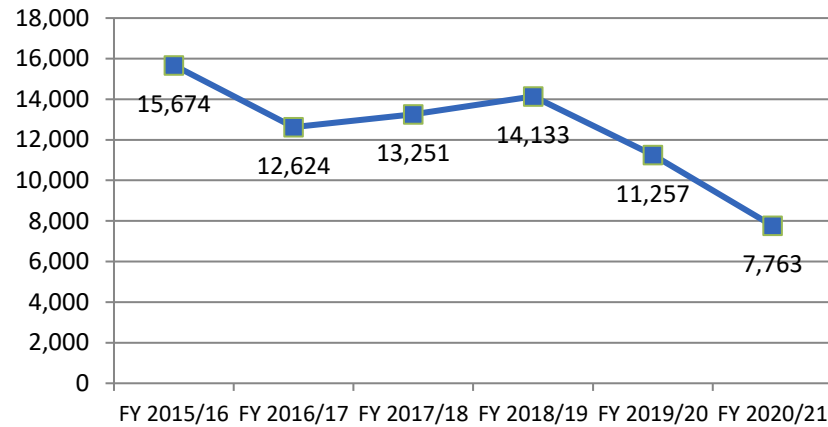


Exhibit 6.3 System Operating Cost/VSH

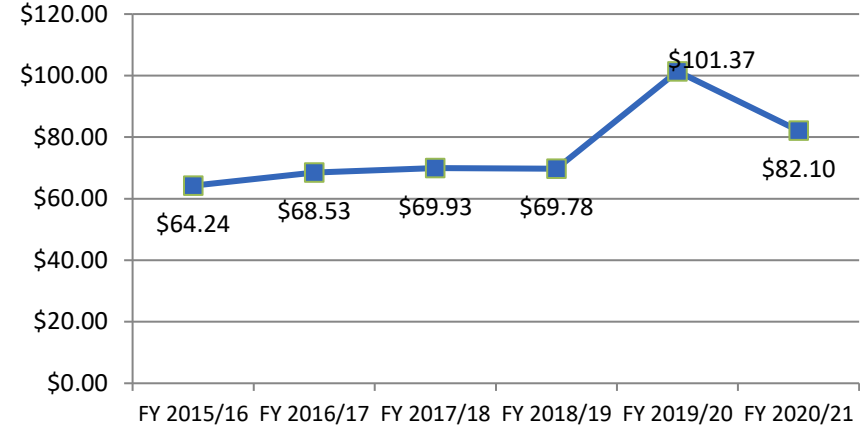


Exhibit 6.4 System Operating Cost/VSM

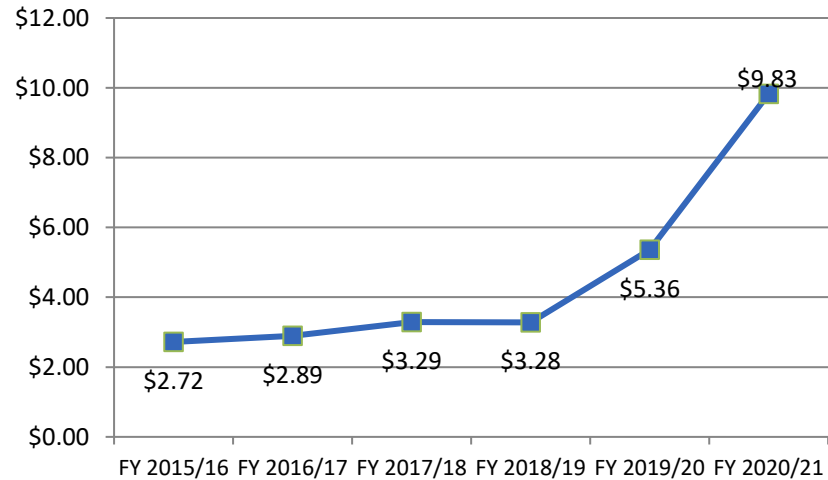


Exhibit 6.5 System VSM/VSH

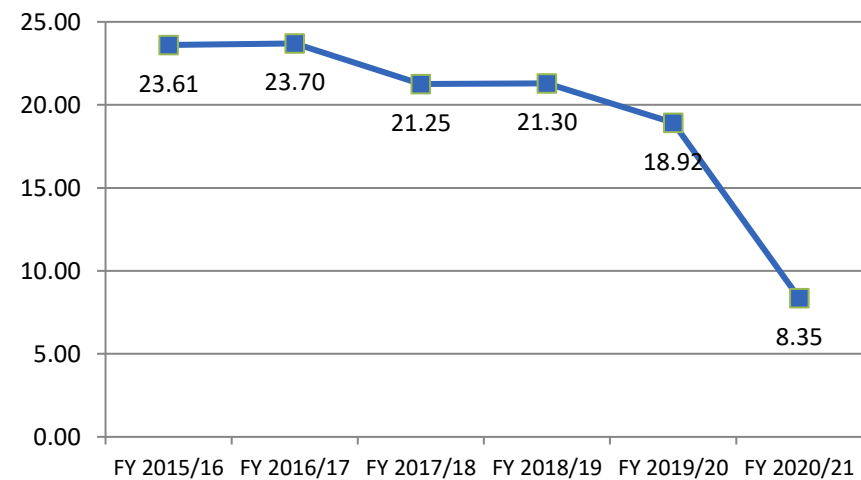


Exhibit 6.6 System Operating Cost/Passenger

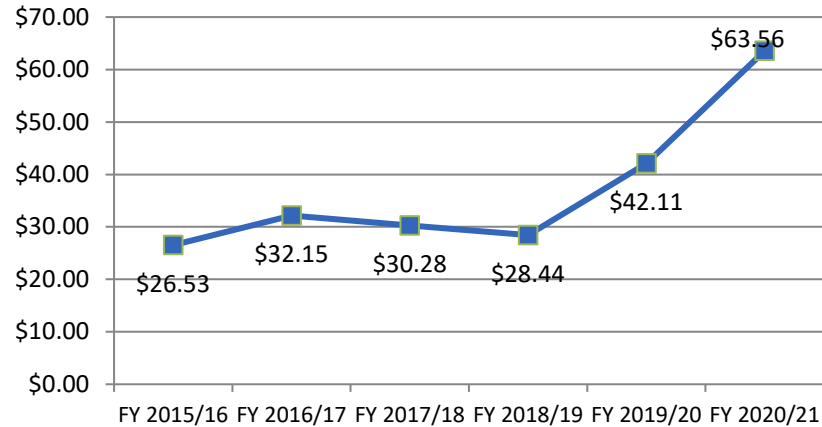


Exhibit 6.7 System Passengers/VSH

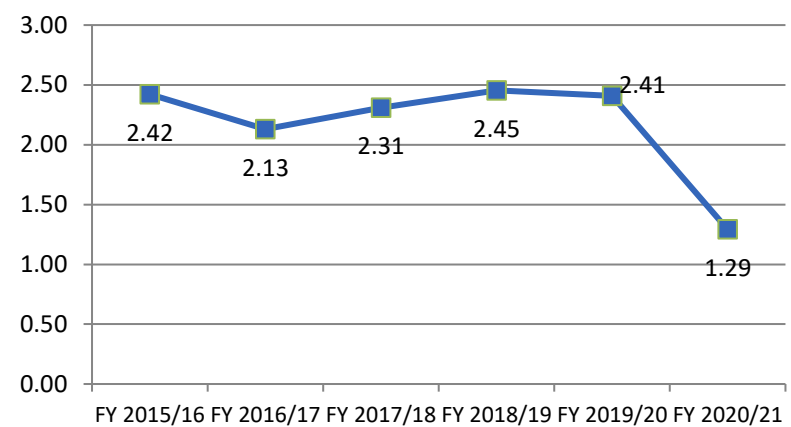


Exhibit 6.8 System Passengers/VSM

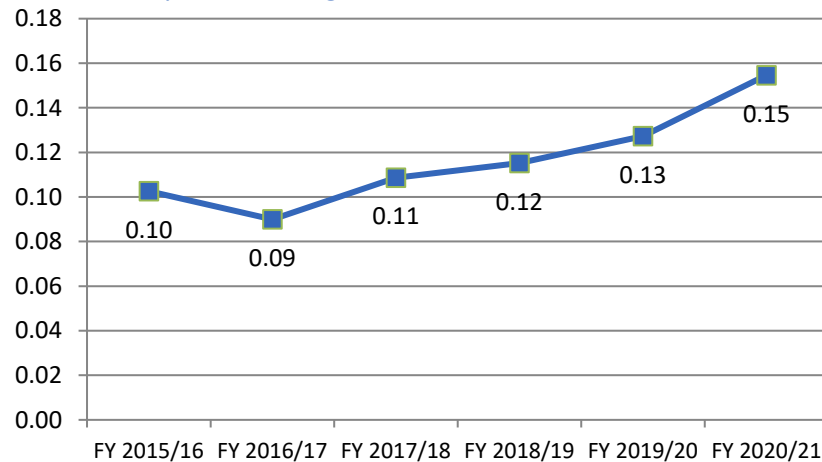


Exhibit 6.9 System VSH/FTE

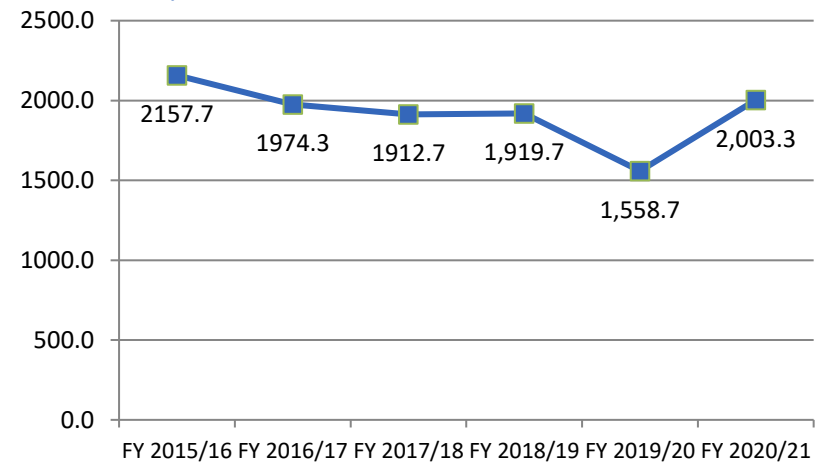


Exhibit 6.10 System Farebox Recovery

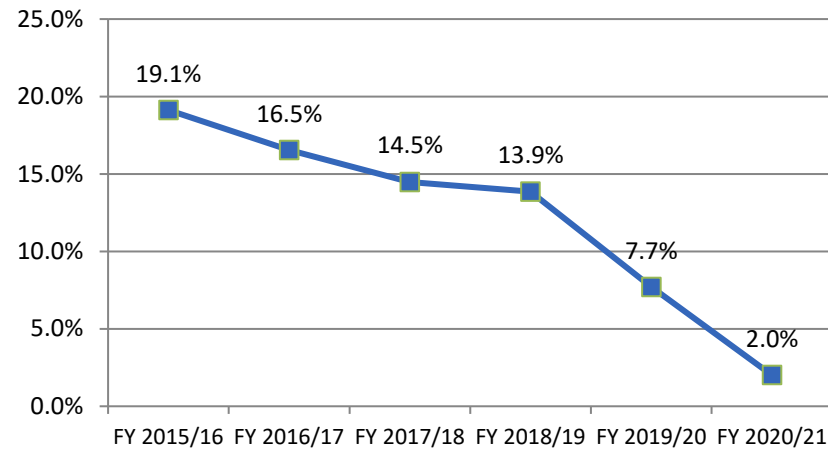
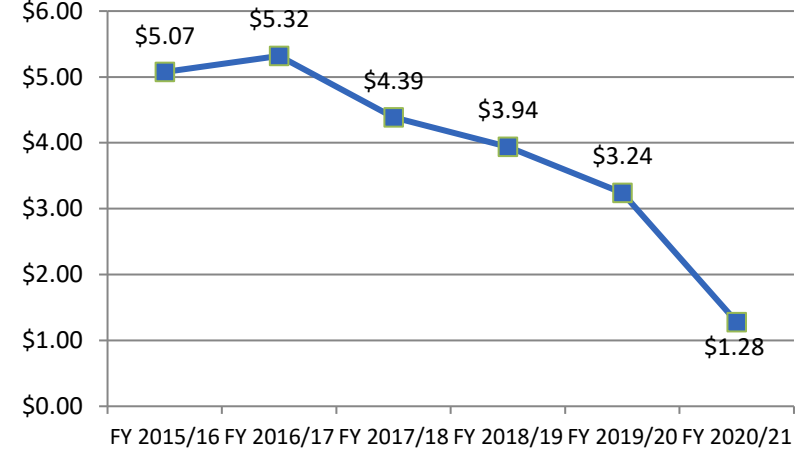


Exhibit 6.11 System Fare/Passenger



### Fixed-Route Performance Trends

Given operating cost and FTE by mode were not available across the full six-year span, those performance measures and the corresponding performance indicators have been omitted from the modal performance analysis.

As with the system as a whole, fare revenues decreased significantly throughout the six-year period. A net 33.6 percent decline was noted between FY 2015/16 and FY 2018/19, even before the COVID-19 pandemic. During the pandemic, fare revenues rapidly declined, by 34.2 percent in FY 2019/20 and then by 80 percent in FY 2020/21. Overall, the fixed-route service saw a 91.3 percent decrease in fare revenue in six years. It should be noted that the fixed-route (inter-city) service was suspended at several points during the pandemic in both FY 2019/20 and FY 2020/21.

Vehicle service hours (VSH) saw a steady decrease throughout the six-year period, the most significant pre-COVID change being a 17.6 percent drop in FY 2017/18. During the pandemic, VSH decreased nearly 30 percent in FY 2019/20 and another 9.2 percent in FY 2020/21.

VSM has also declined steadily throughout the six-year period (apart from a small one percent increase in FY 2018/19), though the greatest change took place in FY 2019/20 and FY 2020/21. The significant decline in VSM in FY 2020/21 (52.6 percent) was not consistent with the much smaller decrease in VSH that same year. [This may be due to COVID hours being included in the monthly performance report, but not ultimately reported to the State Controller or NTD, and this may change.]

Ridership saw a steady decrease through FY 2018/19. The COVID-19 pandemic resulted in a 28.2 percent decrease in FY 2019/20, followed by a 79.4 percent decrease in FY 2020/21. Passenger-related metrics continued to decrease, reflective of the decreasing ridership.

Exhibit 6.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
<b>Fare Revenue (Actual \$)</b>	\$61,277	\$52,880	\$45,368	\$40,687	\$26,758	\$5,339
<i>Annual Change</i>		-13.7%	-14.2%	-10.3%	-34.2%	-80.0%
<b>Vehicle Service Hours (VSH)</b>	3,174	2,704	2,228	2,338	1,638	1,487
<i>Annual Change</i>		-14.8%	-17.6%	4.9%	-29.9%	-9.2%
<b>Vehicle Service Miles (VSM)</b>	110,801	97,581	84,280	85,128	60,836	28,834
<i>Annual Change</i>		-11.9%	-13.6%	1.0%	-28.5%	-52.6%
<b>Passengers</b>	3,896	3,250	2,486	2,268	1,628	336
<i>Annual Change</i>		-16.6%	-23.5%	-8.8%	-28.2%	-79.4%
<b>Performance Indicators</b>						
<b>Passengers/VSH</b>	1.23	1.20	1.12	0.97	0.99	0.23
<i>Annual Change</i>		-2.1%	-7.2%	-13.1%	2.5%	-77.3%
<b>Passengers/VSM</b>	0.04	0.03	0.03	0.03	0.03	0.01
<i>Annual Change</i>		-5.3%	-11.4%	-9.7%	0.4%	-56.5%
<b>TDA Non-Required Indicators</b>						
<b>VSM/VSH</b>	34.91	36.09	37.83	36.41	37.14	19.39
<i>Annual Change</i>		3.4%	4.8%	-3.7%	2.0%	-47.8%
<b>Fare/Passenger</b>	\$15.73	\$16.27	\$18.25	\$17.94	\$16.44	\$15.89
<i>Annual Change</i>		3.4%	12.2%	-1.7%	-8.4%	-3.3%

Source: Prior Triennial Performance Audit for FY 2016 – FY 2018. NTD Reports for FY 2019 and FY 2020, monthly performance reports for FY 2021.

Exhibit 6.13 Fixed-Route Ridership

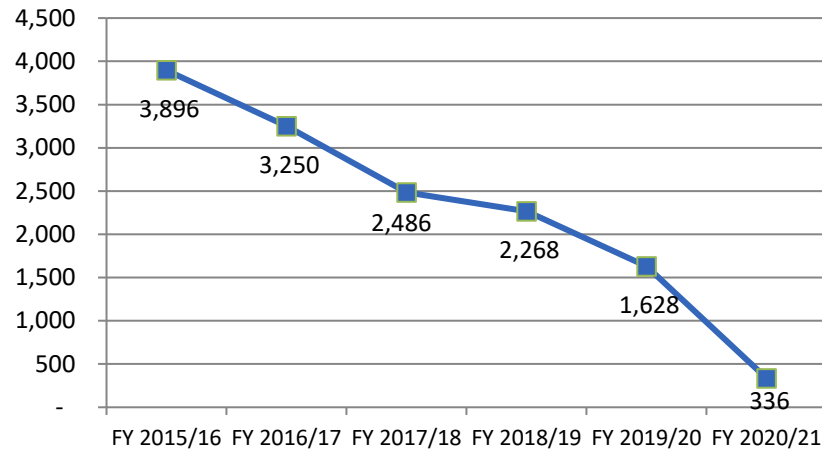


Exhibit 6.14 Fixed-Route VSM/VSH

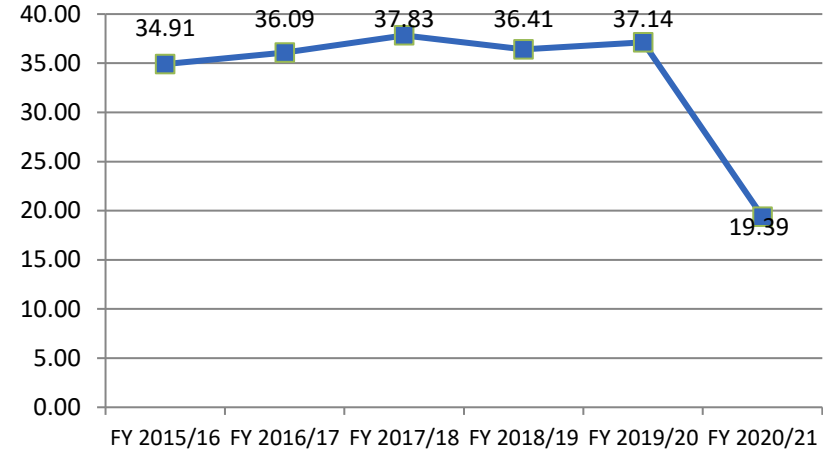


Exhibit 6.15 Fixed-Route Passengers/VSH

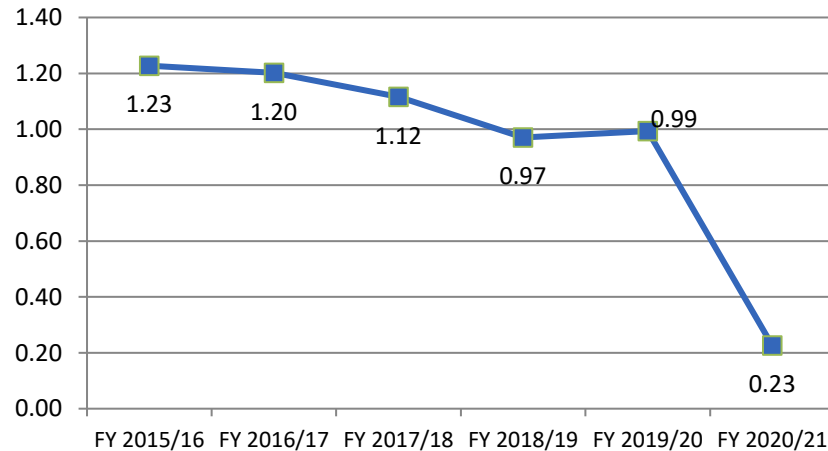


Exhibit 6.16 Fixed-Route Passengers/VSM

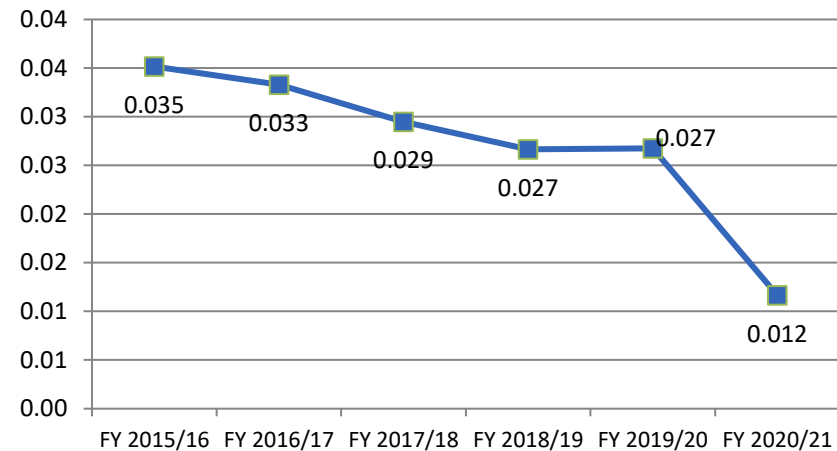
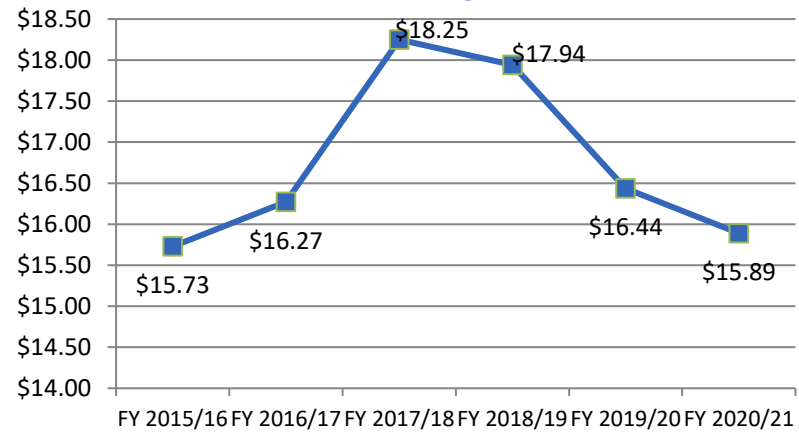




Exhibit 6.17 Fixed-Route Fare/Passenger



### Demand-Response Performance Trends

Given operating cost and FTE by mode were not available across the full six-year span, those performance measures and the corresponding performance indicators have been omitted from the modal performance analysis.

As with the system as a whole, demand-response fare revenues decreased significantly throughout the six-year period except for an increase of 17.4 percent in FY 2017/18. During the pandemic, fare revenues rapidly declined, by 35.3 percent in FY 2019/20 and then by 52.8 percent in FY 2020/21. Overall, the demand-response service saw a 74.9 percent decrease in fare revenue in six years. While the local service was also suspended at various times during the pandemic, it saw several months' more operation than the inter-city service.

Vehicle service hours (VSH) saw a steady decrease throughout the six-year period, the most significant pre-COVID change being an 11.2 percent drop in 2019/20. VSH actually increased 48.9 percent in FY 2020/21.

VSM declined steadily throughout the six-year period (apart from a small 1.8 percent increase in FY 2016/17), though the greatest change took place in FY 2019/20 and FY 2020/21. The significant decline in VSM in FY 2020/21 (22.7 percent) was not consistent with the increase in VSH that same year.

Ridership saw a significant fluctuation from year to year throughout the six-year period. Double-digit percentage increases and decreases occurred each year, including a 20.2 percent decrease in FY 2016/17 and increases in FY 2017/18 and FY 2018/19. The COVID-19 pandemic resulted in an 18.8 percent decrease in FY 2019/20, followed by a 22.9 percent decrease in FY 2020/21. Passengers/VSH decreased significantly during the pandemic, while passengers/VSM increased.

Exhibit 6.18 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
<b>Fare Revenue (Actual \$)</b>	\$18,246	\$14,268	\$12,765	\$14,988	\$9,702	\$4,580
<i>Annual Change</i>		-21.8%	-10.5%	17.4%	-35.3%	-52.8%
<b>Vehicle Service Hours (VSH)</b>	3,300	3,220	3,511	3,421	3,038	4,523
<i>Annual Change</i>		-2.4%	9.0%	-2.6%	-11.2%	48.9%
<b>Vehicle Service Miles (VSM)</b>	42,054	42,791	37,665	37,527	27,642	21,372
<i>Annual Change</i>		1.8%	-12.0%	-0.4%	-26.3%	-22.7%
<b>Passengers</b>	11,778	9,374	10,765	11,865	9,629	7,427
<i>Annual Change</i>		-20.4%	14.8%	10.2%	-18.8%	-22.9%
<b>Performance Indicators</b>						
<b>Passengers/VSH</b>	3.57	2.91	3.07	3.47	3.17	1.64
<i>Annual Change</i>		-18.4%	5.3%	13.1%	-8.6%	-48.2%
<b>Passengers/VSM</b>	0.28	0.22	0.29	0.32	0.35	0.35
<i>Annual Change</i>		-21.8%	30.5%	10.6%	10.2%	-0.2%
<b>TDA Non-Required Indicators</b>						
<b>VSM/VSH</b>	12.74	13.29	10.73	10.97	9.10	4.73
<i>Annual Change</i>		4.3%	-19.3%	2.3%	-17.1%	-48.1%
<b>Fare/Passenger</b>	\$1.55	\$1.52	\$1.19	\$1.26	\$1.01	\$0.62
<i>Annual Change</i>		-1.7%	-22.1%	6.5%	-20.2%	-38.8%

Source: Prior Triennial Performance Audit for FY 2016 – FY 2018. NTD Reports for FY 2019 and FY 2020, monthly performance reports for FY 2021.

Exhibit 6.19 Demand-Response Ridership

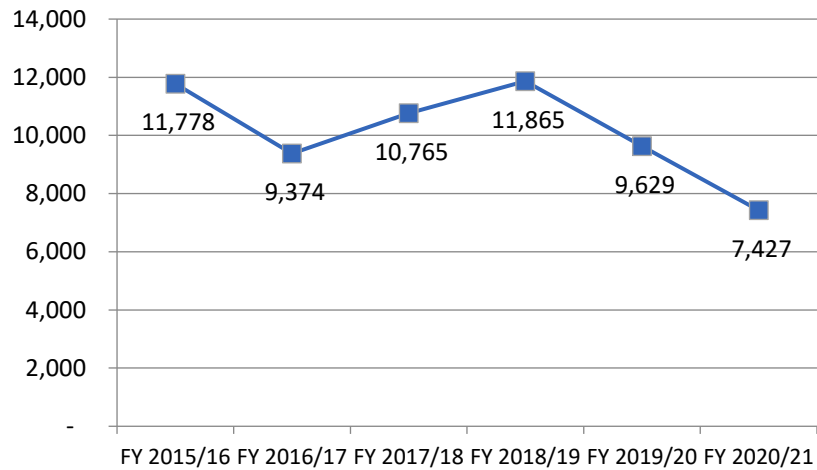


Exhibit 6.20 Demand-Response VSM/VSH

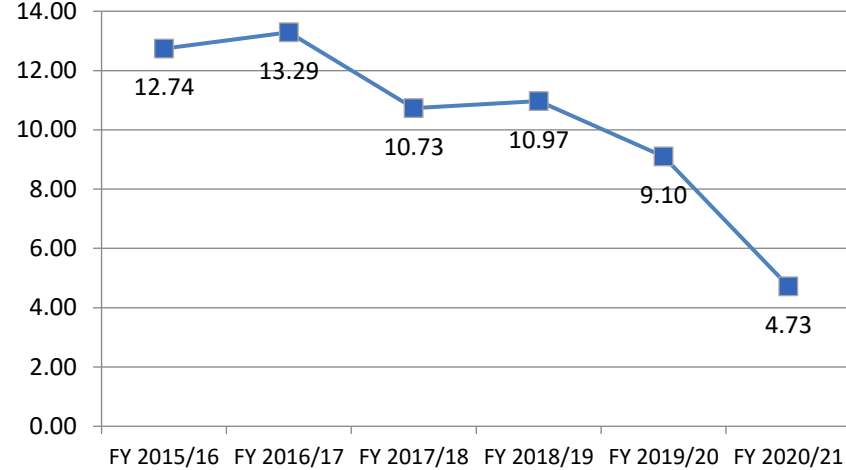


Exhibit 6.21 Demand-Response Passengers/VSH

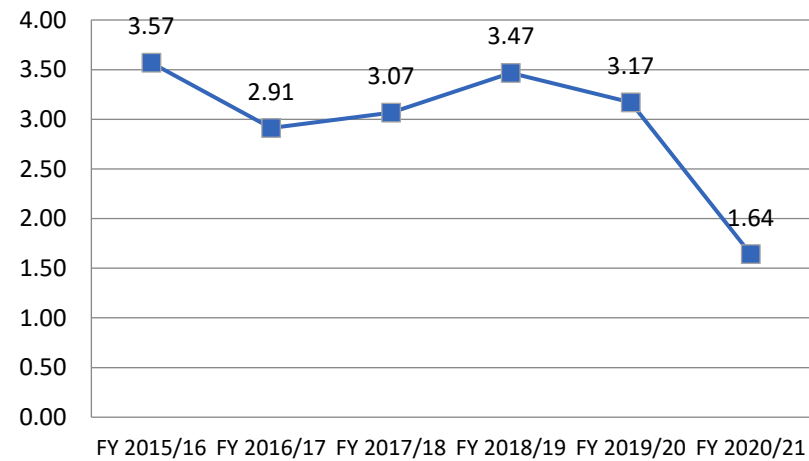


Exhibit 6.22 Demand-Response Passengers/VSM

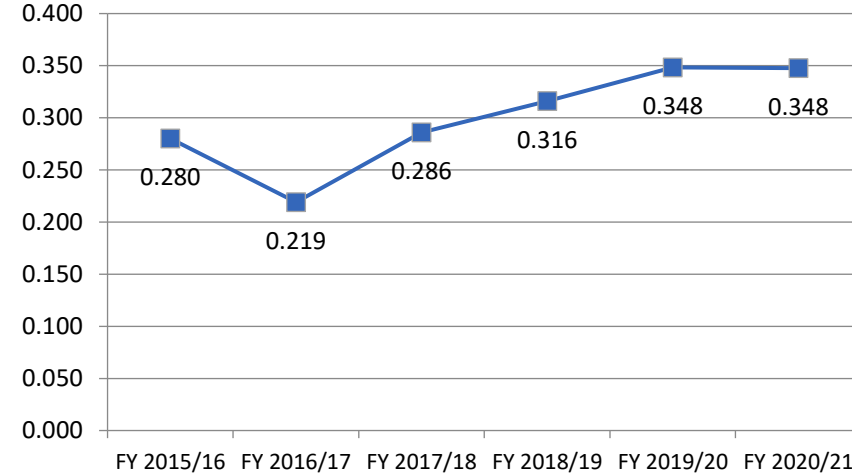
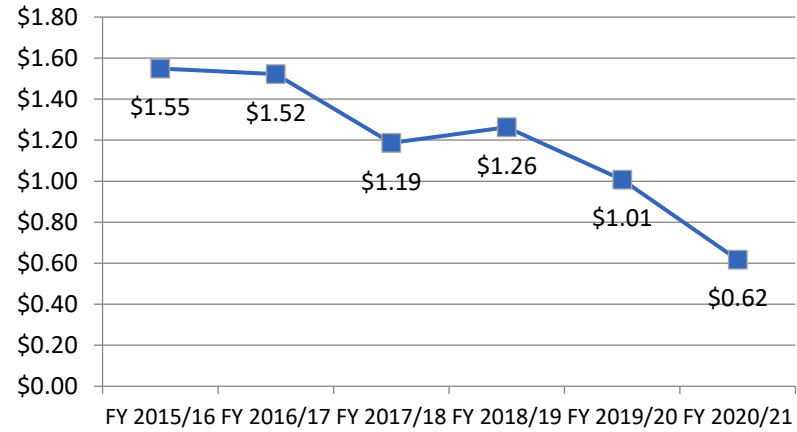


Exhibit 6.23 Demand-Response Fare/Passenger



## Chapter 7 | Functional Review

A functional review of the Modoc Transportation Agency's public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the MTA's transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by the MTA through its public transit program:

- General management and organization;
- Service planning;
- Scheduling, dispatch, and operations;
- Personnel management and training;
- Administration;
- Marketing and public information; and
- Fleet maintenance.

### Service Overview

The Modoc Transportation Agency currently provides three inter-city routes and a general public demand-response service. During the audit period, the inter-city service, marketed as Sage Stage, consisted of three routes: Alturas to Reno, Alturas to Redding, and Alturas to Klamath Falls. Alturas to Reno operates between 8:00 a.m. and 5:30 p.m. on Monday, Wednesday, and Friday. Alturas to Redding operates between 7:30 a.m. and 4:30 p.m. on Tuesday. Alturas to Klamath Falls operates between 8:00 a.m. and 3:45 p.m. on Thursday. Service is not provided on weekends or nine designated holidays. Sage Stage requires a reservation at least one day in advance to guarantee a trip on the inter-city service. At least one confirmed reservation is required for the bus to travel to Redding, Reno, or Klamath Falls. Same-day reservations are accepted when possible.



Fare is dependent on desired destination. Discounts are available to children (up to age 12 years) accompanied by a fare-paying adult, seniors (60 years and above), and persons with disabilities meeting ADA criteria with an approved application.

Exhibit 7.1 Fixed-Route Fare Structure

Route	Zone (one-way)	Cost
US 395	Alturas to Susanville	\$18.00
US 395	Susanville to Reno	\$22.00
US 395	Alturas to Reno	\$32.00
US 395	Likely/Ravendale to Reno	\$28.00
US 395	Likely/Ravendale to Susanville	\$15.00
SR 299	Alturas to Burney	\$16.00
SR 299	Burney to Redding	\$12.00
SR 299	Alturas to Redding	\$26.00
SR 299	Canby to Redding	\$21.00
SR 299	Adin/Bieber to Redding	\$16.00
SR 139	Alturas to Canby	\$8.00
SR 139	Alturas to Klamath Falls	\$18.00
SR 139	Newell or Tulelake to Klamath Falls	\$6.00

The Local Bus is the agency’s demand-response service for the general public that provides door-to-door, shared-ride transportation within 10 miles of Alturas. The Local Bus operates between 7:45 a.m. and 5:15 p.m. Monday through Friday. Reservations can be made up to 14 days in advance. Same-day service and subscription service is available as well. Priority is given to individuals utilizing the service for healthcare appointments scheduled at least one day in advance.

Exhibit 7.2 Demand-Response Fare Structure

Range (miles)	Zone (one-way)	Cost
0.0 – 2.0	1 – Within City of Alturas	\$1.00
2.1 – 5.0	2 – To Modoc Estates	\$2.00
5.1 – 10.0	3 – To California Pines	\$3.00

#### Response to COVID-19 pandemic

As of March 24, 2020, all passenger services were suspended. The agency provided grocery and prescription delivery to customers at no cost within a 10-mile radius of Alturas. On August 3, 2020, the agency began providing physical therapy and medical passenger trips at no cost. On November 5, 2020, local bus service resumed operation, and on November 30, 2020, inter-city passenger service resumed, both with standard fares. Due to a staffing shortage, on January 1, 2021, local and inter-city passenger services were again suspended. Service resumed regular operations with local passenger service on March 30, 2021, and inter-city service on June 7, 2021. The agency issued a “no-mask, no-ride” policy. Ridership was modest at the start, but has since picked up, and is now beginning to approach pre-COVID levels.

## General Management

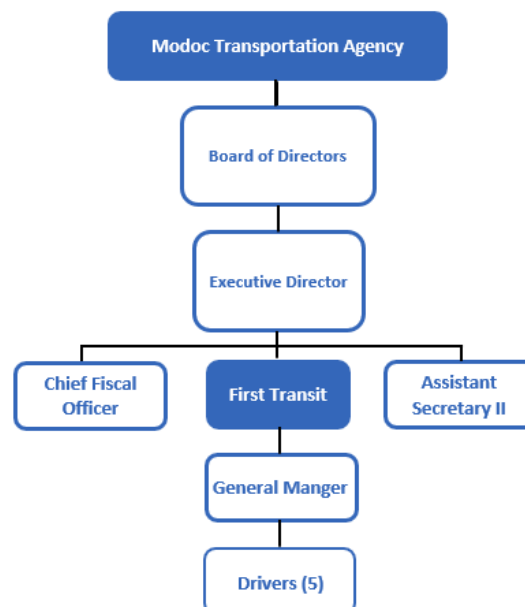
The transit program is overseen by the Modoc Transportation Agency. The MTA Board of Directors includes three representatives and one alternate appointed by the County of Modoc and three representatives and one alternate appointed by the City of Alturas. Commission meetings are held on the first Tuesday of even numbered month following the MCTC meeting at 1:30 p.m. at Alturas City Hall.

Modoc County Transportation Commission staff provide oversight for the MTA, with operations provided by a third-party contractor. Management reviews MTA performance on a monthly basis. Performance is compared with prior years as well.

One of the main challenges during the audit period, aside from the COVID-19 pandemic, has been recruiting and retaining qualified drivers. Recruiting drivers in Alturas is challenging even in the best of times, and COVID made it worse. A service change during the audit period reduced the service frequency on the Redding route to once per week (instead of twice).

In FY 2020 MTA entered into a new operations contract with First Transit, whose performance has been well received. Prior to that, service was provided by MV Transportation.

Exhibit 7.3 Organizational Chart



Communication with Caltrans and the FTA remains effective and positive.

## Service Planning

The organization's goals and objectives are detailed in the Short-Range Transit Plan, which is scheduled to be updated in 2022. Goals are reviewed annually and the prior SRTP provided the organization an action list organized by fiscal year. The Modoc Transportation Agency has worked with local planning departments to build new bus shelters for the new developments in the past. The MTA is working with local planning staff to increase sidewalk width so as to ensure ADA compliance.



Special Transportation needs are covered by the current service delivery model. These special transportation needs include various “field trips” to the Modoc County Historical Society at no charge, provide trips from school to the pumpkin patch, and offer free bus rides to board meetings. Every vehicle in the fleet is ADA-accessible and features bike racks on the front.

Board meetings are held every other month and are open to the public. Public hearings are conducted as needed to remain compliant with Title VI. Legal notices are posted on the MTA’s website and the MCTC’s website. In conjunction with the development of the Coordination Plan (an SSTAC function), the MTA conducted surveying efforts in the office, on the buses, and to all social service agencies via email in FY 2018/19 prior to the onset of COVID.

### Administration

The Chief Fiscal Officer is responsible for developing the transit budget by reviewing the prior year, identifying revenue sources, estimating farebox revenue, and compiling any other expenses. Local Transportation Funds fill any revenues that are not covered. The five-year operating plan and the 20-year capital plan are reviewed as part of the budgeting process.

Budgeted and actual expenses are reviewed frequently. The MCTC uses QuickBooks to manage both its own and the MTA’s finances. They are budgeted, expended, and managed separately for each agency. Profit-and-Loss and transaction statements are provided to the Board at every meeting. Staff have approval to move funds between budgeted items as needed with subsequent Board approval.

With respect to grant management, mostly FTA grants and COVID grants, the Executive Director prepares the narrative for the Call for Project, while the Chief Fiscal Officer handles the financial aspects. The MTA receives funding from Lassen County. The MTA serves Lassen County on the route to Reno (with a stop in Susanville), which serves as half the match for the Reno grant.



The MTA maintains insurance on the transit facility as well as liability insurance. First Transit is responsible for insuring the vehicles and employees. The MTA participates in the Golden State Risk Management Authority. A current disaster preparedness and response plan is included as part of the County’s Office of Emergency Services (OES) Plan.

The Transit Department manages contracts with First Transit and some professional services such as janitorial, IT, and legal. Administrators monitor contracts through monthly invoicing. First Transit’s General Manager makes a site visit several times a year (pre-COVID) and maintains communications via phone. First Transit’s Safety Manager completes a site visit every other month for safety meetings and annually for reviews and training. He visits new drivers every 60 to 90 days. The General Manager meets with a driver almost every week when vehicles are dropped off for maintenance in Redding.

Policies and procedures for competitive bids, quotes, and ad contracting are clearly defined. Procurement of buses goes through the CalACT state bid using purchase orders. Once the quote is approved, the order is placed, and only once the order arrives and has been checked against the purchase order will the payment be made. Any regular purchases are ordered through the Executive Director and put on the

agency's debit card. Such purchases are approved by the Executive Director and Board Chair or Vice-Chair. Transit piggy-backs onto the Road Department's fuel contract.

### Scheduling, Dispatch, and Operations

Day-to-day operations are contracted through First Transit. The transit program is staffed by four drivers, three full-time and one part-time. Due to the pandemic, operations currently utilize two full-time drivers and two part-time drivers. Drivers are cross-trained for both inter-city and demand-response services. If a driver "calls out," the procedure is to call in a part-time driver. The same procedure is used for cover driver vacations.

Vehicles are rotated through all services rather than being assigned to a single service or route to balance mileage accrual. As vehicles require maintenance, they are assigned to the Redding route – when a bus is dropped off in Redding for maintenance, the bus already in Redding is picked up and brought back to Alturas.

Vault-style fareboxes are used for onboard revenue collection. The driver verifies the amount provided by the customer and turns the handle to drop into the vault. At the end of their shift, drivers bring the locked vault with the manifest to the MCTC office. The Executive Director and Chief Fiscal Officer complete the deposit slip and take the deposit to the bank daily. If a deposit cannot be made that day it is placed into a locked drawer.

Pre-paid 10-, 20-, or 30-dollar fare cards can be purchased in advance of the trip via phone. Local agencies will often purchase blocks of passes for their clients. Drivers do not sell passes on the vehicles.

### Personnel Management and Training

Driver recruitment has always been a challenge; however, with First Transit, the MTA has noted an improvement over the prior contract. Recruitment opportunities are advertised in newspapers, on radio, and at job fairs. The online recruitment site, Indeed, has been utilized, along with other recruiting websites. All recruits receive the same comprehensive training, with more inexperienced recruits receiving additional training.



Recurring training is provided throughout the term of employment. Safety meetings are conducted every other month. New drivers are reviewed every 60 to 90 days. Employees receive classroom training including blood-borne pathogens, managing emergencies, defensive driving, drug and alcohol awareness, mobility aids, and wheelchair securement. Drivers are sent to the DMV or a third-party administrator in Vacaville to administer the tests for commercial licenses.

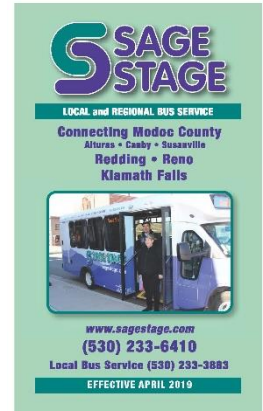
To motivate employees, management provides incentives such as food, gift cards, and bonuses for safe driving. In the past, the MTA has experienced modest driver turnover. However, COVID has presented driver recruitment and retention challenges. Clear policies for discipline are laid out in the driver handbook.

Full-time employees are offered medical, dental, vision, 401K, and life insurance after one month of employment. Payroll is conducted in-house through First Transit’s corporate office. Time is entered locally and processed by the corporate office. Drivers submit their times via their manifest and Wage Order 9 timesheets.

### Marketing and Public Information

MTA uses a variety of marketing strategies. Radio and newspaper advertisements, rider guides, branding on buses, Sage Stage logos on driver uniforms, and purple detailing on the MTA building provide a cohesive image for the agency. In the past, MTA representatives have attended health fairs, distributed rider guides, and informed the public on how to ride the bus.

A short section of the prior Short-Range Transit Plan details the MTA’s marketing strategy, and an updated marketing plan is expected to be included in the next SRTP. During COVID, information posted the website, weekly newspaper ads, and the Facebook page were effective tools to getting information about service changes and new requirements out to the public. Communication with schools and local employers are conducted upon request.



Calls to the MTA are directed to the appropriate staff member depending on the call type. Customer complaints are sent to the Executive Director, while driver complaints are sent to the General Manager. Monitoring equipment is onboard every vehicle. Ride requests for the demand-response service are monitored by the drivers. Inter-city drivers call the office at check-points if riders need to be added on. Customer calls and complaints are maintained at the MTA office.

### Maintenance

Vehicle maintenance is contracted through a vendor in Redding. MTA’s Alturas office has the maintenance records on file. Vehicles are stored at the transit facility in Alturas. Built in 2012, the facility has a large bus barn with bays on both sides. The street side opens up and garage door comes down. The facility is fenced in, locked in the back, and equipped with security cameras. Drivers maintain the fixed-route bus stops in Alturas while the City empties the trash.



The average age of the vehicles in the fleet is close to five years, with the newest vehicle being about three years old. The MTA is in the process of advertising one vehicle for bids now. A new vehicle is planned for Fall 2021. The average mileage of the fleet is close to 150,000 at five years with a surplus of 280,000 miles. The current vehicle replacement program is included in the 20-year Capital Plan.

In the event of a vehicle breakdown (where the vehicle is unable to make it to Redding), the MTA will deploy another driver/bus to pick up passengers and a tow truck will bring the vehicle to the maintenance facility.

Vehicles are inspected daily by the driver and any maintenance items that need to be addressed will be entered into the daily vehicle inspection reports. Any deficiencies with the vehicles will go into spreadsheets to be communicated to the mechanic. Vehicles are rotated between routes to keep mileage balanced, and drivers know they need to swap the bus when they take it down to Redding. Two GPPV buses are scheduled for maintenance every 45 days, while the others are scheduled every 60 days.

Exhibit 7.4 MTA's Transit Fleet

Vehicle #	Year	Make/Model	Fuel	Capacity	Mileage (as of 12/31/2017)
T-14	2009	GMC 5500 Glaval Titan	Diesel	14 + 2	240,981
T-17	2014	Chevy 4500 Glaval Titan II	Diesel	12 + 2	142,439
T-18	2015	Chevy 4500 Glaval Titan II	Diesel	12 + 2	134,734
T-19	2015	Chevy 4500 Glaval Titan II	Diesel	12 + 2	97,872
T-20	2016	Chevy 4500 Arboc	Diesel	11 + 2	79,784
T-21	2018	Ford Transit 350 Glaval	Unleaded	7 + 2	29,216

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## Chapter 8 | Findings and Recommendations

### Conclusions

Moore & Associates finds the Modoc Transportation Agency to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner.

### Findings

Based on discussions with MTA staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

The auditors have identified two functional findings. While these findings are not compliance findings, the auditors believe they warrant inclusion in this report:

1. The MTA files a Specialized Services report to the State Controller, despite being open to the general public (which should be reported on a general Transit Operator form).
2. The MTA's annual TDA fiscal audit does not include a detailed calculation of the farebox recovery ratio.

### Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the MTA's public transit program. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

Only functional findings are presented below.

#### Functional Finding 1: The MTA files a Specialized Services report to the State Controller, despite being open to the general public (which should be reported on a general Transit Operator form).

**Criteria:** The State Controller requires transit operators receiving TDA funding to file an annual report based on the type of service offered. Separate reports are required for operators providing service to the general public and service for the exclusive use of seniors and/or persons with disabilities. Operators providing both must file a separate report for each type of service.

**Condition:** The MTA has been submitting a Specialized Services report to the State Controller for its annual filings.

**Cause:** It is unclear why the MTA has been using the Specialized Services report.

**Effect:** Incorrectly categorizing the MTA's service within the State Controller report.

**Recommendation:** Follow up with the State Controller’s Office to determine if the MTA should be filing a Transit Operator report instead of a Specialized Services report.

**Recommended Action:** Contact the State Controller’s Office regarding the type of report the MTA should be submitting as a transit operator. If advised to continue submitting the Specialized Services report, document this communication so that it can be reviewed during the next triennial performance audit. If directed to begin filing the general Transit Operator report, work with the State Controller’s Office to obtain the appropriate login and form.

**Timeline:** Beginning with reporting for FY 2021/22.

**Anticipated Cost:** None.

**Note:** This recommendation has already been largely implemented. MCTC staff contacted the State Controller’s Office (SCO) in October 2021 following review of the draft audit report. The SCO confirmed MTA should be reported as a general service, not a specialized service. The SCO could not verify why MTA had been designated as a specialized service at the beginning. The SCO is in the process of changing the report to a general services report and updating the MTA’s report ID. It is unclear as to whether the change will be processed in time for the FY 2020/21 report, or if it will take effect in FY 2021/22.

**Functional Finding 2: The MTA’s annual TDA fiscal audit does not include a detailed calculation of the farebox recovery ratio.**

**Criteria:** While not explicitly required by the TDA, PUC 99245 requires the annual fiscal audit to include “a certification that the funds allocated to the claimant pursuant to this chapter were expended in conformance with applicable laws and rules and regulations.” Inclusion of a detailed breakdown of how the farebox recovery ratio is calculated can ensure all allowable exclusions and depreciation are properly accounted for and the farebox recovery ratio is accurately calculated. (While this recommendation is presented within the operator audit, given the RTPA manages the fiscal audit process, the RTPA is the responsible party for addressing this finding.)

**Condition:** The annual fiscal audits prepared for the MTA do not address farebox recovery ratio compliance or any other TDA compliance requirements.

**Cause:** This may be omitted from the audit as it is not a standard component of a fiscal audit.

**Effect:** Lack of an “official” calculated farebox recovery ratio in the fiscal audit can make it difficult for the RTPA and operator to confirm their own farebox recovery ratio calculations.

**Recommendation:** Begin including the farebox recovery ratio calculation in the MTA’s annual TDA fiscal audit.

**Recommended Action:** Work with the fiscal auditor to incorporate the farebox recovery ratio calculation into the annual fiscal audit. The auditor should be familiar with TDA legislation regarding allowable exclusions and the calculation of operating cost (including, but not limited to, PUC 99268.4, 99268.5, 99268.8, 99268.9, 99268.17, and 99268.19; A.B. 90; and A.B. 149).



**Timeline:** Beginning with the audit of FY 2021/22.

**Anticipated Cost:** Negligible.

Exhibit 8.1 Audit Recommendations

Functional Recommendations		Importance	Timeline
1	Follow up with the State Controller's Office to determine if the Modoc Transportation Agency should be filing a Transit Operator report instead of a Specialized Services report.	Medium	FY 2021/22
2	Begin including the farebox recovery ratio calculation in the MTA's annual TDA fiscal audit.	Medium	FY 2021/22



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# **MODOC TRANSPORTATION AGENCY**

## **RESOLUTION No. 21-02**

### **Calendar Year 2022 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 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
- CRRSAA and CARES funding Section 5311 and 5311f 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 2022.

NOW, THEREFORE, BE IT RESOLVED that the Modoc Transportation Agency Board of Directors does hereby authorize the Executive Director 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 \*\* day of December 2021 by the following vote:

AYES: Board Members:

NOES: None

ABSENT: Board Members: Coe (A), Lewis (A)

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John Dederick, Chair  
Modoc Transportation Agency

ATTEST:

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Debbie Pedersen, Executive Director  
Modoc Transportation Agency

<b>Report to Modoc Transportation Agency Board Members</b>	
Subject <b>Staff Updates and Calendar of Events</b>	Meeting Date <b>December 7, 2021</b>
Presented by <b>MTA Staff</b>	Agenda Item <b>6</b>

a. Staff Updates

- Plumas Transit connection at Hallelujah Junction – Sage Stage Reno Service
- Passenger suspension

b. Calendar of Events – MTA Meetings

- February 1, 2022
- April 5, 2022

**Sage Stage Holiday Schedule (No Bus Service)**

- Christmas                      December 23, 24, 2021
- New Years'                      December 31, 2021