

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

Meets Regularly
First Tuesday of
Even Numbered Months
at 1:30 p.m.

Commissioners

John Dederick
Chairman
City Representative

Kathie Rhoads
Vice Chair
County Supervisor III

Bobby Ray
Commissioner
City Representative

Elizabeth Cavasso
Commissioner
County Supervisor IV

Cheryl Nelson
Commissioner
City Councilmember

Mark Moriarity
Commissioner
County at Large Citizen

Ned Coe
Alternate
County Supervisor I

Loni Lewis
Alternate
City Councilmember

Staff

Debbie Pedersen
Executive Director

Niki Lemke
Chief Fiscal Officer

Michelle Cox
Executive Assistant Secretary

AGENDA

REGULAR MEETING

Sage Stage Conference Room

108 S. Main St. Alturas

DECEMBER 7, 2021, at 1:30 p.m.

Teleconference Number (712) 451-0647

Access Code 113785

1. Call to Order

- a. Pledge of Allegiance
- b. Introductions – guests and visitors

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

1. Approve the minutes from the MCTC meeting on 10/05/21.
2. Financial transactions 09/01/21 through 10/31/21.
3. Year to Date expenditure report through 10/31/21.

5. Regular Business

1. Caltrans will present information regarding the Clean California Program. **Information**
2. Accept the 2021 Fiscal Audits. **Action**
3. Accept the 2021 Triennial Performance Audit. **Action**
4. Adopt Resolution 21-08 2022 Designated Signatories for Plans and Programs. **Action**
5. Approval to utilize Local Transportation Trust Fund for operation expenses as needed until funding programs. Reimburse MCTC. **Action**
6. Nominate Chair and Vice Chair for Calendar Year (CY) 2022. **Action**

6. Agency Updates and Project Reports

Information/Discussion

1. City of Alturas Public Works Department
2. Modoc County Road Department
3. Caltrans District 2
4. Modoc County Transportation Commission

7. Staff Update, Correspondence and Calendar

Information

Address outstanding issues, correspondence, information, and materials received.

- Future dates and events of interest.

8. Adjourn until next MCTC Regular meeting

Action

Tuesday, February 1, 2022, at 1:30 p.m., or soon thereafter, in the Sage Stage Conference Room at 108 S Main Street, Alturas, CA.

Report to Modoc County Transportation Commission	
Subject	Meeting Date
Consent Agenda	December 7, 2021
Presented by	Agenda Item
Not Applicable	4

ATTACHMENTS – shown in **bold** below

- a. Approve the **minutes from the 10/05/21 meeting**
- b. Approve **financial transactions from 09/01/21 through 10/31/21**
Summary of incidental expenditures (excluding employee payroll, taxes, and benefits).

Vendor	Transaction	Amount	Explanation
Singleton Auman	1875	\$6,000.00	2020/21 Fiscal Audits
Singleton Auman	1893	\$8,000.00	2020/21 Fiscal Audits

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



**MODOC COUNTY
TRANSPORTATION COMMISSION**

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

**MINUTES
Regular Meeting
October 5, 2021**

Commissioners 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
Modoc County, Member at Large
Board of Supervisors, District I, Modoc County

Commissioners 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

Mitch Crosby
Lilly Toaetolu
Tamara Rich

Modoc County Road Commissioner
Modoc County Roads Administration & Project Delivery
Caltrans District 2, Regional Planning Liaison

1. **Call to Order** – Vice Chair Rhoads called the meeting to order at 1:31 p.m. in the Sage Stage Conference Room, 108 S. Main Street, Alturas, CA.
 - a. Rhoads led those present in the Pledge of Allegiance.
 - b. There were no guests or visitors.
2. **Public Forum** – There were no public comments.
3. **Confirm Agenda**
Motion by Commissioner Ray to confirm agenda, seconded by Commissioner Nelson. All Ayes; motion carried.
4. **Consent Agenda**
 - a. Approve minutes from August 3, 2021, MCTC Regular meeting.
 - b. Financial transactions 07/01/21 through 08/31/21.

Vendor	Transaction	Amount	Explanation
Bartel Associates, LLC	1872	\$2,262.00	Actuarial GASB 68
Golden State Risk Management Authority	1855	\$19,616.00	Insurance premium

- c. Year-to-Date revenue and expenditure report (through 08/31/21.)

Motion by Commissioner Coe to approve Consent Agenda items a-c above, seconded by Commissioner Moriarity. All Ayes; motion carried.

5. Regular Business

- a. **Consider authorizing the Executive Director to submit a letter to the California Transportation Commission that no project will be programmed in the 2022 Modoc Regional Transportation Improvement Program.**

Executive Director, Pedersen reported the 2022 Modoc RTIP only has \$707k available for programming. The City's share is \$166k and the County's is \$506k. The CTC had indicated that there is no new money the first three years of the cycle and projects would need to be programmed in FY 2025/26 and FY 2026/27. Due to Modoc's limited share of funding no new projects are feasible. This does not prevent an agency's ability to access the funds already available. Pedersen contacted the CTC who requested MCTC submit a letter of notification.

Motion by Commissioner Ray to authorize the Executive Director to submit a letter to the California Transportation Commission that no project will be programmed in the 2022 Modoc Regional Transportation Improvement Program, seconded by Commissioner Coe. All Ayes; motion carried.

- b. **Consider adopting a policy that requires agencies provide a copy of the Final Report of Expenditures and Project Closeout to MCTC for State Transportation Improvement Program funded projects.**

Pedersen explained, MCTC has responsibility to track and monitor all STIP components in accordance with Timely Use of Funds. The last step in a STIP project is to complete the Final Report of Expenditures and Project Closeout. Agencies have 24 months, following completion of construction, to submit these reports to Caltrans. A policy requiring these reports be submitted to MCTC's Executive Director, Pedersen will aid in monitoring STIP projects.

Motion by Commissioner Ray to adopt a policy that requires agencies provide a copy of the Final Report of Expenditures and Project Closeout to MCTC for State Transportation Improvement Program funded projects, seconded by Commissioner Coe. All Ayes; motion carried.

- c. **Information: Public Agency Retirement System (PARS) end of year balance.**

Chief Fiscal Officer, Niki Lemke reported Modoc County Transportation Commission's PARS agency annual statement looks good. The yearend balance is \$227,380.81.

6. Agency Updates and Project Reports

- a. **Alturas Public Works Dept. – City Streets**

In the absence of Joe Picotte, City of Alturas Public Works Director, Executive Director, Debbie Pedersen reported Environmental and Permits allocations were submitted and are pending approval from the CTC for both the Court Street and West 8th Street projects. Plans, Specifications and Estimate allocations will be submitted to the CTC for approval next.

Pedersen has provided Picotte contact information to find out the current status on the Central Business district Pedestrian Improvement STIP project (PPNO 2534).

b. Modoc County Road Dept. – County Roads

Mitch Crosby, Modoc County Road Commissioner, reported Environmental and Permits allocations were submitted and are pending approval from the CTC for the County Road 55 project. Plans, Specifications and Estimate allocations were submitted and are pending approval from the CTC for the County Road 111 project.

Lilly Toaetolu, Modoc County Roads Administration & Project Delivery, reported the Local Roads & Safety Program Report is complete. September 13, 2021, the Modoc County Board of Supervisors approved and adopted the report. Data from the document will be utilized for future grants and other projects in Modoc County.

c. Caltrans District 2

Tamara Rich, Caltrans District 2, Regional Planning Liaison, had nothing to report.

d. Modoc County Transportation Commission

Executive Director, Pedersen reported the East Street project is 99.9% complete. A few minor changes need completed before final closeout.

7. Staff Update and Calendar

Pedersen reported there are no staff updates or correspondence.

Calendar – consider future dates and events of interest:

10/11/21 Columbus Day Holiday; Office closed, Sage Stage bus service operating
11/03/21 Modoc TAC Meeting 1:00 p.m. Sage Stage Conference Room
11/11/21 Veterans' Day Holiday; Office closed, Sage Stage bus service operating
11/25/21 Thanksgiving Holiday; Office closed, no bus service
11/26/21 Thanksgiving Holiday; Office closed, no bus service
12/07/21 MCTC and MTA Meetings 1:30 p.m. Sage Stage Conference Room

8. Motion to Adjourn –motioned by Commissioner Ray; seconded by Commissioner Nelson to adjourn the meeting at 1:47 p.m. All Ayes; motion carried. The next regular meeting will be Tuesday, December 7, 2021, at 1:30 p.m., or soon thereafter, in the Sage Stage Conference Room, 108 S. Main Street, Alturas, CA.

Submitted by,

Michelle Cox
Executive Assistant Secretary

11:01 AM
11/19/21
Accrual Basis

Modoc County Transportation Commission **Transactions by Account** **As of October 31, 2021**

Date	Num	Name	Amount	Balance
Plumas - Checking 0466				471,038.48
LTF Trust (MCTC)				399,503.71
County of Modoc (LTF)				277,290.70
Total County of Modoc (LTF)				277,290.70
City of Alturas (LTF)				91,801.77
Total City of Alturas (LTF)				91,801.77
LTF Trust (MCTC) - Other				30,411.24
Total LTF Trust (MCTC) - Other				30,411.24
Total LTF Trust (MCTC)				399,503.71
Plumas - Checking 0466 - Other				71,534.77
09/07/2021	1875	Singleton Auman PC	-6,000.00	65,534.77
09/09/2021	90921	Intuit	-6.00	65,528.77
09/14/2021	91421	Aflac	-194.96	65,333.81
09/15/2021	1876	Golden State Risk Management Authority	-3,295.23	62,038.58
09/15/2021	1877	PARS	0.00	62,038.58
09/16/2021		City of Alturas	1,684.25	63,722.83
09/23/2021	1879	Edward Jones	-578.38	63,144.45
09/23/2021	1878	US Bank PARS Account #6746022500	-2,519.14	60,625.31
09/23/2021	1880	PARS	-675.31	59,950.00
09/23/2021	1881	GHD Inc.	-1,134.00	58,816.00
09/26/2021	92621	FreeConferenceCall.com	-4.00	58,812.00
09/28/2021	92821	IRS (eftps.gov)	-5,068.08	53,743.92
09/28/2021	92822	EDD	-1,456.80	52,287.12
09/29/2021		QuickBooks Payroll Service	-12,553.81	39,733.31
09/30/2021		Lemke, Nicole L.	0.00	39,733.31
09/30/2021		Cox, Michelle D.	0.00	39,733.31
09/30/2021		Pedersen, Deborah	0.00	39,733.31
10/04/2021	1882	Modoc County Record	-58.50	39,674.81
10/06/2021	1883	J. Thayer Co.	-24.45	39,650.36
10/06/2021	1884	John Dederick	-400.00	39,250.36
10/06/2021	1885	Mark Moriarity	-150.00	39,100.36
10/06/2021	1886	Bobby Ray	-150.00	38,950.36
10/06/2021	1887	Cheryl Nelson	-150.00	38,800.36
10/06/2021	1888	Kathie Rhoads	-150.00	38,650.36
10/07/2021	1889	Edwin D. Coe II	-150.00	38,500.36
10/12/2021	101221	Intuit	-6.00	38,494.36
10/13/2021	1890	Modoc Transportation Agency	-4,282.35	34,212.01
10/14/2021	101421	Aflac	-194.96	34,017.05
10/14/2021	1891	Golden State Risk Management Authority	-3,295.23	30,721.82
10/15/2021	1892	PARS	-675.31	30,046.51
10/19/2021	1893	Singleton Auman PC	-8,000.00	22,046.51

11:01 AM
11/19/21
Accrual Basis

Modoc County Transportation Commission
Transactions by Account
As of October 31, 2021

Date	Num	Name	Amount	Balance
10/19/2021		MTA	18,440.15	40,486.66
10/21/2021	1894	Edward Jones	-578.38	39,908.28
10/21/2021	1895	US Bank PARS Account #6746022500	-2,519.14	37,389.14
10/26/2021	102621	FreeConferenceCall.com	-4.00	37,385.14
10/26/2021	102622	IRS (eftps.gov)	-5,068.04	32,317.10
10/26/2021	102623	EDD	-1,456.81	30,860.29
10/28/2021		QuickBooks Payroll Service	-12,553.82	18,306.47
10/28/2021	1896	Moore & Associates	-2,511.20	15,795.27
10/28/2021	102821	Intuit	-99.07	15,696.20
10/29/2021		Cox, Michelle D.	0.00	15,696.20
10/29/2021		Lemke, Nicole L.	0.00	15,696.20
10/29/2021		Pedersen, Deborah	0.00	15,696.20
10/29/2021		City of Alturas	936.31	16,632.51
Total Plumas - Checking 0466 - Other			-54,902.26	16,632.51
Total Plumas - Checking 0466			-54,902.26	416,136.22
TOTAL			-54,902.26	416,136.22

Modoc County Transportation Commission

Company Snapshots (As of 11/19/21)



Modoc County Transportation Commission

Balance Sheet

As of October 31, 2021

	Oct 31, 21
ASSETS	
Current Assets	
Checking/Savings	
LAIF - 002 (Reserve \$300K)	302,894.85
Plumas - Checking 0466	
LTF Trust (MCTC)	
County of Modoc (LTF)	277,290.70
City of Alturas (LTF)	91,801.77
LTF Trust (MCTC) - Other	30,411.24
Total LTF Trust (MCTC)	399,503.71
Plumas - Checking 0466 - Other	16,632.51
Total Plumas - Checking 0466	416,136.22
Total Checking/Savings	719,031.07
Accounts Receivable	7,503.44
Total Current Assets	726,534.51
Fixed Assets	3,637.42
TOTAL ASSETS	730,171.93
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Def Rev - RSTP 20/21	30,078.00
PAYROLL LIABILITIES	
Compensated Absences	29,746.92
Total PAYROLL LIABILITIES	29,746.92
Total Other Current Liabilities	59,824.92
Total Current Liabilities	59,824.92
Total Liabilities	59,824.92
Equity	
Opening Balance Equity	138,350.53
Retained Earnings	659,684.59
Net Income	-127,688.11
Total Equity	670,347.01
TOTAL LIABILITIES & EQUITY	730,171.93

9:13 AM

11/19/21

Accrual Basis

Modoc County Transportation Commission

Profit & Loss

July through October 2021

	Jul - Oct 21
Ordinary Income/Expense	
Income	
MCTC - LTF Trust Acct	6,000.00
Interest	431.28
Total Income	6,431.28
Expense	
Actuarial Audit / GASB 68	7,100.00
Pavement Managment System	1,134.00
Accounting / Auditor Services	9,977.92
Commissioner Per Diem	2,150.00
Insurance	19,616.00
IT Service & Support	250.00
Lease & Overhead	4,282.35
Legal Notices	108.00
Office Supplies	123.52
Payroll Services / PARS Admin	3,185.90
Planning Support & Services	0.00
Payroll	85,175.70
Travel / Training / Memberships	1,016.00
Total Expense	134,119.39
Net Ordinary Income	-127,688.11
Net Income	-127,688.11

Report to Modoc County Transportation Commission	
Subject	Meeting Date
Regular Business	December 7, 2021
Presented by	Agenda Item
MCTC Staff	5

ATTACHMENTS – shown in **bold** below

1. Caltrans will present information regarding the **Clean California Program**. *Information*
2. Accept the Fiscal Year (FY) **2020/21 Fiscal Audits**. *Action*
Staff recommends acceptance of the 2020/21 Fiscal Audits.
3. Accept the **2020/21 Triennial Performance Audit**. *Action*
The Triennial Performance Audit covers FYs 2018/19, 2019/20 and 2020/21 and was prepared in accordance with the 2018 Triennial Performance Guidelines by Moore and Associates. Staff recommends acceptance of the 2020/21 Performance Audit.
4. Adopt **Resolution 21-08 Calendar Year 2022 Designated Signatories for Plans and Programs**. *Action*
This is the annual resolution for MCTC programs. Resolution 21-08 designates and authorizes persons to sign documents, invoices, etc. for the grants and allocations for various programs. Staff Recommends approval of Resolution 21-08.
5. Approval to utilize the Local Transportation Trust Fund (LTF) for operation expenses as needed and until funding programs reimburse MCTC. *Action*
The MCTC works on a reimbursement basis for Regional Planning Assistance funds, MTA payroll and some vendor payments. Operating on a reimbursement basis causes cash flow to sometimes become too low to meet expenses.
Staff recommends approval to utilize LTF trust funds in the Plumas Bank account that will be reimbursed by MCTC for operating expenses until another solution is identified. Staff will be convening the Fiscal Committee to identify and discuss a solution.
6. Nominate Chair and Vice Chair for Calendar Year 2022. *Action*



CLEAN CALIFORNIA

Local Grant Program

The Clean California Local Grant Program, administered by the California Department of Transportation (Caltrans), will provide approximately \$296 million as part of a two-year program to beautify and improve streets and roads, tribal lands, parks, pathways, and transit centers to restore pride in public spaces.

Applicants must be local or regional public agencies, transit agencies, or tribal governments. Nonprofit organizations may be sub-applicants.

Project Types

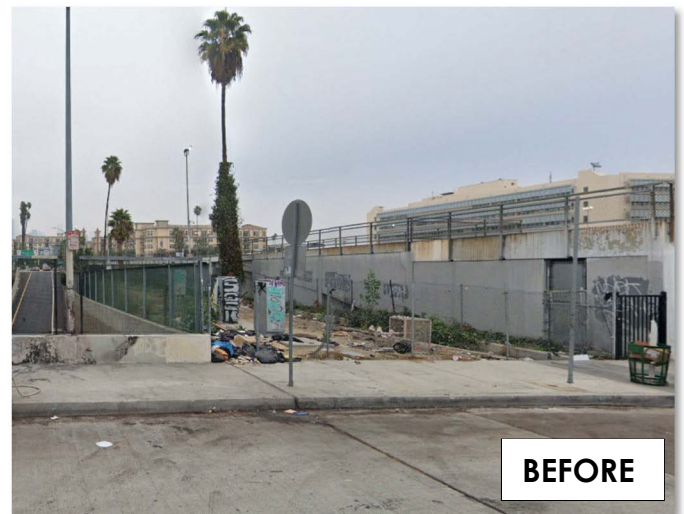
Eligible projects shall include, but not be limited to:

- Community litter abatement and beautification
- Community litter abatement events and/or educational program

Funding

The grant program guidelines are being developed with a framework that recognizes the diverse funding needs of potential applicants throughout the state.

- The local match component will range from 0% to 50% of the project costs.
- Half of the overall program funds will benefit or be located in underserved communities.
- The maximum grant is \$5 million.



BEFORE



AFTER

110/28th Street, Los Angeles



CLEAN CALIFORNIA

Local Grant Program

Project Selection Criteria

Caltrans will develop project selection criteria that will incorporate:

- Community need
- Potential to enhance and beautify public space
- Potential for greening to provide shade, reduce the urban heat island effect, and use native drought-tolerant plants
- Potential to improve access to public space
- Public engagement in the project proposal that reflects community priorities
- Benefit to underserved communities

These funds shall not be used to displace people experiencing homelessness. Projects must be completed by June 30, 2023.

Program Guidelines & Call for Projects

Caltrans is developing program guidelines and will solicit input through stakeholder workshops.

Event	Date
Workshop #1	September 1, 2021*
Workshop #2	October 7, 2021*

* Pre-Registration for the workshops will be on the website listed below.

Projected timeline:

Milestone	Date
Call for Projects	December 2021**
Project Application Deadline	February 2022**
Project Award Notification	March 2022**

** Visit the website listed below for the most up-to-date information.

Prepare Your Project(s) Now!

- Identify potential project site(s) and/or educational program concept(s)
- Plan and begin your community engagement
- Start project/program design plans
- Stay informed on guideline drafts and updates through workshops and website

For more information, please visit: <https://cleancalifornia.dot.ca.gov/local-grants>

Sign up for our mailing list [HERE](#)

Questions? Email: CleanCA.LocalGrant@dot.ca.gov

**MODOC COUNTY TRANSPORTATION COMMISSION
ALTURAS, CALIFORNIA**

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

MODOC COUNTY TRANSPORTATION COMMISSION
Audited Financial Statements
June 30, 2021

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Independent Auditors' Report

Board of Commissioners
Modoc County Transportation Commission
Alturas, CA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the major funds of the Modoc County Transportation Commission (Commission) as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the major funds of Modoc County Transportation Commission as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Modoc County Transportation Commission basic financial statements. 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 Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Respectfully Submitted,

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

FINANCIAL SECTION

MODOC COUNTY TRANSPORTATION COMMISSION
Management's Discussion and Analysis (MD&A)
June 30, 2021

INTRODUCTION

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

This discussion and analysis of Modoc County Transportation Commission's financial performance provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2020. It should be read in conjunction with the Commission's financial statements, including notes and supplementary information, which follow this section.

Documents with more information for the Commission's regional transportation planning process, programming and funding sources can be acquired within the Overall Work Plan (OWP) and Regional Transportation Plan (RTP) at www.modoctransportation.com.

Documents with more information for the Transportation Agency planning process, programming and funding sources can be acquired within the Short – Range Transit Development Plan (TDP) and Performance Audit at www.sagestage.com.

FINANCIAL HIGHLIGHTS

- ❑ Total net position was \$3,288,530 at June 30, 2021. This was an increase of \$303,941 over the prior year.
- ❑ Overall revenues were \$1,120,339 which was more than expenses of \$793,398, and transfers out of \$23,000, by \$303,941.
- ❑ The total cost of the Commission's programs increased by \$146,562 from last year.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

- Fiduciary funds statements provide information about the financial relationships in which the Commission acts solely as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required supplementary information that further explains and supports the financial statements. A comparison of the district's budget for the year is included.

Government-Wide Statements

The government-wide statements report information about the Commission as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Commission's net position and how they have changed. Net Position -the difference between the assets and liabilities- is one way to measure the Commission's financial health or position.

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

The government-wide financial statements of the Commission include business-type activities. Most of the Commission's basic services are included here, such as transportation services. Fare revenues finance some of these activities.

Fund Financial Statements

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

- Governmental Fund – The Planning Fund is the operating fund of the Commission. The major revenue sources for this fund are state grants and local transportation funds.
- Proprietary Fund – Services for which the Commission expects to support services from user fees are generally reported in proprietary funds. The Transit Fund is considered to be proprietary. Proprietary funds are reported in the same way as the district-wide financial statements.

- **Fiduciary Funds** – The Commission is the trustee, or fiduciary, for assets that belong to others. The Local Transportation Trust Fund and the State Transit Assistance Fund are expendable trust funds. The Commission is responsible for ensuring that assets reported in these funds are used only for their intended purposes. All of the Commission’s fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the Commission-wide financial statements because the Commission cannot use the assets to finance its operations.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The Commission’s business-type and governmental net positions were \$2,847,000 and \$441,530 respectively, at June 30, 2021 See Table 1.

Table 1:
Net Position for Business-Type Activities

	Business-Type Activities		Total Percentage
	2021	2020	Change 2021-20
Assets			
Cash and Investments	\$ 840,958	\$ 788,803	6.61%
Accounts Receivable	295,849	148,647	99.03%
Other Current Assets	108		
	<u>1,136,915</u>	<u>937,450</u>	
Restricted Cash- State of Good Repair	40,474		
Capital Assets, Net of Accumulated Depreciation	<u>1,669,611</u>	<u>1,763,603</u>	-5.33%
TOTAL ASSETS	<u><u>\$ 2,847,000</u></u>	<u><u>\$ 2,701,053</u></u>	
Current Liabilities:			
Accounts Payable	\$ -	\$ 50,269	-100.00%
Unearned Revenue	-	25,717	-100.00%
Total Current Liabilities	-	75,986	
TOTAL LIABILITIES	<u><u>\$ -</u></u>	<u><u>\$ 75,986</u></u>	
Net Position			
Net Investment in Capital Assets	\$ 1,669,611	\$ 1,763,603	-5.33%
Restricted	40,474	\$ -	
Unrestricted	1,136,915	861,464	31.97%
TOTAL NET POSITION	<u><u>\$ 2,847,000</u></u>	<u><u>\$ 2,625,067</u></u>	

Net Position for Governmental Activities

	Governmental Activities		Total Percentage Change
	2021	2020	2021-2020
Assets			
Cash and Investments	\$ 460,563	\$ 398,733	15.51%
Accounts Receivable	156	54,590	-99.71%
Net Pension Asset	7,103	5,371	32.25%
	<u>467,822</u>	<u>458,694</u>	
Capital Assets, Net of Accumulated Depreciation	<u>3,637</u>	<u>7,380</u>	-50.72%
TOTAL ASSETS	<u>\$ 471,459</u>	<u>\$ 466,074</u>	
DEFERRED RECOGNITION OF CONTRIB TO PENSION PLAN	<u>\$ 31,572</u>	<u>\$ 2,589</u>	1119.47%
Current Liabilities:			
Compensated Absences	29,747	48,419	-38.56%
Unearned Revenue	<u>30,078</u>	<u>30,453</u>	-1.23%
Total Non-Current Liabilities	<u>59,825</u>	<u>78,872</u>	
TOTAL LIABILITIES	<u>\$ 59,825</u>	<u>\$ 78,872</u>	
Deferred Inflow of Resources			
Deferred Inflows-Pension Plan	<u>\$ 1,676</u>	<u>\$ 30,269</u>	-94.46%
Net Position			
Net Investment in Capital Assets	\$ 3,637	\$ 7,380	-50.72%
Restricted	<u>437,893</u>	<u>352,142</u>	24.35%
TOTAL NET POSITION	<u>\$ 441,530</u>	<u>\$ 359,522</u>	

Changes in Net Position

The Commission's business-type and governmental revenues were \$791,075 and \$329,264, respectively.

The total cost of all program expenses for transportation and planning and administration expenditures was \$554,142 and \$239,256, respectively.

Table 2:
Changes in Net Position -Governmental Activities

	Governmental Activities		Total Percentage
	2021	2020	Change
			2021-2020
Revenues			
Operating Grants and Contributions	\$ 323,463	\$ 370,455	-12.68%
Other Income	5,801	8,303	-30.13%
TOTAL REVENUES	<u>329,264</u>	<u>378,758</u>	
Program Expenses			
Planning and Administration	239,256	338,157	-29.25%
TOTAL EXPENSES	<u>239,256</u>	<u>338,157</u>	
Transfers Out	<u>8,000</u>	<u>9,000</u>	-11.11%
INCREASE (DECREASE) IN NET POSITION	<u>\$ 82,008</u>	<u>\$ 31,601</u>	

Changes in Net Position Business-Type Activities

	Business-Type Activities		Change
	2021	2020	2021-2020
Revenues			
Sales and Gas Taxes	\$ 158,093	\$ 93,083	69.84%
Charges for Services	9,949	36,460	-72.71%
Other Income	27,898	36,594	-23.76%
Operating Grants and Contributions	595,135	237,534	150.55%
Capital Grants and Contributions	-	-	
TOTAL REVENUES	<u>791,075</u>	<u>403,671</u>	
Program Expenses			
Transit	554,142	601,803	-7.92%
TOTAL EXPENSES	<u>554,142</u>	<u>601,803</u>	
Transfers Out	<u>(15,000)</u>	<u>(14,000)</u>	7.14%
INCREASE (DECREASE) IN NET POSITION	<u>\$ 221,933</u>	<u>\$ (212,132)</u>	

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

Table 3
Net Cost of Business-Type Activities

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Transit	\$ 554,142	\$ 601,803	\$ 50,942	\$ (239,050)
TOTAL	<u>\$ 554,142</u>	<u>\$ 601,803</u>	<u>\$ 50,942</u>	<u>\$ (239,050)</u>

Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Planning and Admin	\$ 239,256	\$ 338,157	\$ 84,207	\$ 32,298
TOTAL	<u>\$ 239,256</u>	<u>\$ 338,157</u>	<u>\$ 84,207</u>	<u>\$ 32,298</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The overall financial performance of the Commission as a whole is reflected in the communication between the Board of Commissioners and the Commission employees as they all work together in providing the best quality of service to its customers. As the Commission completed the year, its proprietary fund reported a net position of \$2,847,002, which is more than last year's ending net position of \$2,625,067. The Commission's governmental fund reported fund equity of \$382,222, which is more than last year's ending fund equity of \$359,522.

Budgetary Highlights

Over the course of the year, the Commission revises its annual budget to reflect unexpected changes in revenues and expenditures. The budget was approved by June 30 for the 2020/21 fiscal year. The final revised budget was adopted on June 1, 2021. A schedule of the Commission's original and final budget amounts compared with actual revenues and expenses are provided in the supplemental section of the audited financial report.

CAPITAL ASSETS

At June 31, 2020 the Commission had invested in a broad range of capital assets, including land, vehicles, buildings and equipment. See Table 4. More detailed information about the Commission's capital assets is presented in the notes to the financial statements.

Table 4
Capital Assets Business-Type Activities

	<u>Business-Type Activities</u>		<u>Total Percentage</u>
	<u>2021</u>	<u>2020</u>	<u>Change</u>
			<u>2021-2020</u>
Land and Improvements	\$ 781,745	\$ 781,745	0.00%
Vehicles, Buildings and Equipment	1,896,921	1,945,887	-2.52%
Totals at Historical Cost	2,678,666	2,727,632	
Total Accumulated Depreciation	(1,009,055)	(964,029)	4.67%
NET CAPITAL ASSETS	<u><u>\$ 1,669,611</u></u>	<u><u>\$ 1,763,603</u></u>	

Capital Assets Governmental Activities

	<u>Governmental Activities</u>		<u>Total Percentage</u>
	<u>2021</u>	<u>2020</u>	<u>Change</u>
			<u>2021-2020</u>
Vehicles and Other Equipment	\$ 31,100	\$ 31,100	0.00%
Totals at Historical Cost	31,100	31,100	
Total Accumulated Depreciation	(27,463)	(23,720)	15.78%
NET CAPITAL ASSETS	<u><u>\$ 3,637</u></u>	<u><u>\$ 7,380</u></u>	

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

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

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

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

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

MODOC COUNTY TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 460,563	\$ 840,958	\$ 1,301,521
Accounts Receivable	156	295,849	296,005
Other Current Assets		108	108
Net Pension Asset	<u>7,103</u>	<u>-</u>	<u>7,103</u>
Total Current Assets	467,822	1,136,915	1,604,737
Restricted Cash - State of Good Repair		40,474	40,474
Property, Plant & Equipment, Net	<u>3,637</u>	<u>1,669,611</u>	<u>1,673,248</u>
Total Assets	<u>\$ 471,459</u>	<u>\$ 2,847,000</u>	<u>\$ 3,318,459</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources - Pension Plan	<u>\$ 31,572</u>	<u>\$ -</u>	<u>\$ 31,572</u>
LIABILITIES			
Current Liabilities:			
Compensated Absences	\$ 29,747	\$ -	\$ 29,747
Unearned Revenue	<u>30,078</u>	<u>-</u>	<u>30,078</u>
Total Liabilities	<u>\$ 59,825</u>	<u>\$ -</u>	<u>\$ 59,825</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows-Pension Plan	<u>\$ 1,676</u>	<u>\$ -</u>	<u>\$ 1,676</u>
NET POSITION			
Net Investment in Capital Assets	\$ 3,637	\$ 1,669,611	\$ 1,673,248
Restricted	437,893	40,474	478,367
Unrestricted	<u>-</u>	<u>1,136,915</u>	<u>1,136,915</u>
Total Net Position	<u>\$ 441,530</u>	<u>\$ 2,847,000</u>	<u>\$ 3,288,530</u>

The accompanying notes are an integral part of this statement.

**MODOC COUNTY TRANSPORTATION COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

		Program Revenue		Net (Expense)	Net (Expense)	Net (Expense)
		Charges	Operating	Revenue and Changes	Revenue and Changes	Revenue and Changes
		For	Grants and	in Net Assets	in Net Assets	in Net Position
	Expenses	Services	Contributions	Governmental Activities	Business Type Activities	Total
<u>Governmental Activities</u>						
General Government						
Planning and Administration	\$ 239,256	\$ -	\$ 323,463	\$ 84,207	\$ -	\$ 84,207
Total Governmental Activities	<u>239,256</u>	<u>-</u>	<u>323,463</u>	<u>84,207</u>	<u>-</u>	<u>84,207</u>
<u>Business Type Activities</u>						
Transit	554,142	9,949	595,135		50,942	50,942
Total Business Type Activities	<u>554,142</u>	<u>9,949</u>	<u>595,135</u>	<u>-</u>	<u>50,942</u>	<u>50,942</u>
Total Primary Government	\$ <u>793,398</u>	\$ <u>9,949</u>	\$ <u>918,598</u>	<u>84,207</u>	<u>50,942</u>	<u>135,149</u>
General Revenues and Transfers In (Out):						
Sales Tax				-	158,093	158,093
Interest				2,636	5,369	8,005
Other Income				3,165	22,529	25,694
Transfers In (out)				<u>(8,000)</u>	<u>(15,000)</u>	<u>(23,000)</u>
Total General Revenue				<u>(2,199)</u>	<u>170,991</u>	<u>168,792</u>
Change in Net Position				82,008	221,933	303,941
Net Position Beginning				359,522	2,625,067	2,984,589
Net Position Ending	\$			<u><u>441,530</u></u>	<u><u>2,847,000</u></u>	<u><u>3,288,530</u></u>

The accompanying notes are an integral part of this statement.

MODOC COUNTY TRANSPORTATION COMMISSION
BALANCE SHEET-GOVERNMENTAL FUND
JUNE 30, 2021

	<u>Planning Fund</u>
<u>ASSETS</u>	
Cash in Banks	\$ 460,563
Accounts Receivable	156
TOTAL ASSETS	<u>\$ 460,719</u>
<u>LIABILITIES AND FUND EQUITY</u>	
Liabilities:	
Compensated Absences	\$ 29,747
Unearned Revenue	30,078
Total Liabilities	<u>59,825</u>
Fund Equity:	
Restricted Fund Equity	<u>400,894</u>
Total Fund Equity	<u>400,894</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 460,719</u>

The accompanying notes are an integral part of this statement.

MODOC COUNTY TRANSPORTATION COMMISSION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2021

Total Fund Balances - Governmental Funds	\$ 400,894
Reconciling Items:	
Capital Assets are not recorded in the governmental funds	3,637
Net Pension Asset is not recorded in the governmental funds	7,103
Deferred Outflows are not recorded in the governmental funds	31,572
Deferred Inflows are not recorded in the governmental funds	<u>(1,676)</u>
Total Net Position - Governmental Activities	<u>\$ 441,530</u>

The accompanying notes are an integral part of this statement.

MODOC COUNTY TRANSPORTATION COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Planning Fund</u>
Revenues	
Local Transportation Funds	\$ 95,010
RSTP Revenue	30,453
Rural Planning Assistance	158,000
Planning, Programming and Monitoring	40,000
Refunds	3,165
Interest Income	<u>2,636</u>
 Total Revenues	 <u>329,264</u>
 Expenditures	
Planning and Administration	<u>294,821</u>
Total Expenditures	<u>294,821</u>
 Excess Of Revenues Over (Under)	
Expenditures	34,443
 Transfer Out	 <u>(8,000)</u>
 Excess Of Revenues Over (Under)	
Expenditures and Transfers In (Out)	26,443
 Fund Balances - July 1	 <u>374,451</u>
 Fund Balances - June 30	 <u>\$ 400,894</u>

The accompanying notes are an integral part of this statement.

MODOC COUNTY TANSPORTATION COMMISSION
RECONCILIATION OF THE THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF
ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Net Changes in fund balances - total governmental funds	\$ 26,443
Reconciling Items:	
The depreciation of capital assets is not recorded in the funds	(3,743)
Pension Expense is not included in the Funds	<u>59,308</u>
Changes in net position of governmental activities - statement of activities	<u>\$ 82,008</u>

The accompanying notes are an integral part of this statement.

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

	2021	2020
ASSETS	Transit Fund	Transit Fund
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 - State of Good Repair	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>
 LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ -	\$ 50,269
Unearned Revenue	-	25,717
Total Liabilities	<u><u>\$ -</u></u>	<u><u>\$ 75,986</u></u>
 NET POSITION		
Net Investment in Capital Assets	\$ 1,669,611	\$ 1,763,603
Restricted for State of Good Repair	40,474	
Unrestricted	<u>1,136,917</u>	<u>861,464</u>
Total Net Position	<u><u>\$ 2,847,002</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
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FISCAL 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
Lassen Transit Service Agency	6,224	26,894
LCTOP - Exchange with Tehama County	10,618	38,491
State of Good Repair Program	40,474	
Rents, Leases and Other	22,529	21,696
Building Improvement Reserve	9,634	
Interest	5,369	14,898
Total Non-Operating Revenues and (Expenses)	<u>781,126</u>	<u>367,211</u>
Transfers (Out)	<u>(15,000)</u>	<u>(14,000)</u>
Change in Net Position	221,935	(212,132)
Net Position, Beginning of the Period	2,625,067	2,837,199
Net Position, End of the Period	<u><u>\$ 2,847,002</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
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE 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	<u>(500,576)</u>	<u>(408,630)</u>
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	<u>602,836</u>	<u>365,145</u>
Cash Flows from Capital and Related Financing Activities:		
Purchases of Property and Equipment		
Transfers (Out)	(15,000)	(14,000)
Net Cash Provided (Used) by Capital Financing Activities	<u>(15,000)</u>	<u>(14,000)</u>
Cash Flows from Investing Activities		
Interest Earned	5,369	14,898
Net Cash Provided (Used) by Investing Activities	<u>5,369</u>	<u>14,898</u>
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	<u>(50,269)</u>	<u>28,899</u>
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 COUNTY TRANSPORTATION COMMISSION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

	2021	2020
	<u>Private Purpose</u> <u>Trust Funds</u>	<u>Private Purpose</u> <u>Trust Funds</u>
<u>ASSETS</u>		
Cash in Banks and in the County Treasury	\$ 396,188	\$ 335,824
TOTAL ASSETS	<u>\$ 396,188</u>	<u>\$ 335,824</u>
<u>LIABILITIES AND NET POSITION</u>		
Liabilities:		
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>
Net Position:		
Held in Trust	\$ 396,188	\$ 335,824
TOTAL NET POSITION	<u>\$ 396,188</u>	<u>\$ 335,824</u>

The accompanying notes are an integral part of this statement.

MODOC COUNTY TRANSPORTATION COMMISSION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

	2021 Private Purpose Trust Funds	2020 Private Purpose Trust Funds
Revenues		
Sales Tax	\$ 279,849	\$ 250,710
Intergovernmental	74,557	88,759
State of Good Repair Program	14,757	14,073
Interest Income	<u>303</u>	<u>481</u>
 Total Revenues	 <u>369,467</u>	 <u>354,023</u>
Expenditures		
State of Good Repair Program	14,757	14,073
City of Alturas	-	23,041
Modoc County Transportation Commission	95,010	122,042
Modoc Transportation Agency	232,648	93,083
Other	<u>-</u>	<u>41</u>
 Total Expenditures	 <u>342,415</u>	 <u>252,280</u>
Excess Of Revenues Over (Under)		
Expenditures	27,052	101,743
 Transfers In (Out)		
Transfers In	<u>10,271</u>	<u>-</u>
 Excess Of Revenues And Transfers In		
Over(Under) Expenditures And Transfers Out	37,323	101,743
 Net Position - July 1	 <u>358,865</u>	 <u>234,081</u>
 Net Position - June 30	 <u>\$ 396,188</u>	 <u>\$ 335,824</u>

The accompanying notes are an integral part of this statement.

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – REPORTING ENTITY

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Description of Blended Component Unit

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

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

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

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

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

B. Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenues for the different governmental and business-type activities of the Commission. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The Commission does not allocate indirect expenses in the statement of activities. Program revenues include (a) fares and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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

The Commission reports the following major Governmental and Proprietary Funds:

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

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

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

C. Basis of Accounting

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

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

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

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

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

D. Budgets

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

Planning Fund – The Commission annually adopts a budget through the preparation of an overall work program. This work program describes the projects, or work elements, that are to be funded, and the type of funds that will pay for the expenditures, such as Rural Planning Assistance, Local Transportation, or Federal Transit Administration.

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

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

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

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

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

E. Fiduciary Fund Types

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

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

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

F. Use of Estimates

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

G. Unearned Revenue

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

H. Risk Management

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

I. Internal Balances

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

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

J. Cash and Cash Equivalents

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

The remainder of the Commission's cash is held in Plumas Bank. The FDIC insures cash balances up to \$250,000. Periodically, the Commission's cash balances exceed FDIC limits; however, the Commission believes that no significant concentration of credit risk exists for these excess deposits. As of June 30, 2021, funds were held in excess of the FDIC limits in the trust fund account.

K. Receivable and Payable Balances

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

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

L. 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.

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Investments

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

NOTE 3 – CASH AND INVESTMENTS

The Commission's cash is maintained with various financial institutions. A summary of the Commission's cash and investments at June 30, 2021 is as follows:

MTA Local Agency Investment Fund	\$ 625,537
MTA Plumas Bank Operating	255,895
MCTC Local Agency Investment Fund	302,464
MCTC Plumas Bank Operating	158,099
MCTC Trust Cash in County Treasury	2,684
MCTC Trust Plumas Bank Checking	<u>393,504</u>
	<u>\$ 1,738,183</u>

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:

	Fair Market Value	Assets (Level 1)	Inputs (Level 2)	Inputs (Level 3)
Local Agency Investment Fund	\$ 928,001		\$ 928,001	

The total amount of interest income of \$8,005 includes \$2,636 for governmental activities and \$5,369 for the Modoc Transportation Agency. This interest income is included in the balances of the accounts and fair value measurements.

NOTE 4 – COMPENSATED ABSENCES

The Commission's employees earn compensated absence time for hours worked. Compensated absences accumulate and are accrued, when they are earned, based upon length of employment.

NOTE 5 – EQUITY CLASSIFICATIONS

The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance—amounts that are not in nonspendable form (such as inventory) or are required to be maintained intact.

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

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

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

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

- Net Investment in Capital Assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of debt borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position consists of net assets with restrictions placed on their use either by external groups such as contributors, grantors or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted Net Position consists of all other net assets that do not meet the definition of in capital assets, net of “restricted” or “net investment in capital assets.” When both restricted and unrestricted resources are available for use, it is the Commission’s policy to use restricted resources first, then unrestricted resources as they are needed.

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – CONTINGENCIES

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

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

NOTE 7 – CAPITAL ASSETS

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Capital assets with a value of \$5,000 or more and with a useful life of one year or more are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the assets useful life ranging between 3-50 years.

A summary of changes in fixed assets of the Governmental Fund for fiscal year 2020-21 follows:

	<u>Balance</u> <u>6/30/20</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6/30/21</u>
Vehicles and Other Equipment	\$ 31,100	\$ -	\$ -	\$ 31,100
Total	<u>31,100</u>	<u>-</u>	<u>-</u>	<u>31,100</u>
Accumulated Depreciation	<u>23,720</u>	<u>3,743</u>	<u>-</u>	<u>27,463</u>
Property, Plant and Equipment, Net	<u>\$ 7,380</u>	<u>\$ 3,743</u>	<u>\$ -</u>	<u>\$ 3,637</u>

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

A summary of changes in fixed assets of the Proprietary Fund for fiscal year 2020-21 follows:

	<u>Balance</u> <u>6/30/2020</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>6/30/2021</u>
Land and Improvements	\$ 781,745		\$ -	\$ 781,745
Vehicles, Buildings and Equipment	1,945,887		48,966	1,896,921
Total	<u>2,727,632</u>	<u>-</u>	<u>48,966</u>	<u>2,678,666</u>
Accumulated Depreciation	<u>964,029</u>	<u>93,992</u>	<u>48,966</u>	<u>1,009,055</u>
Property, Plant and Equipment, Net	<u>\$ 1,763,603</u>	<u>\$ 93,992</u>	<u>\$ -</u>	<u>\$ 1,669,611</u>

Depreciation and amortization was charged to functions as follows:

Planning and Administration	<u>\$ 3,743</u>
Transit	<u>\$ 93,992</u>

NOTE 8 – DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plans

Plan Description

The Commission is required to make a monthly contribution to Public Agency Retirement Services (PARS) to include actuarial valuations of prior and future years of service of each employee. All eligible Commission employees participate in PARS. PARS acts as a common investment and administrative agent which are managed by a third -party portfolio manger under guidelines approved by the Commission.

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

All qualified permanent and probationary employees are eligible to participate in the defined benefit pension plan (Plan). PARS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information.

Benefits Provided – PARS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service

**MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Contributions – The Commission establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Commission is required to contribute the actuarially determined rate. For the year ended June 30, 2021, the District’s average contribution rate was 3.3% of annual payroll.

Contributions-Employer	\$ 30,269
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Employees Covered-

At June 30, 2021, the following employees were covered by the benefit terms for each Plan:

	<u>Plan</u>
Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	1
Active employees	<u>3</u>
Total	4

Net Pension Asset-

The Commission net pension asset for the Plan, \$7,103, is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension asset of the Plan is measured as of June 30, 2020, using an annual actuarial valuation as of January 31, 2020. There were no significant changes between the valuation date and the measurement date. A summary of principal assumptions and methods used to determine the net pension asset is shown below.

	<u>Plan</u>
Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal, Level % of Pay
Amortization Method: Level percent or Level dollar Amortization Period	Level Percent 9 year fixed period for 2020/21
Inflation	2.75%
Discount Rate	6.25 %
Mortality	CalPERS 1997-2015 experience study

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between Expected and Actual Experience Change in Assumptions	\$ 7,828	\$ 1,676
Difference Between Projected and Actual Earnings On Plan Investments	896	
Contributions Subsequent to the Measurement Date	22,848	
Total	\$ 31,572	\$ 1,676

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

Periods Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2022	\$ 1,072
2023	949
2024	947
2025	1,656
2026	932
Thereafter	1,492
	<u>\$ 7,048</u>

Actuarial Assumptions

Discount Rate

The discount rate used to measure the total pension liability was 6.25%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, PARS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.25% discount rate is adequate.

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date using the discount rate of 6.25%, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.25%) or 1 percentage point higher (7.25%) than the current rate:

	Discount Rate -1% 5.25%	Current Discount Rate 6.25%	Discount Rate +1% 7.25%
Net Pension Liability:	\$ 16,967	\$ (7,103)	\$ (26,972)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PARS financial reports.

Payable to the Pension Plan

At June 30, 2021, the Commission had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

NOTE 8 – SUBSEQUENT EVENTS

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

REQUIRED SUPPLEMENTARY INFORMATION

MODOC COUNTY TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9– COMPLIANCE AND ACCOUNTABILITY

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

No violations of finance-related legal provision, or deficit Fund net position existed at June 30, 2021.

NOTE 10 – EXCESS OF EXPENDITURES OVER BUDGET

As of June 30, 2021, the following expense categories exceeded budgeted amounts:

<u>Category</u>	<u>Amount in excess of Budget</u>
Marketing	\$ 449
Depreciation	93,992

Marketing had minor budget overruns.
Depreciation was not included in the final budget.

NOTE 11-- 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:

	<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 COUNTY TRANSPORTATION COMMISSION
PLANNING FUND BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021**

	Planning Fund			
	Budget Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Local Tansportation Funds	\$ 107,000	\$ 107,000	\$ 95,010	\$ (11,990)
Intergovernmental:				
Planning Programming and Monitoring	40,000	40,000	40,000	-
Rural Planning Assistance	158,000	158,000	158,000	-
RSTP Revenue	31,413	30,453	30,453	-
Refunds			3,165	3,165
Interest Income	-	-	2,636	2,636
Total Revenues	336,413	335,453	329,264	(6,189)
Expenditures				
Planning and Administration	336,413	335,453	294,821	40,632
Total Expenditures	336,413	335,453	294,821	40,632
Excess of Revenues Over (Under)				
Expenditures	\$ -	\$ -	34,443	\$ 34,443
Transfers Out			(8,000)	
Fund Balance - July 1			374,451	
Fund Balance - June 30			\$ 400,894	

Notes to Planning 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.

	MCTC	MTA
LTF unused Cash balance as of 6/30/20	\$ 11,990	\$ (25,093)
LTF FY 2020/21 Allocated	95,010	158,093
FY 2020/21 LTF Allocation Total	<u>\$ 107,000</u>	<u>\$ 133,000</u>

**MODOC COUNTY TRANSPORTATION COMMISSION
PUBLIC AGENCY RETIREMENT SYSTEM (PARS)**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY /(ASSETS) AND RELATED RATIOS

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Changes in Total Pension Liability				
Service Cost	\$ 32,449	\$ 3,042	\$ 30,586	\$ 30,586
Interest on total pension liability	8,578	-	4,040	4,040
Actual vs. expected experience	9,014			
Assumption Change	(1,930)			
Benefit payments	-	-	-	(3,080)
Net change in total pension liability	48,111	3,042	34,626	31,546
Total pension liability -beginning	104,795	101,753	67,127	35,581
Total pension liability -ending	<u>\$ 152,906</u>	<u>\$ 104,795</u>	<u>\$ 101,753</u>	<u>\$ 67,127</u>
Changes in Plan Fiduciary Net Position				
Contributions-employer	\$ 30,269	\$ -	\$ 20,331	\$ 24,395
Contributions-employee	22,668	-	18,563	17,096
Net Investment Income	4,507	9,814	-	2,358
Benefit Payments	-	-	-	(3,080)
Administrative Expenses	(7,601)	-	(3,998)	(7,239)
Net change in plan fiduciary net position	49,843	9,814	34,896	33,530
Plan fiduciary net position- beginning	110,166	100,352	65,456	31,926
Plan fiduciary net position- ending	<u>160,009</u>	<u>110,166</u>	<u>100,352</u>	<u>65,456</u>
Net pension liability/ (asset) - ending	\$ (7,103)	\$ (5,371)	\$ 1,401	\$ 1,671
Plan fiduciary net position as a percentage of total pension liability	104.65%	-105.10%	98.36%	97.51%
Covered employee payroll	\$ 156,928	\$ 176,210	\$ 149,514	\$ 130,664
Net pension liability as a percentage of covered employee payroll	-4.5%	-3.0%	1.1%	1.3%

Notes to Schedule:

Fiscal year 2018 was the first year of implementation, therefore only four years are shown.

**MODOC COUNTY TRANSPORTATION COMMISSION
PUBLIC AGENCY RETIREMENT SYSTEM (PARS)**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially Determined Contribution (ADC)	\$ 30,269	\$ 30,269	\$ 17,195	\$ 17,195
Contributions in relation to the ADC	<u>30,269</u>	<u>30,269</u>	<u>17,195</u>	<u>17,195</u>
Net change in total pension liability	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
 Covered Employee Payroll	 \$ 156,928	 \$ 176,210	 \$ 149,514	 \$ 130,664
 Contributions as a % of covered employee payroll	 19.29%	 17.18%	 11.50%	 13.16%

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal year 2018 was the first year of implementation, therefore only four years are shown.

Methods and Assumptions for 2020/21 Actuarially Determined Contributions:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Amortization Method	N/A
Amortization Period	N/A
Asset Valuation Method	Market Value of Assets
Discount Rate	6.50%
General Inflation	3.00%
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2020 modified to converge to ultimate rates in 2022
Salary Increases	Aggregate - 3.25%
	Merit - CalPERS 1997-2015 Experience Study

OTHER SUPPLEMENTARY INFORMATION

**MODOC TRANSIT SERVICE AGENCY
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 and Equipment 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 & Insurance Reserve	56,703	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	84,682
Lassen Transit Service Agency	30,000	5,000	6,224	1,224
Rural Transit Assistance Program	1,500			-
State of Good Repair Program			40,474	40,474
LCTOP - Exchange with Tehama County			10,618	10,618
Rents, Leases & 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	240,848
Transfers Out	-	-	(15,000)	(15,000)
Change in Net Position	\$ -	\$ -	\$ 221,933	\$ 221,933

Note to Transit Fund Budgetary Comparison Schedule

For reconciliation of LTF unused cash balance as of 6/30/21 to total LTF allocation, see the Planning Fund Budgetary Comparison Schedule.

**MODOC COUNTY TRANSPORTATION COMMISSION
COMBINING BALANCE SHEET
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2021**

	Local Transportation Trust Fund	State Transit Assistance Fund	Total
<u>ASSETS</u>			
Cash In Plumas Bank	\$ 393,504	\$ -	\$ 393,504
Cash in County Treasury	2,217	467	2,684
 TOTAL ASSETS	 \$ 395,721	 \$ 467	 \$ 396,188
 <u>NET POSITION</u>			
Net Position:			
Held in Trust	\$ 395,721	\$ 467	\$ 396,188
Total Net Position	395,721	467	396,188
 TOTAL LIABILITIES AND NET POSITION	 \$ 395,721	 \$ 467	 \$ 396,188

MODOC COUNTY TRANSPORTATION COMMISSION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FIDUCIARY
NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Local Transportation Trust Fund	State Transit Assistance Fund	Total
Revenues			
Sales Tax	\$ 279,849	\$ 74,557	\$ 354,406
Intergovernmental		14,757	14,757
Interest Income	173	130	303
Total Revenues	<u>280,022</u>	<u>89,444</u>	<u>369,466</u>
Expenditures			
City of Alturas	-	-	-
Modoc County Transportation Commission	95,010	-	95,010
Modoc Transportation Agency	158,093	74,557	232,650
State of Good Repair	<u>-</u>	<u>14,757</u>	<u>14,757</u>
Total Expenditures	<u>253,103</u>	<u>89,314</u>	<u>342,417</u>
Excess Of Revenues Over (Under) Expenditures	26,919	129	27,048
Transfers In (Out)			
Transfers In	<u>10,271</u>	<u>-</u>	<u>10,271</u>
Excess Of Revenues And Transfers In Over(Under) Expenditures And Transfers Out	37,194	129	37,323
Net Position - July 1	<u>358,527</u>	<u>338</u>	<u>358,865</u>
Net Position - June 30	<u>\$ 395,721</u>	<u>\$ 467</u>	<u>\$ 396,188</u>

MODOC COUNTY TRANSPORTATION COMMISSION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BY FUNDING SOURCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	OWP Budget	LTF 20/21	PPM 20/21	RPA 20/21	RSTP 20/21	Interest	Other-Misc.	Depreciation	TOTAL	Budget Variance
Revenues										
LTF 20/21	\$ 107,000	\$ 95,010	\$ -	\$ -		\$ -	\$ -	\$ -	\$ 95,010	\$ (11,990)
PPM 20/21	40,000		40,000						40,000	-
RPA 20/21	158,000			158,000					158,000	-
RSTP 20/21	30,453				30,453				30,453	-
Interest	-					2,636			2,636	2,636
Other							3,165		3,165	3,165
Total Income	335,453	95,010	40,000	158,000	30,453	2,636	3,165	-	329,264	(6,189)
Expenses										
Pavement Management System	\$ 4,500		1,500		2,520				4,020	480
Accounting/Auditing	10,000	9,370							9,370	630
Commissioner Per Diem	7,400	4,375	2,375						6,750	650
Depreciation Expense								3,743	3,743	(3,743)
Insurance	17,100	17,001							17,001	99
It Service and Support	10,500	7,376							7,376	3,124
Lease and Overhead	17,160	17,129							17,129	31
Legal Notices	1,000	609							609	391
Legal Services	1,400	159							159	1,241
Miscellaneous									-	-
Office Supplies	500	185							185	315
Payroll Services	9,000	8,657							8,657	343
Planning and Support	6,000								-	6,000
Salaries/Labor	247,000	1,328	35,090	157,000	27,933				221,351	25,649
Travel/Training/Memberships	3,893	178	1,035	1,000					2,213	1,680
Total Expenses	335,453	66,367	40,000	158,000	30,453	-	-	3,743	298,563	36,890
Increase/(Decrease) in Net Position	\$ -	\$ 28,643	\$ -	\$ 0	\$ 0	\$ 2,636	\$ 3,165	\$ (3,743)	\$ 30,701	\$ 30,701

**MODOC COUNTY TRANSPORTATION COMMISSION
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
LOCAL TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Public Utilities Code Section</u>		
	<u>Administration</u>	<u>Contracted</u>	
	<u>99233.1</u>	<u>Transit Services</u>	<u>Total</u>
		<u>99400 (c)</u>	
Allocations			
Sales Tax and Other Income	\$ 279,849	\$ -	\$ 279,849
 Total Allocations	<u>279,849</u>	<u>-</u>	<u>279,849</u>
 Expenditures			
City of Alturas	-		-
Modoc County Transportation Commission	95,010		95,010
Modoc Transportation Agency	<u>158,093</u>	<u>-</u>	<u>158,093</u>
 Total Expenditures	<u>253,103</u>	<u>-</u>	<u>253,103</u>
 Excess Of Allocations Over (Under)			
Expenditures	<u>\$ 26,746</u>	<u>\$ -</u>	<u>\$ 26,746</u>

**MODOC COUNTY TRANSPORTATION COMMISSION
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
STATE TRANSIT ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Public Utilities
	<u>Code Section</u>
	General Public
	<u>6731</u>
Allocation	
STAF	\$ 74,557
State of Good Repair	14,757
Interest	<u>130</u>
Total Allocations	<u>89,444</u>
Expenditures	
Modoc Transportation Agency and Miscellaneous	<u>89,444</u>
Total Expenditures	<u>89,444</u>
Excess Of Allocations Over (Under)	
Expenditures	<u>\$ -</u>

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH THE STATUTES, RULES, AND REGULATIONS OF THE
CALIFORNIA TRANSPORTATION DEVELOPMENT ACT AND THE ALLOCATION
INSTRUCTIONS AND RESOLUTIONS OF THE LOCAL TRANSPORTATION
COMMISSION**

Board of Commissioners
Modoc County Transportation Commission
Alturas, California

Report on State Compliance

We have audited the financial statements of the Transportation Development Act Funds of the Modoc County Transportation Commission as of and for the year ended June 30, 2021 and have issued a 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 Commission's compliance with the California Code of Regulations Sections 6661, 6662, 6666 and 6751 that are applicable to Modoc County Transportation Commission. Additionally, we performed tests to determine that expenditures paid by the Modoc Transportation Agency were made in accordance with the allocation instructions and resolutions of Modoc County Transportation Commission and in conformance with the California Transportation Development Act. Also as part of our audit, we performed test of compliance to determine whether certain state bond funds were received and expended in accordance with applicable bond act and state accounting requirements. Compliance with the requirements referred to above is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

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

Opinion on State Compliance

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

Purpose of This Report

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

Respectfully submitted,



SingletonAuman, PC
Susanville, CA
October 8, 2021

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

Board of Commissioners
Modoc County Transportation Commission
Alturas, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, and each major fund of the Modoc County Transportation Commission as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated October 8, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. See Finding 2021-001.

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Compliance and Other Matters

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

Commission's Response to Findings

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

Purpose of the Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

EXECUTIVE SUMMARY

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

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

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

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

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

Finding 2021-001 Financial Reporting

Criteria Upon Which Audit Finding is Based (Legal Citation)

AU-C Section 265, Communicating Internal Control Matters Identified in an Audit.

Finding (Condition)

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

Amount of Questioned Cost, How Computed and Prevalence

None.

Effect

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

Cause

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

Recommendation

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

Commission's Response

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

**MODOC COUNTY TRANSPORTATION COMMISSION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FINDINGS FROM THE JUNE 30, 2020 AUDIT REPORT)
FOR THE YEAR ENDED JUNE 30, 2021**

Finding 2020-1 Financial Reporting

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

Status: See Current Year Finding 2021-001.

**MODOC COUNTY TRANSPORTATION COMMISSION
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 Commission is not providing complete and accurate MD&A and footnote disclosures that are prepared in accordance with GAAP prior to the annual audit.

Corrective Action Planned

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

Expected Completion Date

Ongoing.



TDA Triennial Performance Audit, FY 2019 - FY 2021 Modoc County Transportation Commission

Final Report
October 2021



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Chapter 1 | Executive Summary

The Triennial Performance Audit of the Modoc County Transportation Commission (MCTC) covers a three-year period ending June 30, 2021. The California Public Utilities Code requires all Regional Transportation Planning Agencies to conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

In 2021, the MCTC selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the one transit operator to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of MCTC as the Regional Transportation Planning Agency for the period:

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

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our review objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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

The Triennial Performance Audit includes five elements:

1. Compliance requirements,
2. Follow-up of prior recommendations,
3. Analysis of internal goal setting and strategic planning efforts,
4. Review of the RTPA's functions and activities, and
5. Findings and recommendations.

Test of Compliance

MCTC adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner.

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 no recommendations.

Goal Setting and Strategic Planning

The primary planning document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS). The RTP is a long-range (20-year) transportation plan providing a vision for regional transportation investments. The Plan, which was completed in 2019 and is scheduled to be updated in 2024, considers the role of transportation including economic factors, quality of life issues, and environmental factors. As a rural (non-MPO) county, the MCTC is not required to prepare a Sustainable Communities Strategy (SCS) element.

The MCTC also periodically prepares a Short-Range Transit Development Plan for Modoc Transportation Agency/Sage Stage. The SRTDP, the most recent of which was completed in 2013 and covers a five-year planning horizon, identifies county-wide goals and objectives, sets mode-specific performance standards, assesses recent transit system performance, makes recommendations based on a needs analysis, provides a financial plan, and identifies marketing strategies. The SRTDP is the primary planning document for public transit in Modoc County.

The MCTC recently (December 2020) adopted its updated Coordinated Public Transportation Plan for Modoc County, which is a unified strategy that focuses on the transportation needs of persons with disabilities, seniors, and low-income individuals.

Findings and Recommendations

Based on the current review, the auditors submit no TDA compliance findings.

The auditors have identified four functional findings. While these findings are not compliance findings, the auditors believe they are significant enough to be addressed within this review:

1. The MCTC could not provide documentation that it had submitted its prior triennial performance audit to Caltrans and certified that the Modoc Transportation Agency audit had been completed.
2. The MCTC does not consistently calculate eligibility for using State Transit Assistance funding for operating purposes.
3. The MTA's annual TDA fiscal audit does not include a detailed calculation specific to farebox recovery ratio.
4. The MCTC should move forward with preparation of an updated Short Range Transit Plan for Sage Stage.

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the Modoc County Transportation Commission as the RTPA. 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 agency into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the Triennial Performance Audit that are not specific to TDA compliance.

Only functional recommendations are presented below.

Exhibit 1.1 Summary of Audit Recommendations

Functional Recommendations		Importance	Timeline
1	Ensure documentation of the submittal of the RTPA's triennial performance audit and certification of the transit operator's triennial performance audit is maintained and can be provided during the next triennial performance audit.	Medium	FY 2021/22
2	Begin assessing eligibility for use of State Transit Assistance funds for operating purposes using the efficiency tests.	High	FY 2023/24
3	Begin including the farebox recovery ratio calculation in the Modoc Transportation Agency's annual TDA fiscal audit.	Medium	FY 2021/22
4	Prepare an updated Short Range Transit Plan.	Medium	FY 2022/23

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Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the Modoc County Transportation Commission covers the three-year period ending June 30, 2021. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

In 2021, the MCTC selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the one transit operator to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of Moore & Associates followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of MCTC as the designated RTPA for Modoc County. Direct benefits of a triennial performance audit include providing RTPA management with information on the economy, efficiency, and effectiveness of their 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 99246(a) that the RTPA designate an independent entity other than itself to conduct a performance audit of its activities as well as those of each Transit Operator to which it allocates TDA funding.

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. We believe the evidence obtained provides a reasonable basis for our 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 has four primary objectives:

1. Assess compliance with TDA regulations,
2. Review actions taken by the RTPA to implement prior recommendations,
3. Evaluate the efficiency and effectiveness of the RTPA through a review of its functions, and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the RTPA.

Scope

The Triennial Performance Audit is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the regional transportation planning agency. The audit of the MCTC included five tasks:

1. Review of compliance with TDA requirements and regulations.
2. Assessment of the implementation status of recommendations included in the prior Triennial Performance Audit.
3. Analysis of the MCTC's internal goal setting and strategic planning functions.
4. Examination of the following functions:
 - Administration and Management,
 - Transportation Planning and Regional Coordination,
 - Claimant Relationships and Oversight,
 - Marketing and Transportation Alternatives, and
 - Grant Applications and Management.
5. Recommendations to address opportunities for improvement based on analysis of the information collected and the review of the RTPA's core functions.

Methodology

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

- Triennial Performance Audit reports for the prior review period;
- Annual budgets;
- Audited financial statements;
- State Controller Reports;
- Agency organizational chart;
- Board meeting minutes and agendas;
- Policies and procedures manuals;
- Regional planning documents;
- Overall work plans;
- Article 8 Unmet Transit Needs documentation;
- TDA claims manual; and
- TDA and transit funding allocations to operators.

Given impacts of the ongoing COVID-19 pandemic, the methodology for this audit included a virtual site visit with Modoc County Transportation Commission representatives on July 28, 2021. The audit team met with Niki Lemke (Chief Fiscal Officer) and Debbie Pedersen (Executive Director), and reviewed materials germane to the triennial audit.

The report is comprised of seven 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 audit 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,
 - Progress in implementing prior recommendations,
 - Goal setting and strategic planning,
 - Functional review, and
 - Findings and recommendations.

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Chapter 3 | Program Compliance

This section examines the Modoc County Transportation Commission's compliance with the State of California's Transportation Development Act as well as relevant sections of California's Public Utilities Commission code. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. Although compliance verification is not a Triennial Performance Audit function, several specific requirements concern issues relevant to the performance audit. The RTPA considers full use of funds under CCR Section 6754(a) to refer to operating funds but not capital funds. The Triennial Performance Audit findings and related comments are delineated in Exhibit 3.1.

Compliance was determined through discussions with MCTC staff as well as an inspection of relevant documents, including the fiscal audits for each year of the triennium. Also reviewed were planning documents, Board actions, and other related documentation.

No compliance findings were identified for the MCTC.

Developments Occurring During the Audit Period

The last half of the audit period was markedly different from the first half. For transit operators, 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 public transit programs in California have yet to return to pre-pandemic ridership and fare levels. As a result, this cycle of Triennial Performance Audits will provide an assessment not only of how COVID-19 impacted each organization, but 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 transit 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 funds, 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 MCTC 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 (LCTOP) – For FY 2020 through FY 2023, Low Carbon Transit Operations Program allocations are tied to operator ratios used for allocating STA funds. Though 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 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, 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 a transit 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 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 from FY 2022 through FY 2026. It offers some additional flexibility for 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 operators from some of the reporting requirements for these funds.

9. PUC 99314.6 (STA) – This allows 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 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 FBRR 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
All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund monies apportioned to that area.	PUC 99231	In compliance	
The RTPA has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles (Article 3).	PUC 99233, 99234	In compliance	These are included in Chapter 6 of MCTC's TDA Handbook.
The RTPA has established a Social Services Transportation Advisory Council. The RTPA must ensure that there is a citizen participation process that includes at least an annual public hearing.	PUC 99238, 99238.5	In compliance	The SSTAC holds a public hearing once per year as part of the Unmet Transit Needs process.
The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower operating cost of those operators, which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. Recommendations include, but are not being limited to, those made in the performance audit. <ul style="list-style-type: none"> A committee for the purpose of providing advice on productivity improvements may be formed. The operator has made a reasonable effort to implement improvements recommended by the RTPA as determined by the RTPA, or else the operator has not received an allocation that exceeds its prior year allocation. 	PUC 99244	In compliance	MCTC regularly tracks the Modoc Transportation Agency's productivity and performance. Any requests for service are addressed by the SSTAC through the TDA Article 8 "Unmet Transit Needs" process.
The RTPA has ensured that all claimants to whom it allocated TDA funds submit to it and to the state controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year.	PUC 99245	In compliance*	FY 2018/19: September 16, 2019 FY 2019/20: September 16, 2020 FY 2020/21: Pending
The RTPA has submitted to the state controller an annual certified fiscal audit within 12 months of the end of the fiscal year.	CCR 6662	In compliance*	FY 2018/19: September 12, 2019 FY 2019/20: September 15, 2020 FY 2020/21: Pending
The RTPA has submitted within 90 days after the end of the fiscal year an annual financial transactions report to the state controller.	CCR 6660	In compliance*	FY 2018/19: January 14, 2020 FY 2019/20: February 4, 2021 FY 2020/21: Pending <i>The FY 2019/20 report was submitted three days late due to MCTC not receiving necessary information from the State Controller's Office.</i>

*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
The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennia). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator's TDA money, and to the RTPA within 12 months after the end of the triennium. If an operator's audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.	PUC 99246, 99248	In compliance	The prior audit (FY 2016 – FY 2018) was conducted by Monica Derner CPA PC. It was dated January 24, 2019. The current audit is being prepared by Moore & Associates, Inc., with a November 2021 completion date.
The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA has certified in writing to the Director that the performance audits of operators located in the area under its jurisdiction have been completed.	PUC 99246(c)	In compliance	The lack of documentation is addressed as a functional finding in Chapter 7.
For Article 8(c) claimants, the RTPA may adopt performance criteria, local match requirements, or fare recovery ratios. In such cases, the rules and regulations of the RTPA will apply.	PUC 99405	Not applicable	MCTC has not adopted alternative performance criteria for Modoc Transportation Agency.
The performance audit of the operator providing public transportation services shall include a verification of the operator's cost per passenger, operating cost per vehicle service hour, passenger per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of section 99260.2.	PUC 99246(d)	In compliance	
The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and newly urbanized areas.	PUC 99270.1, 99270.2	Not applicable	
The RTPA has adopted criteria, rules, and regulations for the evaluation of claims filed under Article 4.5 of the TDA and the determination of the cost effectiveness of the proposed community transit services.	PUC 99275.5	Not applicable	There are no Article 4.5 recipients in Modoc County.

Compliance Element	Reference	Compliance	Comments
State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.	PUC 99310.5, 99313.3, Proposition 116	In compliance	
Transit operators must meet one of two efficiency standards in order to use their full allocation of state transit assistance funds for operating purposes. If an operator does not meet either efficiency standard, the portion of the allocation that the operator may use for operations shall be the total allocation to the operator reduced by the lowest percentage by which the operator's total operating cost per revenue vehicle hour exceeded the target amount necessary to meet the applicable efficiency standard. The remaining portion of the operator's allocation shall be used only for capital purposes.	PUC 99314.6	In compliance	While the Modoc Transportation Agency met the efficiency standards, MCTC does not consistently apply the eligibility tests. This is addressed as a functional finding in Chapter 7.
The amount received pursuant to the Public Utilities Code, Section 99314.3, by each RTPA for state transit assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controller's Office.	PUC 99314.3	In compliance	
<p>If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:</p> <ul style="list-style-type: none"> • Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to PUC Section 99238; • Identified transit needs, including: <ul style="list-style-type: none"> ▪ Groups that are transit-dependent or transit-disadvantaged; ▪ Adequacy of existing transit services to meet the needs of groups identified; and ▪ Analysis of potential alternatives to provide transportation alternatives; • Adopted or reaffirmed definitions of "unmet transit needs" and "reasonable to meet"; • Identified the unmet transit needs and those needs that are reasonable to meet; and • Adopted a finding that there are no unmet transit needs, that there are no unmet transit needs that are reasonable to meet, or that there are unmet transit needs including needs that are reasonable to meet. <p>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.</p>	PUC 99401.5	In compliance	Unmet Transit Needs public hearings: April 13, 2018 April 2, 2019 April 21, 2020 April 6, 2021

Chapter 4 | Prior Audit Recommendations

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

The prior audit – completed in January 2019 by Monica Derner CPA PC for the three fiscal years ending June 30, 2018 – included no findings or recommendations.

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Chapter 5 | Goal Setting and Strategic Planning

This chapter analyzes the Modoc County Transportation Commission’s goal setting and strategic planning process. According to its FY 2021/22 Overall Work Program, MCTC is responsible for ongoing administration and regional transportation planning in Modoc County. It uses federal planning factors to develop planning goals consistent with the region’s rural needs. Regional planning concerns include preserving, rehabilitating, and improving safety on existing transportation facilities and coordinating projects and transportation services to maximize efficiency, effectiveness, and funding.

The primary planning document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS). The RTP is a long-range (20-year) transportation plan providing a vision for regional transportation investments. The Plan, which was completed in 2019 and is scheduled to be updated in 2024, considers the role of transportation including economic factors, quality of life issues, and environmental factors. As a rural (non-MPO) county, MCTC is not required to prepare a Sustainable Communities Strategy (SCS) element.

At the core of the 2019 RTP are three goals, each with short- and long-range objectives and associated policies:

1. Reduce distressed lane miles in Modoc.
 - a. Short-range: Program STIP funding to local street and road deferred maintenance; support State SHOPP and CAPM projects.
 - b. Long-range: Program STIP funding to local streets and roads.
 - c. Policy: System preservation is the highest priority for funding from STIP.
2. Reduce fatalities, fatal collisions VMT, injury, property damage.
 - a. Short-range: Support partner agencies’ safety projects and include them in the RTP.
 - b. Long-range: Support State and local agency safety projects.
 - c. Policy: Safety is a high priority. Support State, City, and County safety projects; include these projects in the Regional Transportation Plan.
3. Mobility – transit operations.
 - a. Short-range: MTA to monitor operating cost per revenue mile and farebox ratio.
 - b. Long-range: Research sources for efficiencies for operations.
 - c. Policy: MTA to have Triennial Performance Audit and monitor the system performance; adjustments to maintain farebox ratios and operating costs. Submit grant funding for a new Short-Range Transit Plan.

The MCTC also prepares a Short-Range Transit Development Plan for Modoc Transportation Agency/Sage Stage. The SRTDP, the most recent of which was completed in 2013 and covers a five-year planning horizon, identifies county-wide goals and objectives, sets mode-specific performance standards, assesses recent transit system performance, makes recommendations based on a needs analysis, provides a financial plan, and identifies marketing strategies. The SRTDP is the primary planning document specific to public transit in Modoc County.

The 2013 SRTDP sets forth seven goals for regional transportation in Modoc County, which relate to the goals identified in the Regional Transportation Plan (prior to the 2019 RTP). Each goal is supported by objectives, performance measures, and policies.

1. Reliability and System Preservation Goal: Develop a reliable transportation system, implementing only projects that can be maintained, operated, and sustained by identified funding sources.
 - a. Objective: Compatible land and transportation planning to maximize the effectiveness of transportation investments.
 - b. Objective: Adequately maintained transit vehicles and facilities, to avoid service interruption and increased costs when routine maintenance is deferred.
 - c. Performance measure: Service miles between road calls.
 - d. Policy: Prioritize public transit vehicle maintenance and replacement, in light of extensive travel distances and lack of readily available emergency response along transit routes.
 - e. Other relevant policies: Maintenance and management of the existing transportation system have priority over capacity expansion.
2. Safety and Security Goal: Provide for optimum safety and security during movements of people and goods.
 - a. Objective: Safe and secure public transportation.
 - b. Performance measures: Transit accident rates per trip, miles traveled, and service hours.
 - c. Other relevant policies: Promote advanced technology applications, wherever feasible, to enhance traveler safety and transit information.
3. Mobility and Accessibility Goal: Provide transportation services and facilities that best facilitate mobility, provide reasonable accessibility, and are equitably distributed among all ethnic, age, and income groups.
 - a. Objective: Increase number of trips by transit and non-motorized modes through improved facilities and service quality.
 - i. Performance measure: Transit ridership
 - b. Objective: Coordinate public transit programs with adjacent jurisdictions, to facilitate effective regional and intercity mobility.
 - i. Performance measures: Proportion of connecting transportation service with which local services and schedules are coordinated.
 - c. Objective: Public transit services that access vital medical, commercial and recreation activities, both within and outside the region, to the extent practicable and financially sustainable.
 - i. Performance measures: Number of transit trips by trip purpose, as monitored through periodic passenger surveys.
 - d. Relevant policies: All existing and new public transit services, facilities and equipment shall be fully accessible to persons with disabilities as defined, mandated, and required under the Americans with Disabilities Act. All existing and new transit services shall be provided in ways that do not preclude the use on the basis of race, color, and/or national origin as defined, mandated, and required under Title VI of the Civil Rights Act of 1964.
4. Quality of Life Goal: Facilitate development of transportation services and facilities, for all transportation modes, that enhance enjoyment of increased mobility and minimize adverse impacts on the natural social, cultural, and historic achievements.

- a. Objective: Promote and design transportation projects that will reduce greenhouse gas (GHG) emissions and thereby positively contribute to meeting statewide global warming emissions targets set in the Global Warming Solutions Act of 2006 (AB 32).
 - b. Policies: Seek transportation planning grant funding to implement and plan projects that provide awareness of and compliance with climate change guidelines and support development and implementation of the best practices in community and regional planning.
5. Advanced Technology Goal: Deploy advanced technologies within regional transportation system to enhance traveler information, safety, mobility, and accessibility.
 - a. Objective: Internet access to the MCTC's agenda, public policies, and updates; MTA/Sage Stage bus schedule; and trip planning technologies for rural intercity travel.
 - b. Performance measures: Easy-to-use trip planning tool for intercity travel using two or more rural transit operators or passenger carriers.
6. Livable Communities Goal: Maintain and improve the regional transportation system to support livable communities, access to locally operated businesses, and economic vitality. (No relevant objectives or performance measures relevant to public transportation services.)
7. Financial Goal: Construct, operate, and maintain the regional transportation system to meet adequate standards, maximize return on investments, and serve as an integrated and well-coordinated whole.
 - a. Objective: Sufficient funding to provide adequate transit services for all county residents who will use them.
 - b. Performance measures: Public transit system that meets reasonable transportation needs.
 - c. Policies: Apply for all eligible state and federal funds with reasonable expectation of receipt and net benefit to the region. Effectively utilize all available transportation funding, relative to federal and state requirements.

Given the Regional Transportation Plan has been updated twice since the most recent SRTDP was prepared, the MCTC should both a) update the Short-Range Transit Development Plan for Modoc County (as stated in the third RTP goal listed above) and b) ensure the transportation goals and objectives are consistent between the RTP and the SRTDP.

The MCTC recently (December 2020) adopted its updated Coordinated Public Transportation Plan for Modoc County, which is a unified strategy that focuses on the transportation needs of persons with disabilities, seniors, and low-income individuals. The Plan identified three priority strategies, some of which were carried forward from the prior Plan.

1. Maintain the current level of transportation services.
2. Continue outreach efforts.
3. Increase coordination among county agencies.

The Plan also identified several needs specific to COVID-19, which align with the overall priority strategies. These were:

1. Grocery/food delivery.
2. Maintaining pre-COVID-19 levels of transportation services.
3. Expanding outreach efforts.
4. Increased coordination among county agencies.

Chapter 6 | Functional Review

A functional review of the Modoc County Transportation Commission determines the extent and efficiency of the following functional activities:

- Administration and Management;
- Transportation Planning and Regional Coordination;
- Claimant Relationships and Oversight;
- Marketing and Transportation Alternatives; and
- Grant Applications and Management; and

Administration and Management

The Modoc County Transportation Commission (MCTC) is a state-designated regional transportation planning agency created to serve as the planning and programming authority for transportation projects in Modoc County. Its single TDA funding recipient is the Modoc Transportation Agency.

The MCTC's role as the RTPA is to foster intergovernmental coordination, undertake comprehensive regional planning with an emphasis on transportation issues, provide a forum for citizen input into the planning process, and provide technical services to its member agencies. The MCTC is also responsible for administering Transportation Development Act (TDA) funds. As the RTPA, the MCTC is responsible for preparing the Regional Transportation Plan every five years.

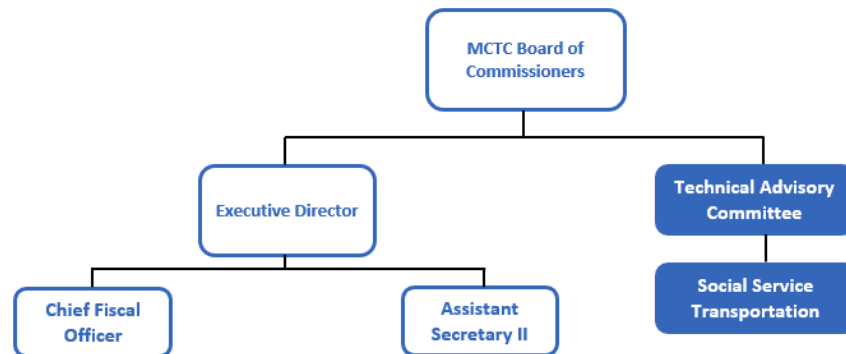
The MCTC Board of Directors is comprised of three representatives and one alternate appointed by the County of Modoc and three representatives and one alternate appointed by the City of Alturas. The Board meets on the first Tuesday of even-numbered months at 1:30 p.m. Meetings are held either in-person or by phone.

The MCTC Technical Advisory Committee (TAC) is comprised of members from City and County roads and public works departments, the county Planning Commission, and Caltrans District 2. It provides technical assistance to the Commission.

MCTC's Social Services Transportation Advisory Committee (SSTAC) ensures citizen participation, assists with the annual Unmet Transit Needs process, and supports TDA allocations. It also serves as a Citizens Advisory Committee during transportation planning activities when public input is needed.

Reporting directly to the MCTC board is the Executive Director. An organizational chart is presented as Exhibit 6.1.

Exhibit 6.1 Organizational Chart (FY 2019/20)



As the RTPA, the MCTC establishes and updates clear, comprehensive, and realistic goals and objectives for internal functions, regional coordination, grant applications, operator's performance, as well as, any transportation alternatives that develop over time. The RTPA governing board will break into committees on an as-needed basis.

Generally, the RTPA staff turnover rate is fairly low. Staff receive regular training through CalACT, Caltrans, and other resources. All full-time staff are eligible for the agency's benefits package.

Impact of COVID-19 pandemic

Due to the COVID-19 pandemic and the state's projection of sharp decline in state revenue, one full-time position was eliminated. Employees continued in-person work while the office was closed to the public. Meetings were conducted via teleconference. The office has since reopened to the public.

Claimant Relationships and Oversight

The MCTC provides technical and managerial assistance to operators on an ongoing basis. The RTPA has received an audited annual report from the Modoc Transportation Agency within 180 days after the end of the fiscal year.

The MCTC processes TDA claims in a timely manner consistent with its own rules and has not had to withhold monies from the Modoc Transportation Agency.

Transportation Planning and Regional Coordination

The Regional Transportation Plan was last updated in 2019. Updates are prepared every five years (the MCTC elected to not follow a four-year update schedule). The document has become more concise each year to make it a more accessible and useful tool.

The MCTC is responsible for gathering information from local planning and zoning agencies, private businesses, regional air quality districts, and state and federal agencies concerning transportation-related demand, mandates, funding, and other issues. The MCTC has developed and implemented a systematic method to stay up-to-date on transportation service levels and types provided within its jurisdiction.

Marketing and Transportation Alternatives

Marketing strategies generally fall under the Transit Department. Marketing activities specific to the MCTC include the organization's website and funding for field trips. The MCTC promotes public engagement activities such as public hearings and workshops via media releases and legal notices. One recent example is outreach conducted as part of a California "Main Street" study, which lasted four to five months.

Periodic surveys are typically conducted in conjunction with the Social Service Transportation Advisory Council (SSTAC), though no surveys were conducted due to the COVID-19 pandemic. The MCTC expects to conduct a transit rider survey in the coming year. The MCTC offers input into planning, zoning, and development projects by regional or local government entities.

Grant Applications and Management

Given the MCTC provides administration for the Modoc Transportation Agency, it coordinates all transit-related grants. The MCTC is considering applying for a Caltrans Sustainable Communities grant to fund the next Short Range Transit Plan. Projects are detailed in the annual Overall Work Program (OWP). The MCTC recently provided assistance and support for the Big Valley Seniors group to get a vehicle through the FTA Section 5310 program.

The MCTC also administers and monitors expenditures of State Transportation Improvement Program funds for the City of Alturas and Modoc County.

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Chapter 7 | Findings and Recommendations

Conclusions

The auditors find the Modoc County Transportation Commission, functioning as the RTPA, 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. Modest recommendations intended to improve the effectiveness of the organization as the RTPA are detailed below.

Findings and Recommendations

Based on the current review, the auditors submit no TDA compliance findings.

The audit team has identified four functional findings. While these findings are not compliance findings, the auditors believe they are significant enough to be addressed within this review:

1. The MCTC could not provide documentation that it had submitted its prior triennial performance audit to Caltrans and certified that the Modoc Transportation Agency audit had been completed.
2. The MCTC does not consistently calculate eligibility for using State Transit Assistance funding for operating purposes.
3. The MTA's annual TDA fiscal audit does not include a detailed calculation specific to farebox recovery ratio.
4. The MCTC should move forward with preparation of an updated Short Range Transit Plan for Sage Stage.

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the MCTC. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the agency 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 MCTC could not provide documentation that it had submitted its prior triennial performance audit to Caltrans and certified that the Modoc Transportation Agency audit had been completed.

Criteria: PUC 99246 requires each RTPA to submit its completed performance audit to Caltrans and certify in writing it has completed the audits of any operator to which it allocates TDA funding.

Condition: The MCTC could not provide documentation of this submittal from the prior triennial performance audit.

Cause: Since most such submittals occur via email, it is common to keep the sent message in an individual's email account. This can cause the message/documentation to get lost if emails are archived or deleted or if the original sender is no longer with the entity three years later when it is needed for the next audit.

Effect: Failure to maintain this documentation could result in the RTPA being out of compliance with the TDA.

Recommendation: Ensure documentation of the submittal of the RTPA's triennial performance audit and certification of the operator's triennial performance audit is maintained and can be provided during the next triennial performance audit.

Recommended Action: While this information can be submitted via an email only, we recommend creating a submittal letter that can be sent via email along with the electronic version of the RTPA audit. The sent email should be saved (with attachments) on a network drive that can be readily accessed in preparation for the next triennial performance audit. Avoid saving the email in the sender's email account and nowhere else.

Timeline: Upon completion of the 2021 Triennial Performance Audit.

Anticipated Cost: None.

Functional Finding 2: The MCTC does not consistently calculate eligibility for using State Transit Assistance funding for operating purposes.

Criteria: PUC 99314.6 requires transit operators to meet one of two efficiency criteria in order to use STA funding for operational expenses. The measure of efficiency is based on change in cost per vehicle service hour. If an operator does not meet either test of efficiency, then the amount of STA funding available for operating expenses is reduced by the lowest percentage it exceeded the amount necessary to meet the standard.

Condition: When the efficiency tests were conducted as part of the triennial performance audit, the Modoc Transportation Agency was found to be fully eligible in FY 2018/19 and FY 2019/20. The test was waived for FY 2020/21 under AB 90 as part of the COVID-19 response.

Cause: Failure to conduct the efficiency test can result in the operator claiming STA funding it is not eligible to claim.

Effect: The operator would not be able to use claimed funds it is not eligible to use for operating purposes, but would have to allocate them for capital purposes.

Recommendation: Begin assessing eligibility for use of State Transit Assistance funds for operating purposes using the efficiency tests.

Recommended Action: Conduct the STA efficiency tests annually as part of the TDA claims process or the TDA fiscal audit. Ensure the tests have been conducted and the operator is eligible prior to authorizing any claims for STA operating funds. If the operator is not eligible to claim all available STA funds for operating, determine how much STA funding must be reserved for capital purposes only. If included within the fiscal audit, the auditor must be familiar with relevant portions of the TDA legislation, including PUC 99314.6, AB 90, and AB 149.

Timeline: FY 2023/24 (STA eligibility for operations use has been waived through FY 2022/23 per AB 149).

Anticipated Cost: None.

Functional Finding 3: The Modoc Transportation Agency’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. This recommendation is presented within the operator audit; however, 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 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 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; AB 90; and AB 149).

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

Anticipated Cost: Negligible.

Functional Finding 4: The MCTC should move forward with the preparation of an updated Short Range Transit Plan for Sage Stage.

Criteria: Short-range planning is an important part of any public transit operation, as it helps to ensure a transit program continues to meet the needs of the community it serves. It is also part of the Claimant Relationships and Oversight function of the RTPA, which includes the provision of technical assistance (such as short-range planning) to operators.

Condition: The current Short Range Transit Development Plan was adopted in 2013 covering a planning horizon through FY 2017/18. The MCTC had intended to begin the planning process prior to the COVID-19 pandemic, but this did not happen. Given the recent challenges of COVID-19, it has become increasingly more important to update short-range planning efforts.

Cause: A lack of funding or absence of notable system or environmental changes can delay the update of the SRTP.

Effect: There is no updated direction for transit service development.

Recommendation: Prepare an updated Short Range Transit Plan.

Recommended Action: Identify funding for and prepare an update to the 2013 Short Range Transit Development Plan.

Timeline: FY 2022/23.

Anticipated Cost: Variable.

Exhibit 7.1 Audit Recommendations

Functional Recommendations		Importance	Timeline
1	Ensure documentation of the submittal of the RTPA's triennial performance audit and certification of the transit operator's triennial performance audit is maintained and can be provided during the next triennial performance audit.	Medium	FY 2021/22
2	Begin assessing eligibility for use of State Transit Assistance funds for operating purposes using the efficiency tests.	High	FY 2023/24
3	Begin including the farebox recovery ratio calculation in the Modoc Transportation Agency's annual TDA fiscal audit.	Medium	FY 2021/22
4	Prepare an updated Short Range Transit Plan.	Medium	FY 2022/23

**MODOC COUNTY TRANSPORTATION COMMISSION
RESOLUTION No. 21-08**

Calendar Year 2022 Authorized Signatories for Plans and Programs

WHEREAS, the Modoc County Transportation Commission (MCTC) is the Regional Transportation Planning Agency (RTPA) for Modoc County region, serving residents of the County of Modoc and the incorporated City of Alturas;

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

WHEREAS, various agencies such as the Department of Transportation (Caltrans), Federal Transit Administration (FTA), Federal Highway Administration (FHWA), Office of Homeland Security (OHS) and other agencies require said resolution be provided for fund reimbursement; and

WHEREAS, it is the intent of the MCTC to identify the Executive Director, Chairperson, or Vice Chairperson as designated signature authority(ies) for various transportation funds, including but not limited to:

- Local Transportation Funds (LTF)
- State Transit Assistance Funds (STAF)
- Federal Transit Administration (FTA) Section 5304, 5310, 5311, 5311(f), CARES, and CRRSAA funds.
- Regional Surface Transportation Program (RSTP) funds
- Rural Planning Assistance funds programmed through the Overall Work Program
- Sustainable Communities planning funds
- State / Regional Transportation Improvement Program (STIP / RTIP) funds, including Planning Programming and Monitoring (PPM) funds
- Alternative Transportation Program (ATP) funds
- Proposition 1B funds including PTMISEA and 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 Program (SGR)

WHEREAS, the MCTC directs staff to perform or administer all related work, including but not limited to programming and 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 and minor budget adjustments not exceeding the approved annual budget, correspondence, and California Transportation Commission (CTC) agenda items for STIP projects.

NOW, THEREFORE, BE IT RESOLVED that the MCTC does hereby identify the Executive Director Senior Transportation Planner, or Chairperson as designated signature authority(ies) for calendar year 2022.

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

PASSED AND ADOPTED this ** day of December 2021 by the following vote:

AYES:

NOES: None

ABSENT: Commissioners: Coe (A), Lewis (A)

John Dederick, Chair
Modoc County Transportation Commission

ATTEST:

Debbie Pedersen, Executive Director
Modoc County Transportation Commission

Report to Modoc County Transportation Commission	
Subject Agency Updates and Project Status Reports	Meeting Date December 7, 2021
Presented by Each Respective Agency	Agenda Item 6

a. Alturas Public Works Dept. - City Streets

Joe Picotte

- Central Business District Pedestrian Improvement STIP project (PPNO 2534).
- Court Street Phase 1 Rehabilitation STIP project (PPNO 2591)
- West 8th Street Rehabilitation STIP project (PPNO 2584)

b. Modoc County Road Dept. - County Roads

Mitch Crosby

- County Road 111 Rehabilitation STIP project (PPNO 2581)
- County Road 55 Rehabilitation STIP project (PPNO 2438)
- Cedarville sidewalk ATP grant application – Cycle 6
- Blue Lake Road (Federal Lands Access Program)

Key Milestone Dates:

	2020	2021	2025
Prelim Eng/Design	Apr	Oct	
NEPA - Env Surveys	May-Oct		
Advertise Construction			Dec

c. Caltrans District 2 – Regional Planning Liaison

Tamara Rich

Caltrans has no updates.

d. MCTC -

Pedersen

- East Street

Report to Modoc County Transportation Commission	
Subject Staff Update and Calendar	Meeting Date December 7, 2021
Presented by Debbie Pedersen, Executive Director	Agenda Item 7

Staff Updates, Correspondence, and Calendar

- Informal Overall Work Program amendment processed and approved 11/03/21.
- Correspondence from Caltrans regarding State Highway projects for the 2022 STIP.

Calendar

MCTC Meeting schedule – 1:30 p.m. Sage Stage Conference Room, 108 S Main St., Alturas, CA

- February 1, 2022
- April 5, 2022

Modoc TAC Meeting Schedule - 1:00 p.m. Sage Stage Conference Room, 108 S Main St., Alturas, CA

- January 5, 2022
- March 2, 2022

Office Holiday Schedule

- Christmas December 23, 24, 2021
- New Years' December 30, 31, 2021
- Martin Luther King January 17, 2022

DEPARTMENT OF TRANSPORTATION

DISTRICT 2

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*Making Conservation
a California Way of Life.*

November 19, 2021

Ms. Debbie Pedersen
Executive Director
Modoc County Transportation Commission
108 South Main St.
Alturas, CA 96101

Dear Ms. Pedersen:

The 2022 State Transportation Improvement Program (STIP) guidelines, Section 17, requests consultation between the California Department of Transportation (Caltrans) and regional agencies in the identification of needs on the State highway system (SHS). As a result of this consultation, a fiscally constrained list of state highway needs was established. Caltrans combined this list with a statewide needs report that was provided to the California Transportation Commission (CTC) by September 15, 2021, ninety days prior to the final Regional Transportation Improvement Program (RTIP) submittal deadline. Attached is the Modoc County Regional Transportation Planning Agency's (RTPAs) portion of this statewide list.

On July 19, 2021, in preparation for the 2022 STIP cycle, Caltrans met with you to discuss State highway needs within the Modoc region. Caltrans provided a comprehensive list of needs on the SHS in Modoc County for discussion. The list included currently programmed projects and proposed future projects in the STIP and the State Highway Operations and Protection Program (SHOPP). Caltrans priority is to continue to support State highway projects that are already fully or partially funded in the STIP.

As discussed at our July 19, 2021 meeting, due to constrained project study report (PSR) resources, Caltrans is required to look ahead two cycles to the 2026 STIP for potential future project candidates where a PSR would be needed for programming purposes.

Caltrans recognizes 2022 STIP funding is prioritized for reprogramming projects from the 2020 STIP and to new projects to meet the county shares for the period. Caltrans is supportive of the regions proposed program.

"Provide a safe, sustainable, integrated and efficient transportation system to enhance California's economy and livability"

Ms. Debbie Pedersen
November 19, 2021
Page 2

We look forward to continued partnership and cooperation in prioritizing the transportation needs in the Modoc region and seeking creative funding solutions for these important efforts. If you have any questions or if you would like to discuss further, please contact Kelly Zolotoff at (530) 768-4327.

Sincerely,

A handwritten signature in purple ink, appearing to read 'K.A.K.', with a stylized flourish extending to the right.

Kristen A Kingsley, PE
Deputy District Director
Asset Management and Program Project Management

Enclosure

Cc: Dave Moore, District 2 Director (email)
Tom Balkow, Deputy District Director Planning and Local Assistance (email)

Ms. Debbie Pedersen
November 19, 2021
Page 3

Derek Willis, Chief Program Project Management (email)
Steve Rogers, Chief Asset Management (email)
Javed Iqbal, Project Manager, Program Project Management (email)
Kelly Zolotoff, SHOPP & NonSHOPP Coordinator, Asset Management (email)

2021 State Highway Needs Meeting

Caltrans District 2 Consultation Meetings

DIST	Co	Rte	PM	NICKNAME	PROJECT DESCRIPTION	PPNO	EA	PID STATUS	Programmed (Y/N)	Project Phase
2	MOD	299	35.20	WB Left Turn Lane - Co Rd 75	Install Left Turn Lane for westbound traffic entering junction of County Road 75			Not Initiated	N	