



SunLine Transit Agency
October 27, 2021
9:20 a.m. – 10:20 a.m.

AGENDA

FINANCE/AUDIT COMMITTEE Regular Meeting

VIA VIDEOCONFERENCE

Pursuant to California Government Code section 54953(e), the Board of Directors regular meeting will be conducted remotely through Zoom. Please follow the instructions below to join the meeting remotely.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Join Zoom Meeting - from PC, Laptop or Phone

<https://us02web.zoom.us/j/81993875653>

Meeting ID: 819 9387 5653

Teleconference Dial In
888-475-4499 (Toll Free)
Meeting ID: 819 9387 5653

One tap mobile
+16699009128,,81993875653#

Phone controls for participants:

The following commands can be used on your phone's dial pad while in Zoom meeting:

- *6 - Toggle mute/unmute
- *9 - Raise hand

For members of the public wishing to submit comment in connection with the Finance/Audit Committee Meeting: public comment requests may be submitted via email to the Clerk of the Board at clerkoftheboard@sunline.org prior to October 26, 2021 at 5:00 p.m. with your name, telephone number and subject of your public comment (agenda item or non-agenda item). Members of the public may make public comments through their telephone or Zoom connection when recognized by the Chair. Those who have submitted a request to speak by the deadline above will be recognized first, then anyone else who wishes to speak will be provided an opportunity to make public comment. If you send written comments, your comments will be made part of the official record of the proceedings and read into the record if they are received by the deadline above.

ITEM

RECOMMENDATION

In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting at SunLine Transit Agency's Administration Building, 32505 Harry Oliver Trail, Thousand Palms, CA 92276 and on the Agency's website, www.sunline.org.

In compliance with the Americans with Disabilities Act, Government Code Section 54954.2, and the Federal Transit Administration Title VI, please contact the Clerk of the Board at (760) 343-3456 if special assistance is needed to participate in a Board meeting, including accessibility and translation services. Notification of at least 48 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.

ITEM

RECOMMENDATION

1. CALL TO ORDER

2. FLAG SALUTE

3. ROLL CALL

4. PRESENTATIONS

5. FINALIZATION OF AGENDA

6. PUBLIC COMMENTS

RECEIVE COMMENTS

NON AGENDA ITEMS

Members of the public may address the Committee regarding any item within the subject matter jurisdiction of the Committee; however, no action may be taken on off-agenda items unless authorized. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Comments may be limited to 3 minutes in length.

7. COMMITTEE MEMBER COMMENTS

RECEIVE COMMENTS

8. CONSENT CALENDAR

RECEIVE & FILE

All items on the Consent Calendar will be approved by one motion, and there will be no discussion of individual items unless a Board Member requests a specific item be pulled from the calendar for separate discussion. The public may comment on any item.

[8a\) Checks \\$1,000 and Over Report for August 2021](#)

(PAGE 4-8)

<u>ITEM</u>	<u>RECOMMENDATION</u>
8b) Credit Card Statement for August 2021	(PAGE 9-19)
8c) Monthly Budget Variance Report for August 2021	(PAGE 20-24)
8d) Contracts Signed in Excess of \$25,000 for September 2021	(PAGE 25-26)
8e) Union & Non-Union Pension Investment Asset Summary August 2021	(PAGE 27-36)
8f) Ridership Report for September 2021	(PAGE 37-41)
8g) SunDial Operational Notes for September 2021	(PAGE 42-44)
8h) Metrics for September 2021	(PAGE 45-62)
8i) Quarterly Capital Projects Update for 3 rd Quarter Calendar Year 2021	(PAGE 63-67)
8j) Board Member Attendance for September 2021	(PAGE 68-69)
9. FISCAL YEAR 2021 AUDIT REPORTS (Staff: Luis Garcia, Chief Financial Officer)	RECEIVE & FILE (PAGE 70-193)
10. PURCHASE OF MCI BUS (Staff: Demetrius Genera, Deputy Chief Maintenance Officer)	APPROVE (PAGE 194)
11. SUNRIDE MICROTRANSIT PILOT PROGRAM (PHASE III) – TRANSPORTATION PROVIDERS (Michal Brock, Taxi Administrator)	APPROVE (PAGE 195-198)
12. CONTRACT FOR MICROTRANSIT SERVICE PLANNING AND SOFTWARE (Staff: Michal Brock, Taxi Administrator)	APPROVE (PAGE 199-202)
13. AWARD OF CONTRACT RENEWAL FOR MICROSOFT FOR ENTERPRISE AGREEMENT (Staff: Vanessa Mora, Chief Safety Officer)	APPROVE (PAGE 203-204)
14. FORMAL SELECTION OF PENSION COMMITTEE MEMBERS (Staff: Luis Garcia, Chief Financial Officer)	APPROVE (PAGE 205)
15. RATIFICATION OF FEDERAL EMERGENCY FUNDING CLAIMS (Staff: Luis Garcia, Chief Financial Officer)	APPROVE (PAGE 206-207)
16. ADJOURN	

SunLine Transit Agency**CONSENT CALENDAR**

DATE: October 27, 2021

RECEIVE & FILETO: Finance/Audit Committee
Board of Directors

RE: Checks \$1,000 and Over Report August 2021

Summary:

The Checks \$1,000 and Over Report lists all of the checks processed at the Agency with a value of over \$1,000 for a given month.

- The table below identifies the checks \$50,000 and over in the month of August which required signature from the Chair or Vice Chair.

Vendor	Check #	Amount
CREATIVE BUS SALES, INC.	686898	\$609,133.68
GP STRATEGIES	687150	\$424,996.01
CREATIVE BUS SALES, INC.	687094	\$304,566.84

Recommendation:

Receive and file.

**SunLine Transit Agency
Checks \$1,000 and Over
August 2021**

Vendor Filed As Name	Description	Check #	Payment Date	Payment Amount
CREATIVE BUS SALES, INC.	WIP- FY2020 Replacement & Exp of Paratransit Buses (4)	686898	08/04/2021	609,133.68
GP STRATEGIES	WIP- CNG Fueling Station	687150	08/26/2021	424,996.01
CALPERS	Group Health Ins Premiums	687089	08/25/2021	365,453.60
CREATIVE BUS SALES, INC.	WIP- FY2020 Replacement & Exp of Paratransit Buses (2)	687094	08/25/2021	304,566.84
U.S. BANK INSTITUTIONAL TRUST-WESTERN	Pension Deposit	687070	08/19/2021	120,030.17
U.S. BANK INSTITUTIONAL TRUST-WESTERN	Pension Deposit	687155	08/26/2021	117,987.18
ELEMENT MARKETS RENEWABLE ENERGY, LLC	Utilities	687027	08/19/2021	80,758.97
IMPERIAL IRRIGATION DIST	Utilities	687042	08/19/2021	78,066.06
SO CAL GAS CO.	Utilities	687003	08/11/2021	57,989.26
GUARDIAN LIFE INSURANCE COMPANY THE	Employee Benefits/ LTD/STD/LIFE Ins Prem	686915	08/04/2021	47,038.91
GUARDIAN LIFE INSURANCE COMPANY THE	Employee Benefits/ LTD/STD/LIFE Ins Prem	687108	08/25/2021	46,786.63
IMPERIAL IRRIGATION DIST	Utilities	686978	08/11/2021	40,659.01
COMPLETE COACH WORKS	WIP- Driver door barriers	687093	08/25/2021	37,605.36
KELLERMEYER BERGENSONS SERVICES, LLC	Janitorial Services	687044	08/19/2021	30,064.55
ZEN AND THE ART OF CLEAN ENERGY SOLUTIONS	WIP- Facility Master Plan Update: Phase I	686942	08/04/2021	29,512.50
MICHELIN NORTH AMERICA, INC.	Lease Tire Services	687118	08/25/2021	24,013.94
MICHELIN NORTH AMERICA, INC.	Lease Tire Services	686986	08/11/2021	22,774.25
RUSH TRUCK CENTERS OF CALIFORNIA, INC.	Inventory Repair Parts	687131	08/25/2021	17,882.01
ADMIRAL SECURITY SERVICES, INC.	Security Guard Services	686944	08/11/2021	16,270.75
BURKE, WILLIAMS & SORENSEN, LLP	Legal Service	687018	08/19/2021	16,210.32
MOTOR COACH INDUSTRIES, INC.	MCI bus lease	687186	08/31/2021	16,162.50
HEPTAGON SEVEN CONSULTING, INC.	WIP- Coachella Transit Hub	686917	08/04/2021	15,614.74
DESERT AIR CONDITIONING, INC.	Fixed Assets-Equipment Improvement	686966	08/11/2021	14,451.50
TRANSIT PRODUCTS & SERVICES	Inventory Repair Parts	687210	08/31/2021	12,621.25
OLD GREEN HOUSE LLC	Consulting Services	687058	08/19/2021	12,000.00
TRANSLOC INC.	Microtransit Software Technology	687212	08/31/2021	12,000.00
NFI PARTS	Fixed Route Repair Parts	687160	08/31/2021	11,906.74
NFI PARTS	Inventory Repair Parts	686945	08/11/2021	11,747.35
PIEDMONT PLASTICS, INC.	Bus Stop Supplies	686993	08/11/2021	11,703.36
INNOVATIVE HR SOLUTIONS, LLC.	Comprehensive Employee Survey	686979	08/11/2021	11,679.25
VERIZON WIRELESS	Wireless Telephone Service	687011	08/11/2021	11,635.36
KNOLL, INC.	WIP- Operations Facility	686922	08/04/2021	11,002.09
NAPA AUTO PARTS	Paratransit Repair Parts	687189	08/31/2021	10,778.75
VALLEY OFFICE EQUIPMENT, INC.	WIP- Operations Facility	687213	08/31/2021	9,907.07
ROMAINE ELECTRIC CORP.	Inventory Repair Parts	687130	08/25/2021	9,582.00
TEC EQUIPMENT, INC.	Inventory Repair Parts	687065	08/19/2021	9,040.22
AIRWAVE COMMUNICATIONS	WIP- Replacement of Fixed Route buses	686889	08/04/2021	9,026.45
RUSH TRUCK CENTERS OF CALIFORNIA, INC.	Inventory Repair Parts	686999	08/11/2021	8,888.08
HOME DEPOT CREDIT SERVICES	Facility Maintenance Supplies	687037	08/19/2021	8,629.38

**SunLine Transit Agency
Checks \$1,000 and Over
August 2021**

Vendor Filed As Name	Description	Check #	Payment Date	Payment Amount
CREATIVE BUS SALES, INC.	Inventory Repair Parts	687168	08/31/2021	7,877.58
SONSRAY FLEET SERVICES	Inventory Repair Parts	686937	08/04/2021	7,392.66
ANDREA CARTER & ASSOCIATES	Consultant for Marketing & Communication Services	686952	08/11/2021	7,300.00
CPAC INC.COM	Computer/Network Software Agmt	686964	08/11/2021	7,288.20
PLAZA TOWING, INC.	Towing Services	686994	08/11/2021	6,970.00
JACKSON LEWIS P.C.	Insurance Loss	686981	08/11/2021	6,781.80
AMALGAMATED TRANSIT UNION	Union Dues	687016	08/19/2021	6,376.43
RUSH TRUCK CENTERS OF CALIFORNIA, INC.	Inventory Repair Parts	687202	08/31/2021	6,276.82
AMALGAMATED TRANSIT UNION	Union Dues	687142	08/26/2021	6,255.35
IMPERIAL IRRIGATION DIST	Utilities	687110	08/25/2021	6,131.67
JANEK CORPORATION THE	Inventory Repair Parts	686918	08/04/2021	5,895.25
THE TRANSIT & PARATRANSIT COMPANY	Material & Supplies	687134	08/25/2021	5,565.00
CDW GOVERNMENT, INC.	WIP- Operations Facility	686895	08/04/2021	5,367.70
ROBERT HALF	Temporary Help	686998	08/11/2021	5,255.84
NFI PARTS	Inventory Repair Parts	687079	08/25/2021	5,099.57
OPENAPPS, INC.	PLC Programming	687195	08/31/2021	5,068.44
CREATIVE BUS SALES, INC.	Inventory Repair Parts	686965	08/11/2021	5,043.45
SONSRAY FLEET SERVICES	Inventory Repair Parts	687138	08/25/2021	4,908.42
ROBERT HALF	Temporary Help	687057	08/19/2021	4,768.99
ROBERT HALF	Temporary Help	687200	08/31/2021	4,743.85
DESERT URGENT CARE	Medical Exams	687111	08/25/2021	4,660.00
GRAINGER	First Aid Cabinets	686914	08/04/2021	4,609.23
RUSH TRUCK CENTERS OF CALIFORNIA, INC.	Inventory Repair Parts	686932	08/04/2021	4,396.29
ANDREA CARTER & ASSOCIATES	Consulting Marketing & Communication Services	686890	08/04/2021	4,100.00
ADMIRAL SECURITY SERVICES, INC.	Security Guard Services	687078	08/25/2021	3,954.50
DECALS BY DESIGN, INC.	COD Bus Wraps for Barter Deal with SLU	687146	08/26/2021	3,953.30
TPX COMMUNICATIONS	Communication	687069	08/19/2021	3,887.51
CDW GOVERNMENT, INC.	Computer Supplies	687091	08/25/2021	3,779.59
ASPEN REFRIGERANTS, INC.	Freon & Coolant	687086	08/25/2021	3,681.29
ATKINSON, ANDELSON, LOYA RUUD AND ROMO	Legal Services- Teamsters Negotiations	686955	08/11/2021	3,630.00
PRUDENTIAL OVERALL SUPPLY	Uniforms	687054	08/19/2021	3,593.88
GEORGIA EXPO MANUFACTURING	Event Expenses Bus Unveiling Cloth	687105	08/25/2021	3,521.85
DECALS BY DESIGN, INC.	WIP- Operation Facility	687170	08/31/2021	3,420.70
FRANKLIN TRUCK PARTS, INC.	Inventory Repair Parts	686973	08/11/2021	3,402.04
HD INDUSTRIES	Inventory Repair Parts	686916	08/04/2021	3,372.60
ACCOUNTEMPS	Temporary Help	687077	08/25/2021	3,301.04
TIME WARNER CABLE	Utilities	687066	08/19/2021	3,248.68
NFI PARTS	Inventory Repair Parts	687014	08/19/2021	3,236.60
BROADLUX, INC.	Monthly Contracted Service	687088	08/25/2021	3,226.00

**SunLine Transit Agency
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August 2021**

Vendor Filed As Name	Description	Check #	Payment Date	Payment Amount
GLOBAL EQUIPMENT CO. INC.	WIP- Operation Facility	686913	08/04/2021	3,027.11
OFFICETEAM	Temporary Help	686989	08/11/2021	3,006.42
JESSE FRESCAS JR.	WIP- Coachella Transit Hub	686983	08/11/2021	2,880.00
4IMPRINT, INC.	SunLine University Promotional Items	687141	08/26/2021	2,812.16
CALIFORNIA STATE DISBURSEMENT UNIT	Garnishments	687143	08/26/2021	2,809.31
CALIFORNIA STATE DISBURSEMENT UNIT	Garnishments	687020	08/19/2021	2,809.31
ULINE, INC.	Emergency Preparedness Supplies	687008	08/11/2021	2,795.45
GILLIG LLC	Inventory Repair Parts	686911	08/04/2021	2,776.55
HD INDUSTRIES	Inventory Repair Parts	687179	08/31/2021	2,774.53
SOUTHWEST TOYOTALIFT	Outside Repair-Support Vehicle	687204	08/31/2021	2,764.04
DEMO UNLIMITED, INC.	WIP- CNG Project Trailer Demolition	687147	08/26/2021	2,757.09
GENFARE	Repair Parts-Fixed Route	686974	08/11/2021	2,726.81
ACCOUNTEMPS	Temporary Help	687158	08/31/2021	2,625.30
CREATIVE BUS SALES, INC.	Repair Claims	687024	08/19/2021	2,615.56
SPORTWORKS NORTHWEST, INC.	Repair Parts-Fixed Route	686936	08/04/2021	2,475.89
MITECH CONTROLS INC.	Inventory Repair Parts	687120	08/25/2021	2,474.24
ELDORADO NATIONAL (CALIFORNIA), INC.	Inventory Repair Parts	686905	08/04/2021	2,395.56
CPAC INC.COM	Contracted Services	687023	08/19/2021	2,362.50
LAUREN SKIVER	Reimbursement Expenses	686924	08/04/2021	2,334.87
ACCOUNTEMPS	Temporary Help	686943	08/11/2021	2,251.75
BEST BEST & KRIEGER LLP	Legal Services-General	686956	08/11/2021	2,187.50
DESERT CITY CAB	Taxi Voucher Program	687026	08/19/2021	2,164.82
VALLEY OFFICE EQUIPMENT, INC.	Copier Service	687010	08/11/2021	2,085.35
GRAINGER	Inventory Repair Parts	687107	08/25/2021	2,054.63
ACCOUNTEMPS	Temporary Help	687013	08/19/2021	1,992.00
JANEK CORPORATION THE	Inventory Repair Parts	687113	08/25/2021	1,931.75
PLAZA TOWING, INC.	Towing Services	687127	08/25/2021	1,925.00
ESP SHIRTS	Advertising	687205	08/31/2021	1,845.00
IDWHOLESALER	ID Badge Supplies	686977	08/11/2021	1,831.75
BURRTEC WASTE & RECYCLING SERVICES	Trash Service	686957	08/11/2021	1,830.15
MSC INDUSTRIAL SUPPLY CO	Shop Supplies Misc	687188	08/31/2021	1,816.47
ALLDATA LLC	Computer/Network Software Agmt	686949	08/11/2021	1,800.00
YELLOW CAB OF THE DESERT	Taxi Voucher Program	687075	08/19/2021	1,790.69
ELDORADO NATIONAL (CALIFORNIA), INC.	Inventory Repair Parts	686969	08/11/2021	1,775.84
STERLING HEALTH SERVICES, INC.	Benefit Management Expenses	687206	08/31/2021	1,750.00
VINCENT PRINTING COMPANY, INC.	Advertising	687214	08/31/2021	1,732.73
ELDORADO NATIONAL (CALIFORNIA), INC.	Inventory Repair Parts	687173	08/31/2021	1,720.32
YELLOW CAB OF THE DESERT	Taxi Voucher Program	686941	08/04/2021	1,679.06
PALM SPRINGS MOTORS, INC.	Inventory Repair Parts	687124	08/25/2021	1,649.42

**SunLine Transit Agency
Checks \$1,000 and Over
August 2021**

Vendor Filed As Name	Description	Check #	Payment Date	Payment Amount
SC FUELS	Lubricants- Oil	687133	08/25/2021	1,638.08
GLOBAL EQUIPMENT CO. INC.	WIP- Operations Facility	687035	08/19/2021	1,637.21
DESERT PROMOTIONAL AND EMBROIDERY, LLC	WIP- Operations Facility	686903	08/04/2021	1,607.15
SONSRAY FLEET SERVICES	Inventory Repair Parts	687208	08/31/2021	1,606.70
OFFICETEAM	Temporary Help	687049	08/19/2021	1,598.37
OFFICE DEPOT	Office Supplies	687122	08/25/2021	1,588.73
FORENSIC DRUG TESTING SERVICES	Medical-Exams and Testing	687031	08/19/2021	1,576.50
YELLOW CAB OF THE DESERT	Taxi Voucher Program	687140	08/25/2021	1,557.88
BURRTEC WASTE & RECYCLING SERVICES	Emergency Preparedness Supplies	687166	08/31/2021	1,544.79
FRONTIER COMMUNICATIONS	Communication	687033	08/19/2021	1,525.00
MILE3 WEB DEVELOPMENT	Website Maintenance	687119	08/25/2021	1,470.00
COACH GLASS	Inventory Repair Parts	686982	08/11/2021	1,428.00
I/O CONTROLS CORP #201115	Repair Parts-Fixed Route	687041	08/19/2021	1,412.78
AIR & LUBE SYSTEMS INC.	Equipment Repairs-Shop Equipment	687082	08/25/2021	1,367.91
JUAN ANTONIO MEZA	Facility Maintenance-Indio/Coachella	687115	08/25/2021	1,350.00
BURRTEC WASTE & RECYCLING SERVICES	Trash Service	687019	08/19/2021	1,333.75
BAE SYSTEMS CONTROLS, INC.	Inventory Repair Parts	686892	08/04/2021	1,301.64
ADMIRAL SECURITY SERVICES, INC.	Security Guard Services	687159	08/31/2021	1,258.32
THERMOGUARD	Inventory Repair Parts	687211	08/31/2021	1,250.00
ZOOM VIDEO COMMUNICATION, INC.	Computer/Network Software Agmt	687076	08/19/2021	1,219.64
LUMINATOR TECHNOLOGY GROUP, INC.	Inventory Repair Parts	687185	08/31/2021	1,143.72
DESERT PARADISE CONSTRUCTION, LLC	WIP- Operations Facility	686968	08/11/2021	1,080.00
SUN CHEMICAL	Cleaning Supplies-Vehicles	687199	08/31/2021	1,077.51
PARKHOUSE TIRE, INC.	Inventory Repair Parts	687125	08/25/2021	1,060.49
PARKHOUSE TIRE, INC.	Repair Parts-Fixed Route	687197	08/31/2021	1,044.09
NFI PARTS	Inventory Repair Parts	686888	08/04/2021	1,031.22
GRAINGER	Equipment Repairs-Shop Equipment	687036	08/19/2021	1,024.64
SC FUELS	Lubricants- Oil	687060	08/19/2021	1,013.87
SC FUELS	Lubricants- Oil	686934	08/04/2021	1,012.86
US BANK VOYAGER FLEET SYSTEMS	Unlead Fuel/ Diesel Fuel Service	687009	08/11/2021	1,008.14
QUADIENT FINANCE USA, INC.	Postage	686997	08/11/2021	1,000.00
Total Checks Over \$1,000	\$3,027,324.13			
Total Checks Under \$1,000	\$49,882.53			
Total Checks	\$3,077,206.66			

SunLine Transit Agency**CONSENT CALENDAR**

DATE: October 27, 2021

RECEIVE & FILETO: Finance/Audit Committee
Board of Directors

RE: Credit Card Statement for August 2021

Summary:

The attached report summarizes the Agency's credit card expenses for August 2021. Credit card transactions through the CEO/General Manager credit card align with the statement closing date of September 3, 2021. The report also summarizes transactions for the credit cards utilized for Accounts Payable and Procurement which align with the statement closing date of August 31, 2021 for the reporting period.

Recommendation:

Receive and file.

SunLine Transit Agency Visa Credit Card Statement

Closing Date: 9/03/21

Name on Card: Lauren Skiver

Trans. Date	Post Date	Reference	Detail - Description	Credits	Charges
1 8/2/2021	8/4/2021	Unique Bite Eatery	Unique Bite Eatery; ATU Leadership and SunLine Lunch Meeting <i>*Refund of \$15.21 for an extra meal that was no longer needed</i>	\$15.21	
2 8/2/2021	8/4/2021	United	United Airlines Flight from Ontario, CA to Denver, CO for Travel to CTE ZEB Conference in Colorado; Frank Rytych, Deputy Chief of Zero Emission Technology		\$116.80
3 8/9/2021	8/9/2021	CTE	Center for Transportation and the Environment (CTE) ZEB Conference September 15-17, 2021 - Registration Refund; Lauren Skiver, CEO/General Manager <i>*Reimbursed because she was later identified as a speaker</i>	\$520.00	
4 8/9/2021	8/9/2021	CTAA	Community Transportation Association of America SUN Conference August 11-13, 2021 - Registration; Lauren Skiver, CEO/General Manager		\$350.00
5 8/9/2021	8/9/2021	CTAA	Community Transportation Association of America SUN Conference August 11-13, 2021 - Registration; Brittney B. Sowell, Chief of Staff		\$350.00
6 8/10/2021	8/10/2021	Gladstein Neandross & Assoc.	Advanced Clean Transportation Expo August 30-September 2, 2021 - Registration; Shawn Craycraft, Superintendent of Zero Emission Technology		\$475.00
7 8/10/2021	8/10/2021	Gladstein Neandross & Assoc.	Advanced Clean Transportation Expo August 30-September 2, 2021 - Registration; Frank Rytych, Deputy Chief of Zero Emission Technology		\$475.00
8 8/13/2021	8/13/2021	Palm Springs Airport	Palm Springs Airport Parking for 2 days; Travel to CASTA and ZEB Conferences in Colorado - Lauren Skiver, CEO/General Manager		\$60.00
9 8/13/2021	8/13/2021	Holiday Inn	Lodging for 2 Nights in Missoula, MT; CTAA SUN Conference in Minnesota; Lauren Skiver, CEO/General Manager		\$435.49

	Trans. Date	Post Date	Reference	Detail - Description	Credits	Charges
10	8/13/2021	8/13/2021	Holiday Inn	Lodging for 3 Nights in Missoula, MT; CTAA SUN Conference in Minnesota; Brittney B. Sowell, Chief of Staff		\$618.36
11	8/13/2021	8/13/2021	Holiday Inn	Lodging for 2 Nights in Missoula, MT; CTAA SUN Conference in Minnesota; Lauren Skiver, CEO/General Manager <i>*Refund of \$20.25</i>	\$20.25	
12	8/13/2021	8/13/2021	Holiday Inn	Lodging for 2 Nights in Missoula, MT; CTAA SUN Conference in Minnesota; Lauren Skiver, CEO/General Manager <i>*Refund of \$2.00</i>	\$2.00	
13	8/19/2021	8/19/2021	GoDaddy	GoDaddy - Standard Wildcard SSL; 2 Year Renewal - Email and Website		\$899.98
14	9/1/2021	9/1/2021	United	United Airlines Flight from Palm Springs, CA to Denver, CO for Travel to CASTA and ZEB Conferences in Colorado; Michael Hayes, Maintenance Program Specialist Supervisor		\$318.80
Credits and Charges:					\$557.46	\$4,099.43



CONSOLIDATED BILLING CONTROL ACCOUNT STATEMENT

Prepared For	SUNLINE TRANSIT LUIS GARCIA
Account Number	[REDACTED]
Statement Closing Date	09/03/21
Days in Billing Cycle	31
Next Statement Date	10/03/21

For Customer Service Call:
800-231-5511

Inquiries or Questions:
Wells Fargo SBL PO Box 29482
Phoenix, AZ 85038-8650

Credit Line	\$40,000
Available Credit	\$34,427

Payments:
Elite Card Payment Center PO Box 77066
Minneapolis, MN 55480-7766

Payment Information

New Balance	\$3,853.55
Current Payment Due (Minimum Payment)	\$500.00
Current Payment Due Date	09/28/21

Thank you for using our Automatic Payment service. See the **Important Information** section below for your next scheduled payment. If you wish to pay off your balance in full: The balance noted on your statement is not the payoff amount. Please call 800-231-5511 for payoff information.

Account Summary

Previous Balance		\$3,200.44
Credits	-	\$803.34
Payments	-	\$2,642.98
Purchases & Other Charges	+	\$4,099.43
Cash Advances	+	\$0.00
Finance Charges	+	\$0.00
New Balance	=	\$3,853.55

Wells Fargo Cash Back SM Program Summary

Previous Cash Back Balance		\$192.75
Cash Earned this Month		\$53.13
Trades From Other Company Cards		\$0.00
Bonus/Adjustments		\$0.00
Cash Back Balance	=	\$0.00
Cash Awarded this Period		\$245.88
Year to Date Cash Back Awarded		\$337.59

Cash Back Notice

Use your Business Card for all of your business expenses plus everyday purchases and get 1.5% Cash Back.

See reverse side for important information.

DETACH HERE

Detach and mail with check payable to "Wells Fargo" to arrive by Current Payment Due Date.

Make checks payable to: Wells Fargo

Account Number	[REDACTED]
New Balance	\$3,853.55
Total Amount Due (Minimum Payment)	\$500.00
Current Payment Due Date	09/28/21

Print address or phone changes:

Work ()

Amount Enclosed:



ELITE CARD PAYMENT CENTER YTG
PO BOX 77066 29
MINNEAPOLIS MN 55480-7766

SUNLINE TRANSIT
LUIS GARCIA
32505 HARRY OLIVER TRL
THOUSAND PALMS CA 92276-3501

59255
P308



Rate Information

Your rate may vary according to the terms of your agreement.

TYPE OF BALANCE	ANNUAL INTEREST RATE	DAILY FINANCE CHARGE RATE	AVERAGE DAILY BALANCE	PERIODIC FINANCE CHARGES	TRANSACTION FINANCE CHARGES	TOTAL FINANCE CHARGES
PURCHASES	11.240%	.03079%	\$0.00	\$0.00	\$0.00	\$0.00
CASH ADVANCES	23.990%	.06572%	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL				\$0.00	\$0.00	\$0.00

Important Information

\$0 - \$3,853.55 WILL BE DEDUCTED FROM YOUR ACCOUNT AND CREDITED AS YOUR AUTOMATIC PAYMENT ON 09/28/21. THE AUTOMATIC PAYMENT AMOUNT WILL BE REDUCED BY ALL PAYMENTS POSTED ON OR BEFORE THIS DATE.

Summary of Sub Account Usage

Name	Sub Account Number Ending In	Monthly Spending Cap	Spend This Period
LAURA SKIVER	[REDACTED]	40,000	\$3,541.97

Transaction Details

The transactions detailed on this Consolidated Billing Control Account Statement contain transactions made directly to this Control Account plus all transactions made on Sub Accounts. If there were no transactions made by a Sub Account that Sub Account will not appear.

Trans	Post	Reference Number	Description	Credits	Charges
08/27	08/27	F3268007F00CHGDDA	AUTOMATIC PAYMENT - THANK YOU TOTAL [REDACTED] \$2,642.98-	2,642.98	
09/03	09/03		WELLS FARGO CASH BACK - CREDIT	245.88	

Transaction Summary For **LAURA SKIVER**
Sub Account Number Ending In [REDACTED]

08/02	08/04	74323036P2MA0Q78J	UNIQUE BITE EATERY INDIO CA	15.21	
08/02	08/04	24692166P2XZM25S6	UNITED 0162360947182800-932-2732 TX		116.80
	09/14/21		RYTYCH/FRANKCHARLES		
		1 UA G	ONTARIO DENVER		
		2 UA G	DENVER ONTARIO		
08/09	08/09	24011346Y000KZDBK	CTE ZEB CONFERENCE 202 HTTPSCTE.TV GA	520.00	
08/09	08/09	24435656X8AFFZDJX	COMMUNITY TRANSPORTATION 800-891-0590 DC		350.00
08/09	08/09	24435656X8AFFZDKD	COMMUNITY TRANSPORTATION 800-891-0590 DC		350.00
08/10	08/10	24323036Y6121250L	GLADSTEIN NEANDROSS & AS 310-314-1934 CA		475.00
08/10	08/10	24323036Y61212502	GLADSTEIN NEANDROSS & AS 310-314-1934 CA		475.00
08/13	08/13	244310671BLM3AYW4	PALM SPRINGS AIRPORT PALM SPRINGS CA		60.00
08/13	08/13	249430072LKK4M6T0	HOLIDAY INN DOWNTOWN MIS MISSOULA MT		435.49
08/13	08/13	249430072LKK4S1Z1	HOLIDAY INN DOWNTOWN MIS MISSOULA MT		618.36
08/13	08/13	749430072LKK4S6S4	HOLIDAY INN DOWNTOWN MIS MISSOULA MT	20.25	
08/13	08/13	749430072LKK4VSB0	HOLIDAY INN DOWNTOWN MIS MISSOULA MT	2.00	
08/19	08/19	2490641773PJ32FNL	DNH*GODADDY.COM 480-5058855 AZ		899.98
09/01	09/01	24692167M2XBYS6ER	UNITED 0162365819014800-932-2732 TX		318.80
	09/13/21		HAYESJR/MICHAELFRANK		
		1 UA W	PALM SPRINGS DENVER		
		2 UA T	DENVER PALM SPRINGS		
			TOTAL \$3,541.97		
			LAURA SKIVER / Sub Acct Ending In [REDACTED]		

Wells Fargo News

Take advantage of the features that come with Online Banking:

Messages and alerts: Stay informed about your account with updates sent to your email or mobile phone.
Wells Fargo Card Design Studio® service: Make your card as unique as your business. Customize your card design with this free service.
Automatic Payments: Never miss a payment, avoid late charges and protect your credit rating.

SunLine Transit Agency Visa Credit Card Statement

Closing Date: 08/31/2021

Name on Card: Liz Granillo (Accounts Payable Card)

	Trans. Date	Post Date	Reference	Detail - Description	Credits	Charges
1	8/3/2021	8/4/2021	Amazon	Alexa for Business Account		\$ 6.40
2	8/12/2021	8/13/2021	Burrtec	Utilities Acct # 44-VC-225377 - Trash Service c/o Div 23 (Facilities)		\$ 254.84
3	8/13/2021	8/16/2021	Best Buy	Best Buy - HP Spectre laptop		\$ 1,870.10
4	8/16/2021	8/17/2021	Best Buy	Best Buy - HP Spectre laptop exchange	\$ (657.38)	
5	8/19/2021	8/20/2021	CVWD	Utilities Acct # 314009-845852 - Water c/o Div 23 (Facilities)		\$ 119.41
6	8/19/2021	8/20/2021	CVWD	Utilities Acct # 596433-601158 - Water c/o Div 23 (Facilities)		\$ 124.09
7	8/19/2021	8/20/2021	CVWD	Utilities Acct # 596437-601156 - Water c/o Div 23 (Facilities)		\$ 214.33
8	8/19/2021	8/20/2021	CVWD	Utilities Acct # 596265-403818 - Water c/o Div 23 (Facilities)		\$ 523.38
9	8/19/2021	8/20/2021	CVWD	Utilities Acct # 596263-566514 - Water c/o Div 23 (Facilities)		\$ 48.24
10	8/19/2021	8/20/2021	CVWD	Utilities Acct # 596261-601130 - Water c/o Div 23 (Facilities)		\$ 318.51
11	8/19/2021	8/20/2021	CVWD	Utilities Acct # 314011-845854 - Water c/o Div 23 (Facilities)		\$ 86.99

SunLine Transit Agency Visa Credit Card Statement

Closing Date: 08/31/2021

Name on Card: Liz Granillo (Accounts Payable Card)

	Trans. Date	Post Date	Reference	Detail - Description	Credits	Charges
12	8/19/2021	8/20/2021	CVWD	Utilities Acct # 226783-601148 - Water c/o Div 23 (Facilities)		\$ 94.65
13	8/19/2021	8/20/2021	CVWD	Utilities Acct # 226773-601132 - Water c/o Div 23 (Facilities)		\$ 69.41
14	8/30/2021	8/31/2021	CVWD	Utilities Acct # 711835-567044 - Water c/o Div 10 (SunFuels)		\$ 86.99
Credits and Charges					(\$657.38)	\$ 3,817.34



Statement Expenses

09/01/2021 09:30 AM PT
Requested By: AMADEO, ISABELLA

Cardholder Summary			
Cardholder Name:	GRANILLO, LIZ	Start Date:	08/01/2021
Card Number:	xxxx-xxxx-xxxx	End Date:	08/31/2021
Status:	Open	Reminder Period:	09/01/2021 through 09/05/2021
Charges:	3,159.96 USD	Grace Period:	09/06/2021 through 09/07/2021
Out-of-pocket:	0.00 USD	Approval Period:	09/08/2021 through 09/11/2021
Total Amount:	3,159.96 USD		

Charges

Transaction Date	Posting Date	Personal	Merchant	General Ledger Code	Unit	Receipt Image	Receipt Submitted ‡	Amount / Original Currency
08/03/2021	08/04/2021	No	Amazon Web Services Aws.amazon.co,WA	5039903800 - OTHER SERVICES	Finance(FIN)	No	No	6.40 USD / 6.40
FUND 00		DIVISION						
08/12/2021	08/13/2021	No	Burrtec Waste And Recycli 760-3402113,CA	5050200001 - UTILITIES MAIN FACILITY	Finance(FIN)	No	No	254.84 USD / 254.84
FUND 00		DIVISION						
08/13/2021	08/16/2021	No	Best Buy Mht 00010207 La Quinta,CA	5049900010 - COMPUTER SUPPLIES	Finance(FIN)	No	No	1,870.10 USD / 1,870.10
FUND 00		DIVISION						
08/16/2021	08/17/2021	No	Best Buy Mht 00010207 La Quinta,CA	5049900010 - COMPUTER SUPPLIES	Finance(FIN)	Yes	No	(657.38) USD / (657.38)
FUND 00		DIVISION						
08/19/2021	08/20/2021	No	Coachella Valley Water Di 760-398-2651,CA	5050200001 - UTILITIES MAIN FACILITY	Finance(FIN)	Yes	No	119.41 USD / 119.41
FUND 00		DIVISION						
08/19/2021	08/20/2021	No	Coachella Valley Water Di 760-398-2651,CA	5050200001 - UTILITIES MAIN FACILITY	Finance(FIN)	Yes	No	124.09 USD / 124.09
FUND 00		DIVISION						

7.	Transaction Date 08/19/2021	Posting Date 08/20/2021	Personal No	Merchant Coachella Valley Water Di 760-398-2651,CA	General Ledger Code 5050200001 - UTILITIES MAIN FACILITY	Unit Finance(FIN)	Receipt Image Yes	Receipt Submitted \$ No	Amount / Original Currency 214.33 USD / 214.33
	FUND	00		DIVISION					
8.	Transaction Date 08/19/2021	Posting Date 08/20/2021	Personal No	Merchant Coachella Valley Water Di 760-398-2651,CA	General Ledger Code 5050200001 - UTILITIES MAIN FACILITY	Unit Finance(FIN)	Receipt Image Yes	Receipt Submitted \$ No	Amount / Original Currency 523.38 USD / 523.38
	FUND	00		DIVISION					
9.	Transaction Date 08/19/2021	Posting Date 08/20/2021	Personal No	Merchant Coachella Valley Water Di 760-398-2651,CA	General Ledger Code 5050200001 - UTILITIES MAIN FACILITY	Unit Finance(FIN)	Receipt Image Yes	Receipt Submitted \$ No	Amount / Original Currency 48.24 USD / 48.24
	FUND	00		DIVISION					
10.	Transaction Date 08/19/2021	Posting Date 08/20/2021	Personal No	Merchant Coachella Valley Water Di 760-398-2651,CA	General Ledger Code 5050200001 - UTILITIES MAIN FACILITY	Unit Finance(FIN)	Receipt Image Yes	Receipt Submitted \$ No	Amount / Original Currency 318.51 USD / 318.51
	FUND	00		DIVISION					
11.	Transaction Date 08/19/2021	Posting Date 08/20/2021	Personal No	Merchant Coachella Valley Water Di 760-398-2651,CA	General Ledger Code 5050200001 - UTILITIES MAIN FACILITY	Unit Finance(FIN)	Receipt Image Yes	Receipt Submitted \$ No	Amount / Original Currency 86.99 USD / 86.99
	FUND	00		DIVISION					
12.	Transaction Date 08/19/2021	Posting Date 08/20/2021	Personal No	Merchant Coachella Valley Water Di 760-398-2651,CA	General Ledger Code 5050200001 - UTILITIES MAIN FACILITY	Unit Finance(FIN)	Receipt Image Yes	Receipt Submitted \$ No	Amount / Original Currency 94.65 USD / 94.65
	FUND	00		DIVISION					
13.	Transaction Date 08/19/2021	Posting Date 08/20/2021	Personal No	Merchant Coachella Valley Water Di 760-398-2651,CA	General Ledger Code 5050200001 - UTILITIES MAIN FACILITY	Unit Finance(FIN)	Receipt Image No	Receipt Submitted \$ No	Amount / Original Currency 69.41 USD / 69.41
	FUND	00		DIVISION					
14.	Transaction Date 08/30/2021	Posting Date 08/31/2021	Personal No	Merchant Coachella Valley Water Di 760-398-2651,CA	General Ledger Code 5050200001 - UTILITIES MAIN FACILITY	Unit Finance(FIN)	Receipt Image Yes	Receipt Submitted \$ No	Amount / Original Currency 86.99 USD / 86.99
	FUND	00		DIVISION					

Total Charges: 3,159.96 USD

SunLine Transit Agency Visa Credit Card Statement

Closing Date: 08/31/2021

Name on Card: Walter Watcher (Procurement Card)

	Trans. Date	Post Date	Reference	Detail - Description	Credits	Charges
1	8/2/2021	8/3/2021	Guardair Corp.	Safety air nozzles for nightly bus cleaning		\$ 91.41
2	8/11/2021	8/12/2021	Amazon	MIFI Hotspot replacement battery		\$ 14.00
3	8/15/2021	8/16/2021	Amazon	Booklet stapler		\$ 36.70
4	8/19/2021	8/20/2021	DocuSign	License Renewal for SSG-Taxi DocuSign		\$ 316.93
5	8/25/2021	8/26/2021	DocuSign	License Renewal for SSG-Taxi DocuSign		\$ 309.04
Credits and Charges					\$ -	\$ 768.08



Statement Expenses

09/01/2021 09:31 AM PT
Requested By: AMADEO, ISABELLA

Cardholder Summary			
Cardholder Name:	WATCHER, WALTER	Start Date:	08/01/2021
Card Number:	xxxx-xxxx-xxxx-████	End Date:	08/31/2021
Status:	Open	Reminder Period:	09/01/2021 through 09/05/2021
Charges:	768.08 USD	Grace Period:	09/06/2021 through 09/07/2021
Out-of-pocket:	0.00 USD	Approval Period:	09/08/2021 through 09/11/2021
Total Amount:	768.08 USD		

Charges

1.	Transaction Date	Posting Date	Personal	Merchant	General Ledger Code	Unit	Receipt Image	Receipt Submitted ‡	Amount / Original Currency
	08/02/2021	08/03/2021	No	Guardair Corporation, In 413-594-4400,MA	5049900011 - MATERIALS AND SUPPLIES	Finance(FIN)	No	No	91.41 USD / 91.41
	FUND 00		DIVISION						
2.	Transaction Date	Posting Date	Personal	Merchant	General Ledger Code	Unit	Receipt Image	Receipt Submitted ‡	Amount / Original Currency
	08/11/2021	08/12/2021	No	Amzn Mktp Us 2d6te6oj0 Amzn.com/bill,WA	5099900002 - MISCELLANEOUS EXPENSES	Finance(FIN)	No	No	14.00 USD / 14.00
	FUND 00		DIVISION						
3.	Transaction Date	Posting Date	Personal	Merchant	General Ledger Code	Unit	Receipt Image	Receipt Submitted ‡	Amount / Original Currency
	08/15/2021	08/16/2021	No	Amazon.com 2d6r20030 Amzn Amzn.com/bill,WA	5099900002 - MISCELLANEOUS EXPENSES	Finance(FIN)	No	No	36.70 USD / 36.70
	FUND 00		DIVISION						
4.	Transaction Date	Posting Date	Personal	Merchant	General Ledger Code	Unit	Receipt Image	Receipt Submitted ‡	Amount / Original Currency
	08/19/2021	08/20/2021	No	Docusign 866-219-4318,WA	5039903800 - OTHER SERVICES	Finance(FIN)	No	No	316.93 USD / 316.93
	FUND 00		DIVISION						
5.	Transaction Date	Posting Date	Personal	Merchant	General Ledger Code	Unit	Receipt Image	Receipt Submitted ‡	Amount / Original Currency
	08/25/2021	08/26/2021	No	Docusign 866-219-4318,WA	5039903800 - OTHER SERVICES	Finance(FIN)	No	No	309.04 USD / 309.04
	FUND 00		DIVISION						

Total Charges: 768.08 USD

‡ - The Receipt Submitted column indicates that a receipt was submitted via fax, email, at the statement level, or using a system other than the Commercial Card Expense Reporting service.

---End of Report---

SunLine Transit Agency**CONSENT CALENDAR**

DATE: October 27, 2021

RECEIVE & FILETO: Finance/Audit Committee
Board of Directors

RE: Monthly Budget Variance Report for August 2021

Summary:

The budget variance report compares revenues and expenses to the respective line item budgets. The report identifies current monthly revenues and expenses as well as fiscal year to date (FYTD) values. The budgetary figures are represented as a straight line budget. Accordingly, the current monthly budget values are calculated by taking 1/12th of the annual budget and the FYTD budget values for the month of August 2021 are equal to 2/12^{ths} of the yearly budget.

Year to Date Summary

- As of August 31, 2021, the Agency's FYTD revenues are \$412,627 or 81.1% above the FYTD budget due to large amounts of emission credit and CNG fueling revenue.
- As of August 31, 2021, the Agency's FYTD expenditures are \$528,000 or 7.7% below the FYTD budget.

Monthly Spotlight

- Natural gas expenditures are attributed to an increase in outside fuel sales which increases the amount of natural gas the Agency is projected to utilize. The increase in expenses are offset by an increase of revenue.

Recommendation:

Receive and file.

SunLine Transit Agency
Budget Variance Report
August 2021

Description	FY22 Budget	Current Month			Fiscal Year to Date			
		Actual	Budget	Positive (Negative)	FYTD Actual	FY22 FYTD Budget	Positive (Negative)	Percentage Remaining
Operating Revenues:								
Passenger Revenue	938,400	120,668	78,200	42,468	236,889	156,400	80,489	74.8%
Other Revenue	2,114,326	321,193	176,194	144,999	684,526	352,388	332,138	67.6%
Total Operating Revenue	3,052,726	441,860	254,394	187,467	921,415	508,788	412,627	69.8%
Operating Expenses:								
Operator & Mechanic Salaries & Wages	9,997,674	740,351	833,140	92,789	1,527,450	1,666,279	138,829	84.7%
Operator & Mechanic Overtime	720,900	64,952	60,075	(4,877)	140,210	120,150	(20,060)	80.6%
Administration Salaries & Wages	6,384,693	507,365	532,058	24,693	997,516	1,064,116	66,599	84.4%
Administration Overtime	119,516	6,041	9,960	3,919	12,212	19,919	7,707	89.8%
Fringe Benefits	10,504,975	751,868	875,415	123,546	1,560,325	1,750,829	190,504	85.1%
Communications	250,000	20,497	20,833	336	40,783	41,667	884	83.7%
Legal Services	575,000	13,681	47,917	34,236	31,401	95,833	64,432	94.5%
Computer/Network Software Agreement	600,000	60,146	50,000	(10,146)	90,014	100,000	9,986	85.0%
Uniforms	103,966	3,366	8,664	5,298	6,075	17,328	11,253	94.2%
Contracted Services	698,728	45,097	58,227	13,130	80,615	116,455	35,840	88.5%
Equipment Repairs	8,500	989	708	(281)	1,849	1,417	(433)	78.2%
Security Services	160,000	12,883	13,333	450	23,196	26,667	3,470	85.5%
Fuel - CNG	1,516,432	149,573	126,369	(23,204)	285,975	252,739	(33,237)	81.1%
Fuel - Hydrogen	845,934	83,429	70,495	(12,934)	175,330	140,989	(34,341)	79.3%
Tires	236,183	16,100	19,682	3,582	30,271	39,364	9,093	87.2%
Office Supplies	70,392	5,087	5,866	779	6,864	11,732	4,868	90.2%
Travel/Training	97,980	1,546	8,165	6,619	1,641	16,330	14,689	98.3%
Repair Parts	1,494,101	128,933	124,508	(4,424)	213,819	249,017	35,198	85.7%
Facility Maintenance	41,300	4,034	3,442	(592)	9,224	6,883	(2,341)	77.7%
Electricity - CNG & Hydrogen	1,230,000	96,792	102,500	5,708	198,911	205,000	6,089	83.8%
Natural Gas	1,175,000	147,509	97,917	(49,593)	286,273	195,833	(90,440)	75.6%
Water and Gas	10,575	784	881	97	1,588	1,763	174	85.0%
Insurance Losses	1,950,000	171,035	162,500	(8,535)	229,405	325,000	95,595	88.2%
Insurance Premium - Property	50,000	6,579	4,167	(2,412)	13,157	8,333	(4,824)	73.7%
Repair Claims	50,000	9,248	4,167	(5,081)	9,912	8,333	(1,579)	80.2%
Fuel Taxes	94,400	8,275	7,867	(408)	22,302	15,733	(6,569)	76.4%
Other Expenses	4,504,392	377,706	375,366	(2,340)	770,915	750,732	(20,183)	82.9%
Self Consumed Fuel	(2,487,067)	(233,002)	(207,256)	25,746	(461,306)	(414,511)	46,795	81.5%
Total Operating Expenses (Before Depreciation)	41,003,574	3,200,862	3,416,965	216,102	6,305,929	6,833,929	528,000	84.6%
Operating Expenses in Excess of Operating Revenue		\$ (2,759,002)			\$ (5,384,515)			
Subsidies:								
Local - Measure A, Commuter 10, Haul Pass	7,262,861	528,005	605,238	77,233	1,030,464	1,210,477	180,013	85.8%
State - LTF, LCTOP	7,135,429	518,741	594,619	75,878	1,012,384	1,189,238	176,854	85.8%
Federal	23,552,558	1,712,256	1,962,713	250,458	3,341,667	3,925,426	583,759	85.8%
Total Subsidies	37,950,848	2,759,002	3,162,571	403,569	5,384,515	6,325,141	940,627	85.8%
Net Operating Gain (Loss) After Subsidies	\$ -	\$ -			\$ -			

SunLine Transit Agency
Budget Variance Report
August 2021

Description	FY22 Total Budget	Current Month			Fiscal Year to Date			
		Actual	Budget	Positive (Negative)	FYTD Actual	FY22 FYTD Budget	Positive (Negative)	Percentage Remaining
Operating Expenses:								
Wages & Benefits	27,727,758	2,070,577	2,310,647	240,070	4,237,713	4,621,293	383,580	84.7%
Services	4,010,568	314,180	334,214	20,034	563,520	668,428	104,908	85.9%
Fuels & Lubricants	2,525,519	244,158	210,460	(33,699)	483,848	420,920	(62,929)	80.8%
Tires	236,183	16,100	19,682	3,582	30,271	39,364	9,093	87.2%
Materials and Supplies	1,915,838	167,464	159,653	(7,811)	301,738	319,306	17,568	84.3%
Utilities	2,699,927	275,394	224,994	(50,400)	545,000	449,988	(95,013)	79.8%
Casualty & Liability	3,305,200	300,677	275,433	(25,243)	486,826	550,867	64,040	85.3%
Taxes and Fees	94,400	8,275	7,867	(408)	22,302	15,733	(6,569)	76.4%
Miscellaneous Expenses	975,248	37,039	81,271	44,231	96,016	162,541	66,526	90.2%
Self Consumed Fuel	(2,487,067)	(233,002)	(207,256)	25,746	(461,306)	(414,511)	46,795	81.5%
Total Operating Expenses (Before Depreciation)	41,003,574	3,200,862	3,416,965	216,102	6,305,929	6,833,929	528,000	84.6%
Revenues:								
Passenger Revenue	938,400	120,668	78,200	42,468	236,889	156,400	80,489	74.8%
Other Revenue	2,114,326	321,193	176,194	144,999	684,526	352,388	332,138	67.6%
Total Operating Revenue	3,052,726	441,860	254,394	187,467	921,415	508,788	412,627	69.8%
Net Operating Gain (Loss)		\$ (2,759,002)			\$ (5,384,515)			
Subsidies:								
Local - Measure A, Commuter 10, Haul Pass	7,262,861	528,005	605,238	77,233	1,030,464	1,210,477	180,013	85.8%
State - LTF, LCTOP	7,135,429	518,741	594,619	75,878	1,012,384	1,189,238	176,854	85.8%
Federal - CMAQ,5307,5309,5310,5311,5311(f),5312	23,552,558	1,712,256	1,962,713	250,458	3,341,667	3,925,426	583,759	85.8%
Total Subsidies	37,950,848	2,759,002	3,162,571	403,569	5,384,515	6,325,141	940,627	85.8%
Net Operating Gain (Loss) After Subsidies	\$ -	\$ -			\$ -			

Budget Variance Analysis - SunLine Transit Agency

Passenger Revenue

- The positive variance in passenger fares is attributed to conservative budget estimates due to unknown ridership impacts due to COVID-19.
- As of August, ridership was at 5.3% below FY21 FYTD totals.
- Total system ridership was 18,500 trips below FY21 FYTD amounts.

Ridership

	FY21-August	FY22-August	Variance	%Δ
Fixed Route	164,236	162,444	(1,792)	-1.1%
Paratransit	4,896	8,010	3,114	63.6%
SolVan	1,216	1,536	320	26.3%
SunRide	-	473	473	-
System Total	170,348	172,463	2,115	1.2%

Ridership

	FYTD-FY21	FYTD-FY22	Variance	%Δ
Fixed Route	335,485	309,792	(25,693)	-7.7%
Paratransit	9,759	15,626	5,867	60.1%
SolVan	2,417	2,881	464	19.2%
SunRide	-	862	862	-
System Total	347,661	329,161	(18,500)	-5.3%

Other Revenue

- The positive variance is attributed to outside CNG fuel sales, emissions credits revenue and CNG rebate revenue.

Operator & Mechanic Salaries & Wages

- The positive variance in operator and mechanic wage expenditures is attributed to absences and vacant positions.

Operator & Mechanic Overtime

- The negative variance is primarily attributed to required overtime for operators to cover absences.

Administration Salaries & Wages

- The positive variance in administrative salaries and wages is attributed to vacant positions across the Agency.

Administration Overtime

- The positive variance is attributed to vacant positions across the Agency and less than anticipated overtime expenditures.

Fringe Benefits

- Savings in fringe benefit expenditures are associated with vacancies across the Agency.

Communications

- Communication expenditures are within an acceptable range of the budgeted amount.

Legal Services

- The savings in legal services is attributed to a larger FY22 budget in anticipation of expected legal costs associated with union negotiations which have not yet been incurred.

Computer/Network Software Agreement

- Software agreement expenditures are dependent on annual renewals of software agreements.

Uniforms

- Savings in uniform expenditures are related to fewer employees utilizing the entire uniform allowance.

Contracted Services

- The positive variance in contracted services is attributed to expenses which have not yet been incurred.

Equipment Repairs

- Equipment repairs are within an acceptable range of the budgeted amount.

Security Services

- Security services are within an acceptable range of the budgeted amount.

Fuel - CNG

- The negative variance is primarily attributed to increased usage of CNG fixed route vehicles over budgeted estimates for FY22.

Fuel - Hydrogen

- The negative variance is attributed to higher cost per kilogram of H2.

Tires

- The lower tire expenditures are attributed to expenses that have not been incurred as of August relating to Level 1 service which is scheduled for September 2021.

Office Supplies

- Savings in office supply expenses are primarily associated with a reduction in costs due to remote work, lower coin counting equipment expense, and vacancies.

Travel/Training

- COVID-19 restrictions have reduced anticipated training related expenses for staff travel.

Repair Parts

- The positive variance is primarily attributed to lower FYTD expenses related to fixed route repairs.

Facility Maintenance

- The negative variance is attributed to the unexpected replacement of two (2) broken coffee makers in July.

Electricity - CNG & Hydrogen

- Electricity expenses are within an acceptable range of the budget.

Natural Gas

- The negative variance is attributed to increased natural gas usage due to an increase of CNG sold through outside fuel sales.

Water and Gas

- Water and gas expenses are within an acceptable range of the budget.

Insurance Losses

- Insurance loss experience has not exceeded budgeted expectations as of August.

Insurance Premium - Property

- Insurance premiums for property expenditures increased with completion of new facilities around the property.

Repair Claims

- Repair claim expenses are within an acceptable range of the budget.

Fuel Taxes

- Outside fuel sales are currently \$76,884 above FY21 FYTD amounts.
- For August, sales increased by \$4,207 from the previous month.
- The negative variance in fuel taxes is due to larger outside fleet fuel sales which are offset by an increase in revenue.

Outside Fueling Revenue

	Revenue	Variance FY21 vs. FY22	Variance Previous Month	%Δ FY21 vs FY22	%Δ Previous Month
August FY21	\$ 59,408				
August FY22	\$ 106,614	\$ 47,206	\$ 4,207	79.46%	4.11%
July FY22	\$ 102,407				
FYTD August FY21	\$ 132,137				
FYTD August FY22	\$ 209,021	\$ 76,884		58.19%	

Other Expenses

- Costs vary from month to month depending on the needs of the Agency or when programs are active. The negative variance is primarily attributed to higher non-reoccurring expenses in the month of July.

Self-Consumed Fuel

- The positive variance in self-consumed fuel is due to higher fuel cost.

SunLine Transit Agency
CONSENT CALENDAR

DATE: October 27, 2021 **RECEIVE & FILE**

TO: Finance/Audit Committee
Board of Directors

RE: Contracts Signed between \$25,000 and \$100,000 for September 2021

Summary:

In accordance with Chapter 2, Section 1.2 of the Procurement Policy, the attached report summarizes SunLine's contracts signed in excess of \$25,000 and less than \$100,000. This ensures the Board is aware of the obligations entered into under the CEO/General Manager's authority.

- For the month of September 2021, there was one (1) agreement executed between \$25,000 and \$100,000.
- Contracts executed:

VENDOR	PURPOSE	AMOUNT
Nice America	Hydrogen Fuel	\$45,000.00

Recommendation:

Receive and file.

Contracts Signed Between \$25,000 and \$100,000

Sep. 2021

Vendor	Product/Service	Need	Budgeted	Budgeted Amount	Cost	Type
Nice America	Hydrogen Fuel	Fuel cost associated with new project	FY22	\$ 845,934.00	\$ 45,000.00	Sole Source

SunLine Transit Agency
CONSENT CALENDAR

DATE: October 27, 2021

RECEIVE & FILETO: Finance/Audit Committee
Board of Directors

RE: Union & Non-Union Pension Investment Asset Summary August 2021

Summary:

The pension asset summary demonstrates the market value of all assets as well as the total asset allocation for SunLine's union and non-union retirement plans. The following table states the target and range values for asset allocations based on the current investment policy:

Asset Class		Target	Range
Growth Assets			
	Domestic Equity	36.0%	16% - 56%
	International Equity	19.0%	0% - 39%
	Other		0% - 20%
Income Assets			
	Fixed Income	45.0%	25% - 65%
	Other	0.0%	0% - 20%
Real Return Assets		0.0%	0% - 20%
Cash Equivalents		0.0%	0% - 20%

For the month of August, SunLine's investments fell within the approved range of investment type for the union and non-union assets.

Union

Asset Class		Actual	Range
Growth Assets			
	Domestic Equity	37.6%	16% - 56%
	International Equity	19.4%	0% - 39%
	Other	4.0%	0% - 20%
Income Assets			
	Fixed Income	33.0%	25% - 65%
	Other	2.2%	0% - 20%
Real Return Assets		3.2%	0% - 20%
Cash Equivalents		0.6%	0% - 20%

Non-Union

Asset Class		Actual	Range
Growth Assets			
	Domestic Equity	37.6%	16% - 56%
	International Equity	19.4%	0% - 39%
	Other	4.0%	0% - 20%
Income Assets			
	Fixed Income	33.0%	25% - 65%
	Other	2.2%	0% - 20%
Real Return Assets		3.2%	0% - 20%
Cash Equivalents		0.9%	0% - 20%

For the month of August, the market value of assets increased by \$555,985 and \$554,557 for the union and non-union plans, respectively.

Month to Month Asset Comparison

Month	Market Value - Union	Market Value - Non-Union
July 2021	\$40,058,585	\$40,157,404
August 2021	\$40,614,570	\$40,711,961
Increase (Decrease)	\$555,985	\$554,557

Recommendation:

Receive and file.



Detail of Securities Held & Market Analytics

For the Month Ending **August 31, 2021**

SUNLINE EMPLOYEES RETIREMENT BARGAINING - [REDACTED]

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Ticker	Shares	Average Cost/Share	Original Cost	Market Price	Market Value	Unreal G/L on Cost	Percentage
Exchange-Traded Fund - Bond									
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	1,146.00	61.13	70,054.98	60.83	69,711.18	(343.80)	0.17
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	965.00	61.01	58,874.65	60.83	58,700.95	(173.70)	0.14
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	6,684.00	57.68	385,539.80	60.83	406,587.72	21,047.92	1.00
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	2,389.00	60.31	144,080.59	60.83	145,322.87	1,242.28	0.36
ISHARES J.P. MORGAN USD EMERGING MARKETS	464288281	EMB	1,046.00	108.22	113,197.81	113.39	118,605.94	5,408.13	0.29
ISHARES J.P. MORGAN USD EMERGING MARKETS	464288281	EMB	1,800.00	108.05	194,488.74	113.39	204,102.00	9,613.26	0.50
ISHARES J.P. MORGAN USD EMERGING MARKETS	464288281	EMB	177.00	113.00	20,001.00	113.39	20,070.03	69.03	0.05
ISHARES J.P. MORGAN USD EMERGING MARKETS	464288281	EMB	743.00	112.00	83,216.00	113.39	84,248.77	1,032.77	0.21
Security Type Sub-Total			14,950.00		1,069,453.57	696.88	1,107,349.46	37,895.89	2.72
Exchange-Traded Fund - Equity									
INVESCO OPT YIELD DIVERSIFIED COMMODITY	46090F100	PDBC	30,785.00	19.05	586,454.25	20.03	616,623.55	30,169.30	1.52
INVESCO OPT YIELD DIVERSIFIED COMMODITY	46090F100	PDBC	1,056.00	19.84	20,945.76	20.03	21,151.68	205.92	0.06
ISHARES CORE S&P SMALL-CAP E	464287804	IIR	7,712.00	90.96	701,485.83	112.37	866,597.44	165,111.61	2.13
VANGUARD TOTAL INTL STOCK	921909768	VXUS	35,037.00	52.12	1,826,128.44	65.89	2,308,587.93	482,459.49	5.68
VANGUARD TOTAL STOCK MKT ETF	922908769	VTI	52,779.00	169.04	8,921,762.16	233.17	12,306,479.43	3,384,717.27	30.30
Security Type Sub-Total			127,369.00		12,056,776.44	451.49	16,119,440.03	4,062,663.59	39.69
Money Market Mutual Fund									
FIRST AMERICAN GOVERNMENT OBLIGATION - Z	31846V567	FGZXX	228,636.15	1.00	228,636.15	1.00	228,636.15	0.00	0.56
Security Type Sub-Total			228,636.15		228,636.15	1.00	228,636.15	0.00	0.56
Mutual Fund - Bond									



Detail of Securities Held & Market Analytics

For the Month Ending August 31, 2021

SUNLINE EMPLOYEES RETIREMENT BARGAINING - [REDACTED]

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Ticker	Shares	Average Cost/Share	Original Cost	Market Price	Market Value	Unreal G/L on Cost	Percentage
Mutual Fund - Bond									
BAIRD CORE PLUS BOND - INST	057071870	BCOIX	292,341.26	11.66	3,409,894.48	11.95	3,493,478.10	83,583.62	8.60
DOUBLELINE CORE FIXED INCOME I	258620301	DBLFX	154,546.94	10.84	1,674,998.33	11.17	1,726,289.29	51,290.96	4.25
ISHARES PREFERRED&INCOME SECURITIES ETF	464288687	PFF	23,121.00	39.22	906,796.37	39.40	910,967.40	4,171.03	2.24
MAINSTAY MACKAY HIGH YIELD CORP BD R6	56063N881	MHYSX	62,238.16	5.65	351,916.01	5.67	352,890.38	974.37	0.87
PRUDENTIAL TOTAL RETRN BND-Q	74440B884	PTROX	299,793.40	14.76	4,423,649.02	14.79	4,433,944.43	10,295.41	10.92
VOYA INTERMEDIATE BOND R6	92913L569	IIBZX	219,509.85	10.64	2,336,657.00	10.43	2,289,487.71	(47,169.29)	5.64
Security Type Sub-Total			1,051,550.61		13,103,911.21	93.41	13,207,057.31	103,146.10	32.52
Mutual Fund - Equity									
ARTISAN INTL SMALL-MID	04314H576	APHIX	17,922.59	19.31	346,085.20	22.41	401,645.22	55,560.02	0.99
HARDING LOEVNER INTERNATIONAL EQUITY POR	412295107	HLMIX	58,871.98	23.54	1,385,704.64	31.06	1,828,563.83	442,859.19	4.50
HRTFRD SCHR EM MRKT EQ-SDR	41665H789	SEMTX	43,218.15	17.40	751,842.73	20.96	905,852.43	154,009.70	2.23
JENSEN QUALITY GROWTH-Y	476313408	JENYX	22,989.30	48.25	1,109,341.08	65.87	1,514,304.89	404,963.81	3.73
JOHCM INTERNATIONAL SELECT I	46653M849	JOHIX	56,732.52	22.18	1,258,044.09	32.55	1,846,643.53	588,599.44	4.55
TOUCHSTONE MID CAP FUND INSTITUTIONAL	89155T649	TMPIX	12,088.06	36.39	439,843.85	48.81	590,018.17	150,174.32	1.45
VANGUARD TOT INST ST IDX - ADM	921909818	VTIAX	0.00	33.33	0.03	35.39	0.03	0.00	0.00
VIRTUS KAR INTL SMALL CAP	92828W551	VRISX	21,734.41	21.99	477,927.62	26.46	575,092.41	97,164.79	1.42
Security Type Sub-Total			233,557.01		5,768,789.24	283.51	7,662,120.51	1,893,331.27	18.87
Mutual Fund - Other									
COHEN & STEERS INST REALTY SHARES	19247U106	CSRIX	14,701.27	43.79	643,748.59	55.98	822,977.02	179,228.43	2.03
PIMCO COMMODITY REAL RETURN STRATEGY	722005667	PCRIX	103,871.73	6.94	720,786.78	6.23	647,120.89	(73,665.89)	1.59
PRINCIPAL RE SECURITIES INST FUND	74253O580	PIREX	24,561.68	26.10	641,157.70	33.38	819,868.85	178,711.15	2.02
Security Type Sub-Total			143,134.68		2,005,693.07	95.59	2,289,966.76	284,273.69	5.64
Managed Account Sub-Total			1,799,197.45		34,233,259.68	1,621.88	40,614,570.22	6,381,310.54	100.00



Detail of Securities Held & Market Analytics

For the Month Ending **August 31, 2021**

SUNLINE EMPLOYEES RETIREMENT BARGAINING [REDACTED]						
Securities Sub-Total	\$1,799,197.45	\$34,233,259.68	\$1,621.88	\$40,614,570.22	\$6,381,310.54	100.00%
Accrued Interest				\$0.00		
Total Investments				\$40,614,570.22		



Detail of Securities Held & Market Analytics

For the Month Ending **August 31, 2021**

SUNLINE EMPLOYEES RETIREMENT NON-BARGAIN - [REDACTED]

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Ticker	Shares	Average Cost/Share	Original Cost	Market Price	Market Value	Unreal G/L on Cost	Percentage
Exchange-Traded Fund - Bond									
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	6,667.00	57.68	384,559.22	60.83	405,553.61	20,994.39	1.00
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	2,405.00	60.31	145,045.55	60.83	146,296.15	1,250.60	0.36
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	1,113.00	61.13	68,037.69	60.83	67,703.79	(333.90)	0.17
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	982.00	61.01	59,911.82	60.83	59,735.06	(176.76)	0.15
ISHARES J.P. MORGAN USD EMERGING MARKETS	464288281	EMB	1,813.00	108.05	195,893.38	113.39	205,576.07	9,682.69	0.51
ISHARES J.P. MORGAN USD EMERGING MARKETS	464288281	EMB	625.00	112.00	70,000.00	113.39	70,868.75	868.75	0.17
ISHARES J.P. MORGAN USD EMERGING MARKETS	464288281	EMB	1,317.00	108.22	142,525.35	113.39	149,334.63	6,809.28	0.37
Security Type Sub-Total			14,922.00		1,065,973.01	583.49	1,105,068.06	39,095.05	2.73
Exchange-Traded Fund - Equity									
INVESCO OPT YIELD DIVERSIFIED COMMODITY	46090F100	PDBC	30,875.00	19.05	588,168.75	20.03	618,426.25	30,257.50	1.52
INVESCO OPT YIELD DIVERSIFIED COMMODITY	46090F100	PDBC	1,057.00	19.84	20,965.60	20.03	21,171.71	206.11	0.05
ISHARES CORE S&P SMALL-CAP E	464287804	DR	7,713.00	90.96	701,576.80	112.37	866,709.81	165,133.01	2.12
VANGUARD TOTAL INTL STOCK	921909768	VXUS	35,085.00	52.12	1,828,630.20	65.89	2,311,750.65	483,120.45	5.68
VANGUARD TOTAL STOCK MKT ETF	922908769	VTI	52,830.00	169.04	8,930,383.20	233.17	12,318,371.10	3,387,987.90	30.26
Security Type Sub-Total			127,560.00		12,069,724.55	451.49	16,136,429.52	4,066,704.97	39.63
Money Market Mutual Fund									
FIRST AMERICAN GOVERNMENT OBLIGATION - Z	31846V567	FGZXX	260,365.96	1.00	260,365.96	1.00	260,365.96	0.00	0.64
Security Type Sub-Total			260,365.96		260,365.96	1.00	260,365.96	0.00	0.64
Mutual Fund - Bond									
BAIRD CORE PLUS BOND - INST	057071870	BCOIX	292,895.41	11.67	3,417,856.13	11.95	3,500,100.10	82,243.97	8.60
DOUBLELINE CORE FIXED INCOME I	258620301	DBLFX	154,771.51	10.84	1,677,424.04	11.17	1,728,797.76	51,373.72	4.25



Detail of Securities Held & Market Analytics

For the Month Ending August 31, 2021

SUNLINE EMPLOYEES RETIREMENT NON-BARGAIN - [REDACTED]

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Ticker	Shares	Average Cost/Share	Original Cost	Market Price	Market Value	Unreal G/L on Cost	Percentage
Mutual Fund - Bond									
ISHARES PREFERRED&INCOME SECURITIES ETF	464288687	PFF	23,169.00	39.22	908,678.91	39.40	912,858.60	4,179.69	2.24
MAINSTAY MACKAY HIGH YIELD CORP BD R6	56063N881	MHYSX	62,400.31	5.65	352,832.22	5.67	353,809.79	977.57	0.87
PRUDENTIAL TOTAL RETRN BND-Q	74440B884	PTROX	300,782.89	14.76	4,440,427.43	14.79	4,448,578.99	8,151.56	10.93
VOYA INTERMEDIATE BOND R6	92913L569	IIBZX	220,051.50	10.65	2,342,716.14	10.43	2,295,137.11	(47,579.03)	5.64
Security Type Sub-Total			1,054,070.62		13,139,934.87	93.41	13,239,282.35	99,347.48	32.53
Mutual Fund - Equity									
ARTISAN INTL SMALL-MID	04314H576	APHIX	17,955.81	19.31	346,726.76	22.41	402,389.79	55,663.03	0.99
HARDING LOEVNER INTERNATIONAL EQUITY POR	412295107	HL MIX	58,980.97	23.54	1,388,292.69	31.06	1,831,948.99	443,656.30	4.50
HRTFRD SCHR EM MRKT EQ-SDR	41665H789	SEMTX	43,295.26	17.45	755,505.76	20.96	907,468.58	151,962.82	2.23
JENSEN QUALITY GROWTH-Y	476313408	JENYX	23,041.06	48.26	1,111,898.97	65.87	1,517,714.60	405,815.63	3.73
JOHCM INTERNATIONAL SELECT I	46653M849	JOHIX	56,836.91	22.15	1,259,146.36	32.55	1,850,041.50	590,895.14	4.54
TOUCHSTONE MID CAP FUND INSTITUTIONAL	89155T649	TMPIX	12,110.23	36.39	440,659.24	48.81	591,100.28	150,441.04	1.45
VANGUARD TOTAL STOCK MARKET INDEX	922908801	VITSX	0.00	75.00	0.03	113.53	0.05	0.02	0.00
VIRTUS KAR INTL SMALL CAP	92828W551	VRISX	21,772.72	21.99	478,771.00	26.46	576,106.18	97,335.18	1.42
Security Type Sub-Total			233,992.96		5,781,000.81	361.65	7,676,769.97	1,895,769.16	18.86
Mutual Fund - Other									
COHEN & STEERS INST REALTY SHARES	19247U106	CSRIX	14,726.50	43.79	644,854.03	55.98	824,389.69	179,535.66	2.02
PIMCO COMMODITY REAL RETURN STRATEGY	722005667	PCRIX	104,059.32	6.94	722,195.80	6.23	648,289.59	(73,906.21)	1.59
PRINCIPAL RE SECURITIES INST FUND	74253Q580	PIREX	24,606.53	26.10	642,328.77	33.38	821,365.90	179,037.13	2.02
Security Type Sub-Total			143,392.36		2,009,378.60	95.59	2,294,045.18	284,666.58	5.63
Managed Account Sub-Total			1,834,303.90		34,326,377.80	1,586.63	40,711,961.04	6,385,583.24	100.02



Detail of Securities Held & Market Analytics

For the Month Ending **August 31, 2021**

SUNLINE EMPLOYEES RETIREMENT NON-BARGAIN - [REDACTED]						
Securities Sub-Total	\$1,834,303.90	\$34,326,377.80	\$1,586.63	\$40,711,961.04	\$6,385,583.24	100.02%
Accrued Interest				\$0.00		
Total Investments				\$40,711,961.04		

SunLine Transit Agency
CONSENT CALENDAR

DATE: October 27, 2021

RECEIVE & FILETO: Finance/Audit Committee
Board of Directors

RE: Ridership Report for September 2021

Summary:

	Monthly Ridership		Monthly Variance	
	Sep-20	Sep-21	Net	Percent
Fixed Route	166,293	175,075	8,782	5.3%
SolVan	1,307	1,492	185	14.2%
SunRide	0	412	412	100.0%
Taxi Voucher*	388	319	-69	-21.6%
SunDial	5,491	8,262	2,771	50.5%
Total	173,479	185,560	12,081	7.0%

*Taxi Voucher rides are included for the system total; however, they are not NTD reportable. The increase in rides for SolVan is explained by the addition of one (1) vanpool vehicle in the month of August 2021.

September 2021 Fiscal Year To Date Ridership	
Fiscal Year 2021	521,895
Fiscal Year 2022	515,279
Ridership Decrease	(6,616)

Fiscal year to date system ridership decreased by 6,616 rides or 1.3% compared to the previous fiscal year. The attached COVID-19 recovery charts' baseline is calendar year 2019, this allows a comparison of three (3) years.

Recommendation:

Receive and file.



SunLine Transit Agency Monthly Ridership Report September 2021

Fixed Route	Description	Sep 2021	Sep 2020	FY 2022	FY 2021	Monthly KPI					
				YTD	YTD	Passengers/ Rev. Hours	Passengers/ Rev. Miles	Bikes		Wheelchairs	
								Monthly	FYTD	Monthly	FYTD
Route 1	Coachella - Hwy 111 - Palm Springs	68,852	-	204,404	-	12	1	3,426	10,282	752	2,152
Route 2	Desert Hot Springs - Palm Springs - Cathedral City	49,592	-	138,502	-	15	1	1,990	5,613	536	1,421
Route 3	Desert Hot Springs - Desert Edge	4,656	-	12,720	-	10	1	51	220	51	198
Route 4	Westfield Palm Desert - Palm Springs	15,176	-	43,800	-	7	1	578	1,896	115	352
Route 5	Desert Hot Springs - CSUSB - Palm Desert	837	-	837	-	4.7	0.2	9	9	-	32
Route 6	Coachella - Fred Waring - Westfield Palm Desert	6,342	-	15,880	-	4.2	0.3	262	636	40	111
Route 7	Bermuda Dunes - Indian Wells - La Quinta	5,662	-	14,383	-	8.4	0.6	323	935	41	181
Route 8	North Indio - Coachella - Thermal/Mecca	9,519	-	28,070	-	6.0	0.4	285	802	54	150
Route 9	North Shore - Mecca - Oasis	4,504	-	11,322	-	4.0	0.2	86	234	29	67
Route 10	Indio - CSUSB - San Bernardino - Metrolink	2,441	-	3,780	-	8.3	0.1	7	22	1	6
Route 200 SB	Palm Springs High School AM Tripper	245	-	555	-	23.3	1.1	-	-	-	2
Route 400 SB	Raymond Cree / Palm Springs HS Tripper	173	-	314	-	12.4	0.8	-	-	1	2
Route 401 SB/NB	Vista Chino / Sunrise PM Tripper	107	-	107	-	6.7	0.5	-	-	-	-
Route 402 NB	Palm Canyon / Stevens AM Tripper	5	-	95	-	8.0	0.6	4	4	-	-
Route 403 NB	Vista Chino / Sunrise PM Tripper	50	-	166	-	24.1	0.8	-	2	-	-
Route 500 SB	Westfield Palm Desert PM Tripper	174	-	241	-	18.5	1.2	7	11	1	1
Route 501 NB	Palm Desert High School AM Tripper	15	-	95	-	13.1	0.9	20	20	-	-
Route 700 SB/NB	Harris / Washington - Calle Madrid / Ave Vallejo AM Tripper	454	-	617	-	19.7	1.3	4	5	3	3
Route 701 SB/NB	Harris / Washington - Calle Madrid / Ave Vallejo PM Tripper	994	-	1,321	-	43.6	2.9	2	9	1	1
Route 800 NB	Shadow Hills High School AM Tripper	2,376	-	3,065	-	86.3	4.3	-	-	-	-
Route 801 SB	Jackson / 44th PM Tripper	1,964	-	2,960	-	144.4	8.5	-	-	-	-
Route 802 SB	Hwy 111 / Golf Center Pkwy PM Tripper	784	-	1,083	-	40.1	2.1	-	-	-	-
Route 803 NB	Shadow Hills High School AM Tripper	153	-	550	-	51.0	2.5	-	1	1	1
Fixed Route Total		175,075	166,293	484,867	501,778	10.0	0.6	7,054	20,701	1,626	4,680
SolVan		1,492	1,307	4,373	3,724						
SunRide		412	-	1,274	-						
Taxi Voucher		319	388	877	1,143						
SunDial		8,262	5,491	23,888	15,250	1.7	0.1				
System Total		185,560	173,479	515,279	521,895	7.9	0.5				
		Sep-21	Sep-20								
Weekdays:		22	22								
Saturdays:		4	4								
Sundays:		4	4								
Total Days:		30	30								

Haul Pass COD contributed with 1,509 rides, CSUSB with 1,912 rides, High School Haul Pass with 10,314 rides.
Mobile Ticketing contributed with 19,126 rides, the total for September 2021 includes 281 paratransit mobile tickets.



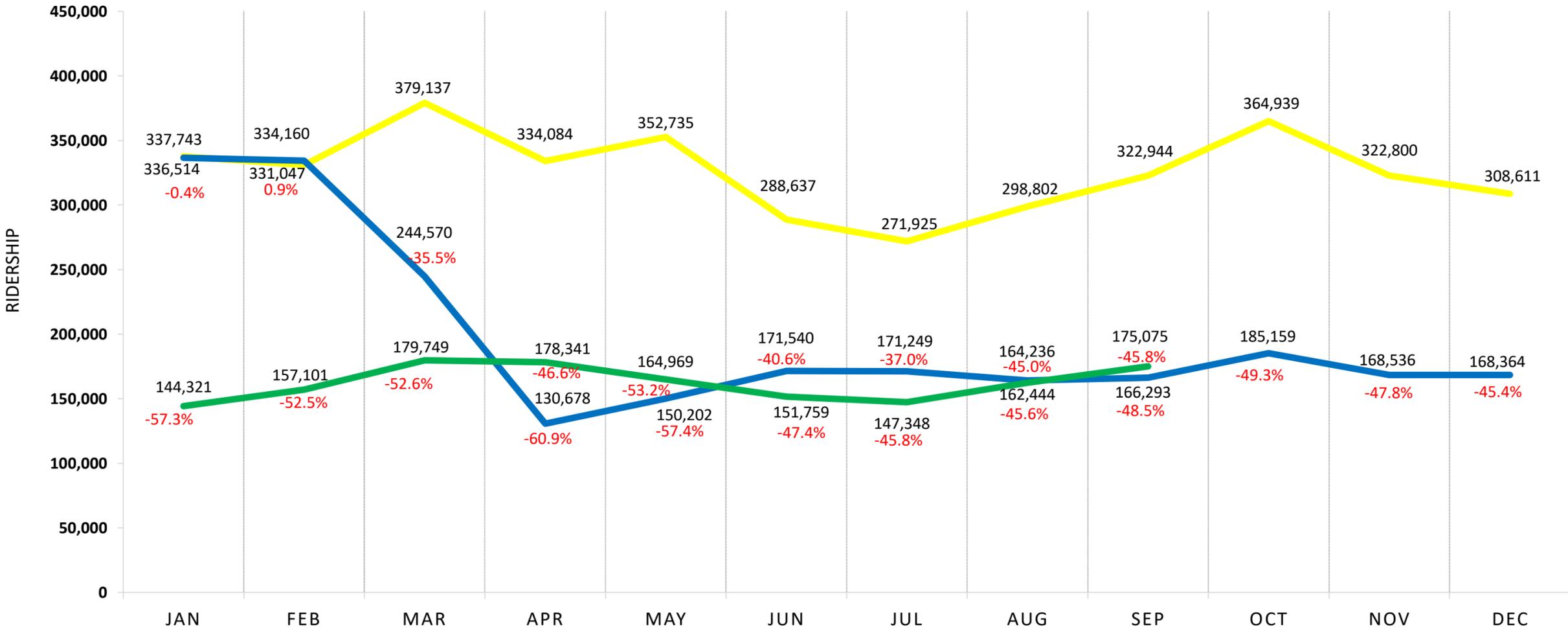
SunLine Transit Agency Monthly Ridership Report September 2021

Fixed Route	Description	Sep 2021	Sep 2020	FY 2022	FY 2021	Monthly KPI					
				YTD	YTD	Passengers/ Rev. Hours	Passengers/ Rev. Miles	Bikes		Wheelchairs	
								Monthly	FYTD	Monthly	FYTD
Former Route 14	DHS/PS	-	25,428	-	78,433	-	-	-	-	-	-
Former Route 15	DHS	-	3,730	-	13,221	-	-	-	-	-	-
Former Route 20	DHS/PD	-	-	-	-	-	-	-	-	-	-
Former Route 21	PD	-	-	-	-	-	-	-	-	-	-
Former Route 24	PS	-	8,137	-	24,283	-	-	-	-	-	-
Former Route 30	CC/PS	-	23,993	-	77,883	-	-	-	-	-	-
Former Route 32	PD/RM/TP/CC/PS	-	10,177	-	27,857	-	-	-	-	-	-
Former Route BUZZ	PS/BUZZ	-	-	-	-	-	-	-	-	-	-
Former Route 54	Indio/LQ/IW/PD	-	-	-	-	-	-	-	-	-	-
Former Route 90	LQ/BD	-	4,277	-	11,811	-	-	-	-	-	-
Former Route 70	Indio	-	5,525	-	17,275	-	-	-	-	-	-
Former Route 80	Indio	-	2,653	-	8,002	-	-	-	-	-	-
Former Route 81	Coachella/Indio	-	3,248	-	9,296	-	-	-	-	-	-
Former Route 91	I/Cch/Th/Mec/Oas	-	5,381	-	15,598	-	-	-	-	-	-
Former Route 95	I/Cch/Th/Mec/NS	-	1,117	-	3,219	-	-	-	-	-	-
Former Route 111	PS to Indio	-	72,627	-	214,900	-	-	-	-	-	-
Former Route 220	PD to Riverside	-	-	-	-	-	-	-	-	-	-
Fixed Route Total		175,075	166,293	484,867	501,778	10.0	0.6	7,054	20,701	1,626	4,680
SolVan		1,492	1,307	4,373	3,724						
SunRide		412	-	1,274	-						
Taxi Voucher		319	388	877	1,143						
SunDial		8,262	5,491	23,888	15,250	1.7	0.1				
System Total		185,560	173,479	515,279	521,895	7.9	0.5				
		Sep-21	Sep-20								
Weekdays:		22	22								
Saturdays:		4	4								
Sundays:		4	4								
Total Days:		30	30								

Haul Pass COD contributed with 1,509 rides, CSUSB with 1,912 rides, High School Haul Pass with 10,314 rides.
 Mobile Ticketing contributed with 19,126 rides, the total for September 2021 includes 281 paratransit mobile tickets.

Fixed Route Ridership COVID-19 Recovery

2019 2020 2021 %VAR. 2019 vs 2020 %VAR. 2019 vs 2021

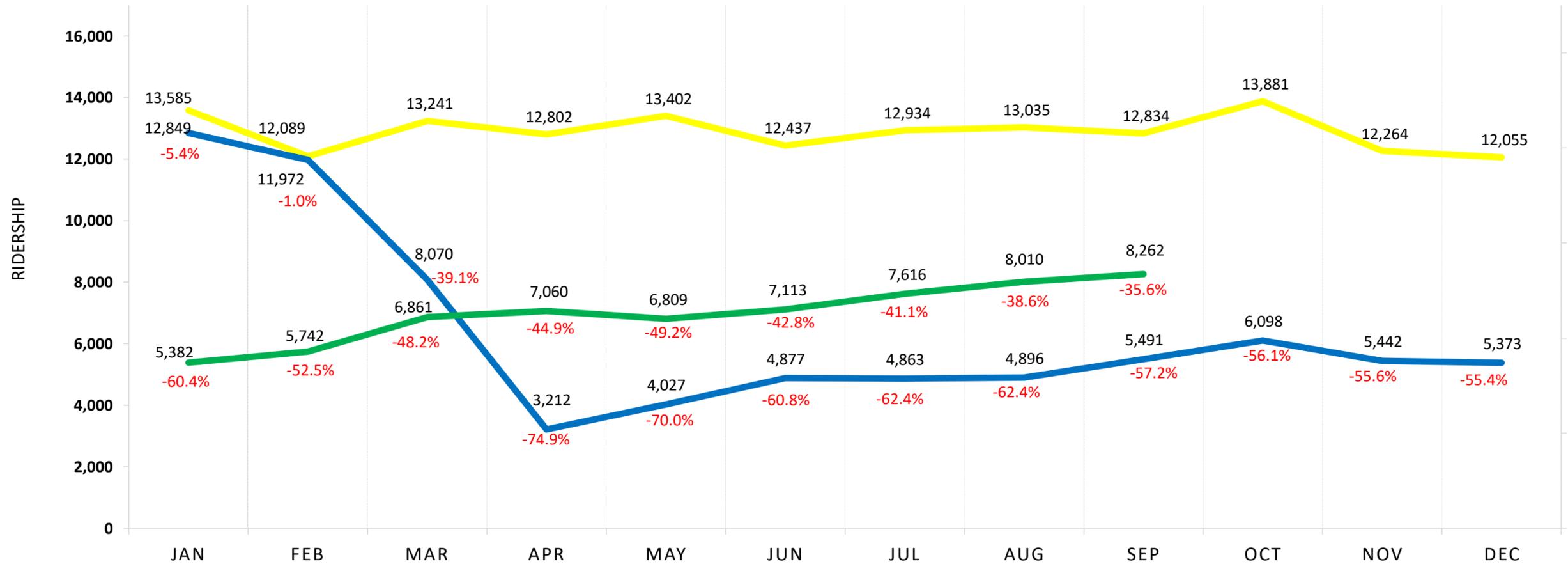


Since March 21, 2020, and thru September 4, 2021, SunLine operated at a reduced level of service, Level 3, in response to the COVID-19 disease. January 2021 fixed route ridership was calculated from January 3, 2021, to maintain data integrity of the new Refueled system. FY 2022 data includes the resumption of the school trippers in March 2021, and the new Route 10 that started on July 12, 2021. On September 5, 2021, SunLine commenced operations under Level 1. Variances are listed in red close to their corresponding ridership number. 2020 and 2021 are referring to the baseline of 2019.

Ridership:
 FY 2019 Actual = 4,039,450
 FY 2020 Actual = 3,379,520
 FY 2021 Actual = 2,000,077
 FY 2022 SRTP Predicted = 1,755,235

Paratransit Ridership COVID-19 Recovery

— 2019
 — 2020
 — 2021
 %VAR. 2019 vs 2020
 %VAR. 2019 vs 2021



Paratransit ridership continues to increase since the easing of COVID-19 restrictions, increasing vaccination rates, the opening of businesses, schools, and entertainment venues. Variances are listed in red close to their corresponding ridership number. 2020 and 2021 are referring to the baseline of 2019.

SunLine Transit Agency
CONSENT CALENDAR

DATE: October 27, 2021

RECEIVE & FILE

TO: Finance/Audit Committee
Board of Directors

RE: SunDial Operational Notes for September 2021

Summary:

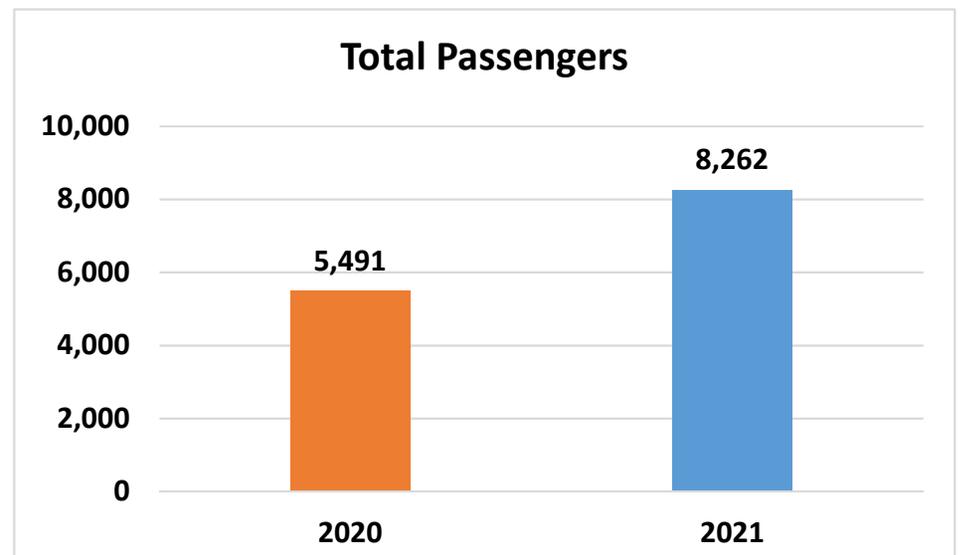
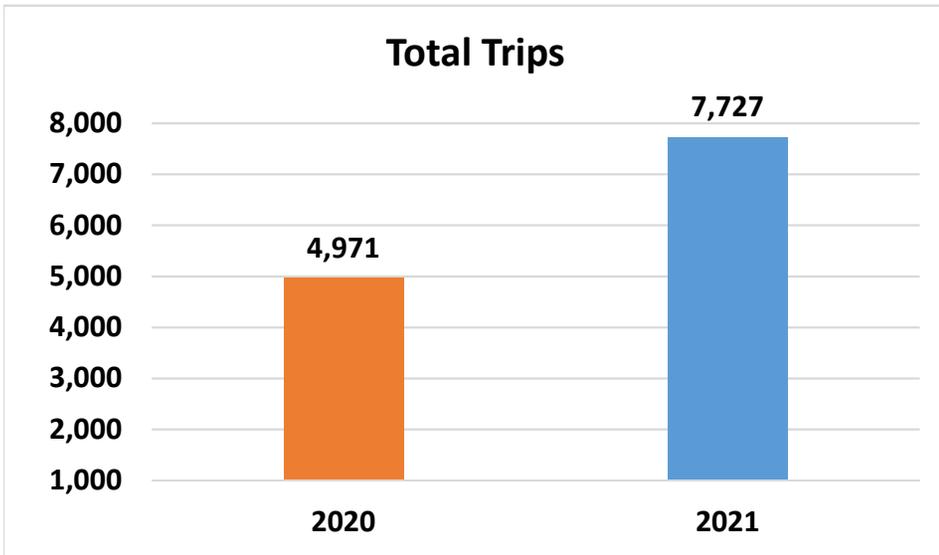
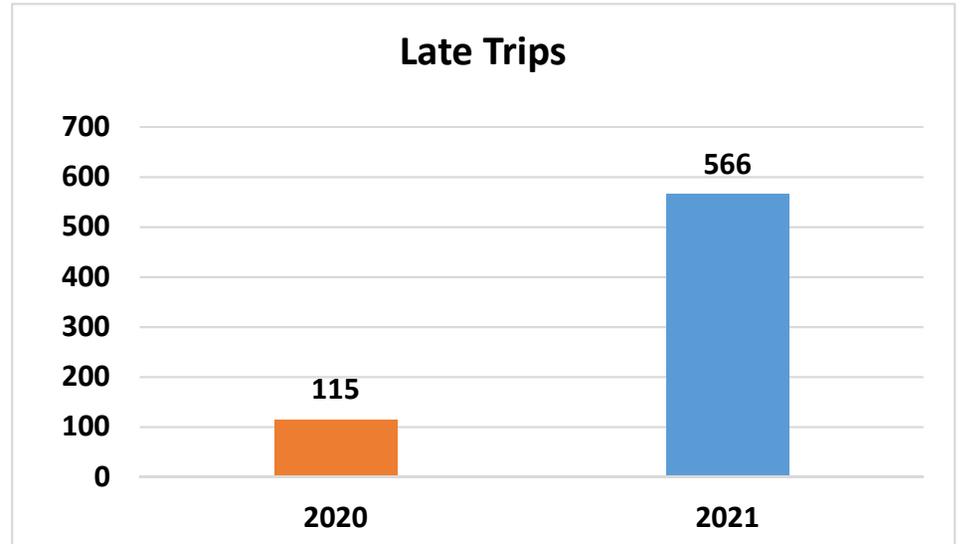
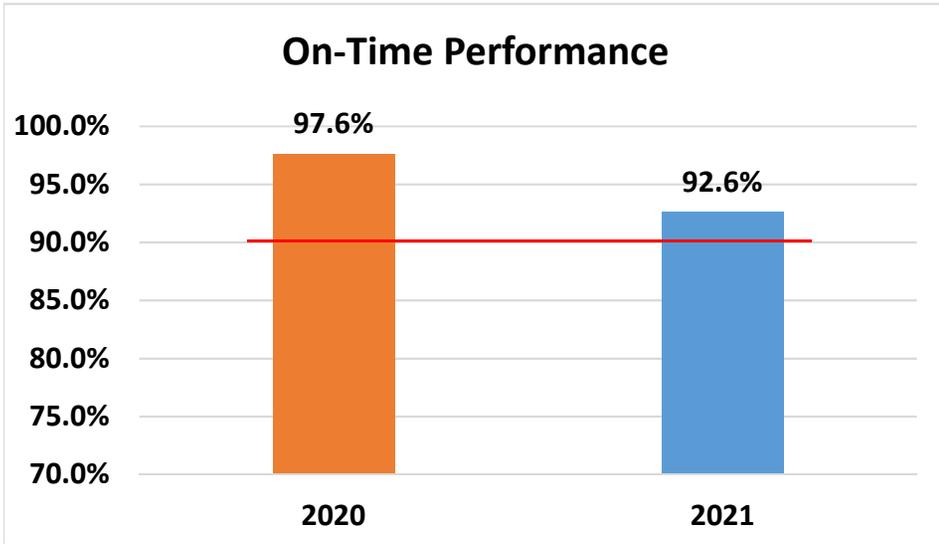
The attached report summarizes SunDial's operation for September 2021. This report identifies that the on-time performance for September has exceeded the Agency's internal 90% goal by 2.6%. There was an increase of late trips compared to September 2020, due to a 55.4% increase in total trips or (2,756) and a 50.5% increase in total passengers or (2,771). The total miles increased by 8,858 and the mobility device boardings increased by 385. Road Supervisors performed 46 onboard inspections and 38 safety evaluations which include pre-trip inspections and trailing evaluations.

Recommendation:

Receive and file

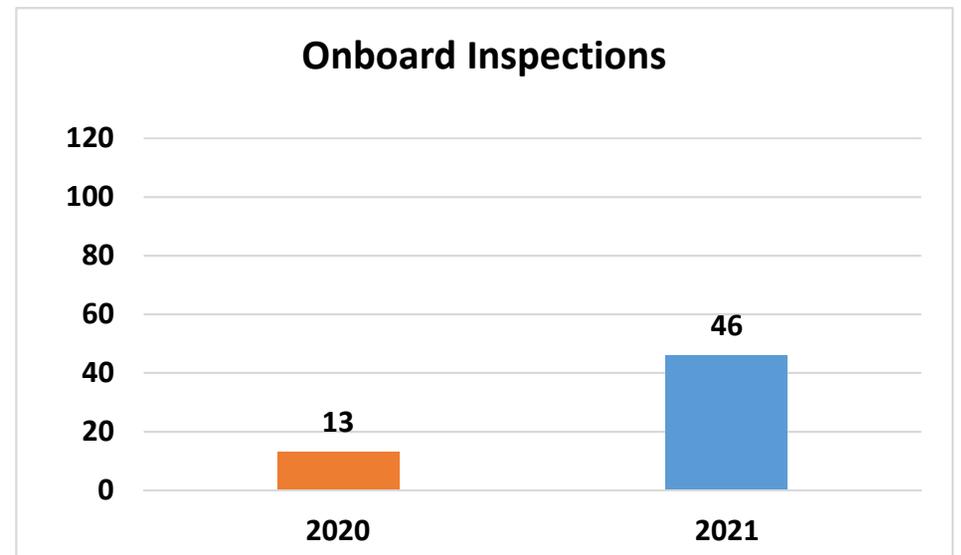
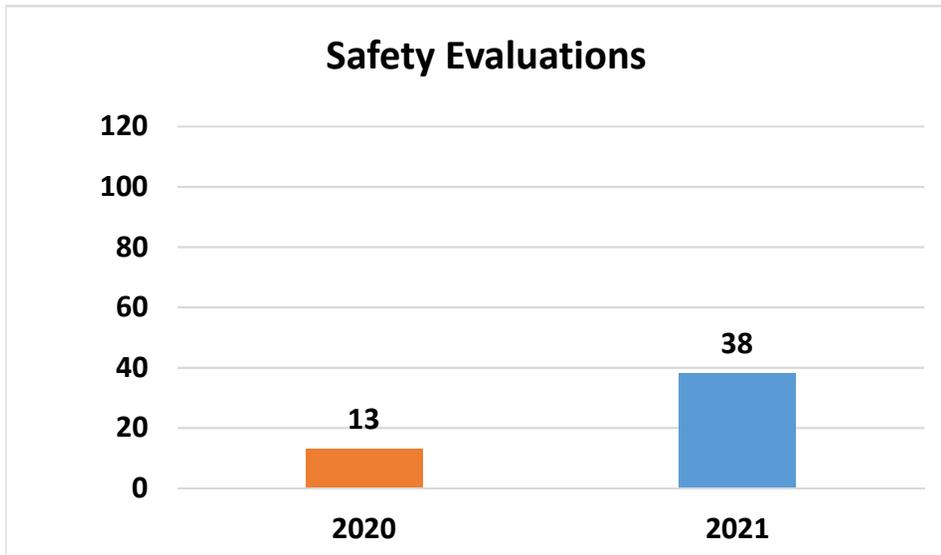
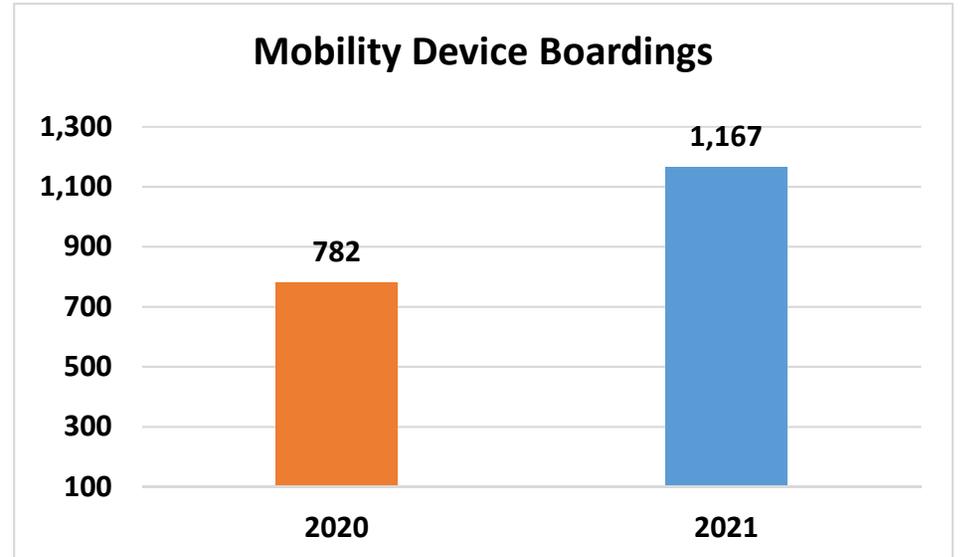
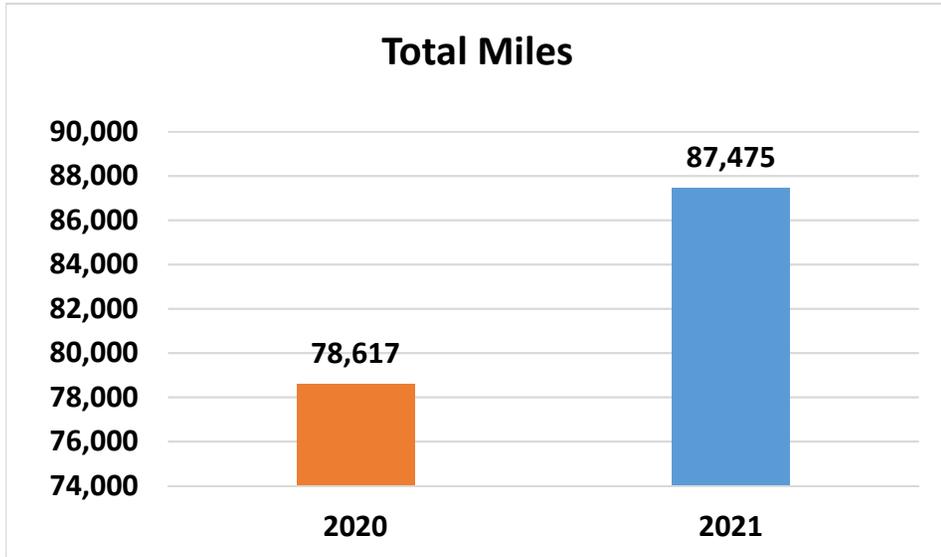
SunDial Operational Charts

September 2020 vs. September 2021



SunDial Operational Charts

September 2020 vs. September 2021



SunLine Transit Agency
CONSENT CALENDAR

DATE: October 27, 2021

RECEIVE & FILE

TO: Finance/Audit Committee
Board of Directors

RE: Metrics for September 2021

Summary:

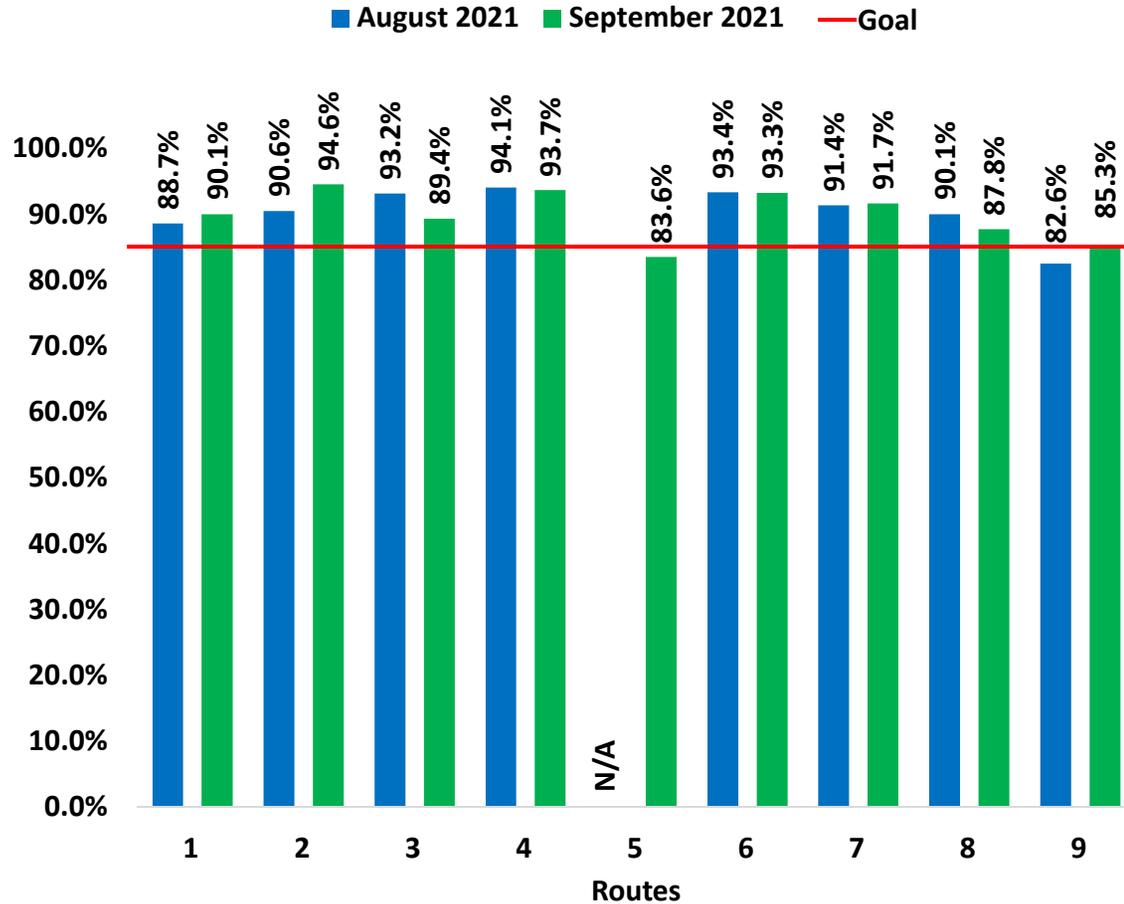
The metrics packet includes data highlighting on-time performance, early departures, late departures, late cancellations, driver absences, advertising revenue, fixed route customer feedback, paratransit customer feedback and system performance. SunRide performance includes system-wide, trip booking method and geo-fence metrics for Desert Hot Springs/Desert Edge, Palm Desert, Coachella and Mecca/North Shore. Additional ridership data for the mobile ticketing usage of the Token Transit application and the Haul Pass programs with College of the Desert (COD), California State University San Bernardino (CSUSB) Palm Desert Campus and High School, is included.

Due to the new route structure, fiscal year reporting has been changed to Refueled year to date (RYTD) for the remainder of the current fiscal year.

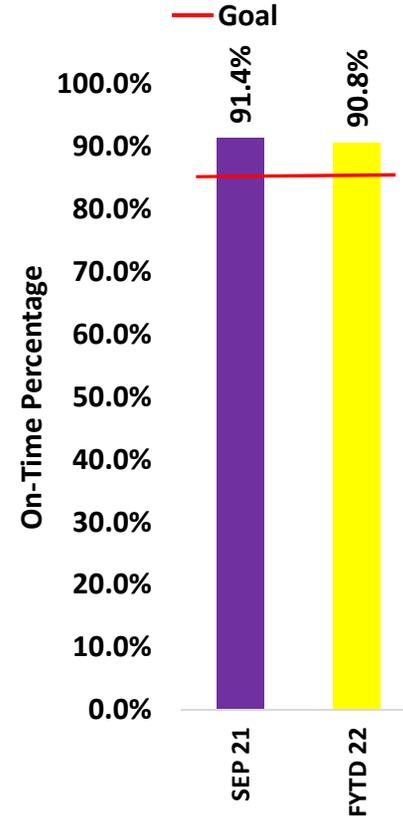
Recommendation:

Receive and file.

On-Time Performance Percentage by Route



On-Time Performance System-Wide



Definition: "On-Time" - When a trip departs a time point within a range of zero minutes early to five minutes late.

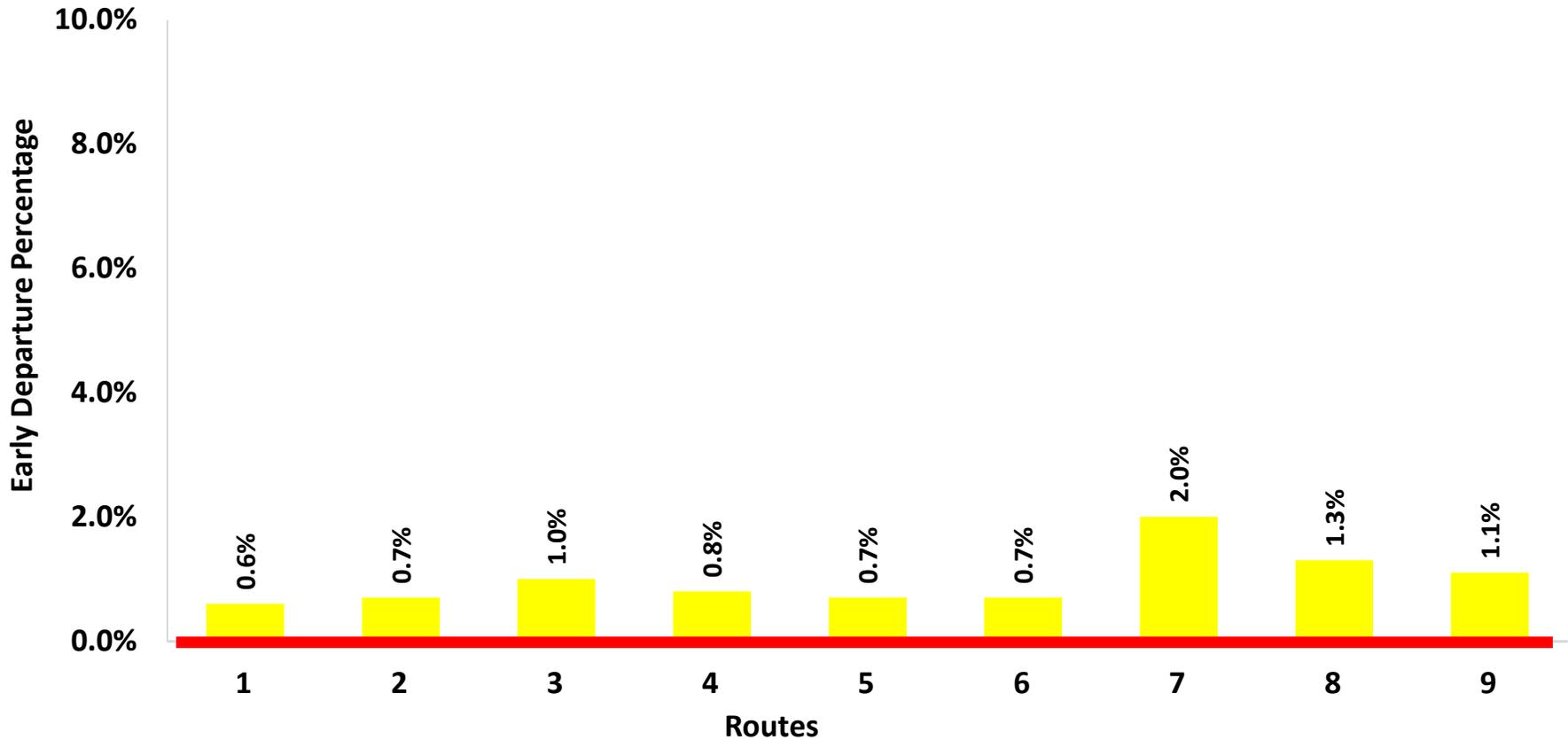
Goal: Minimum target for On-Time performance is 85%.

Exceptions: Detours, train stuck on tracks, passenger problems, information technology system issues.

Early Departures by Route FYTD

September 2021

FY22 Goal

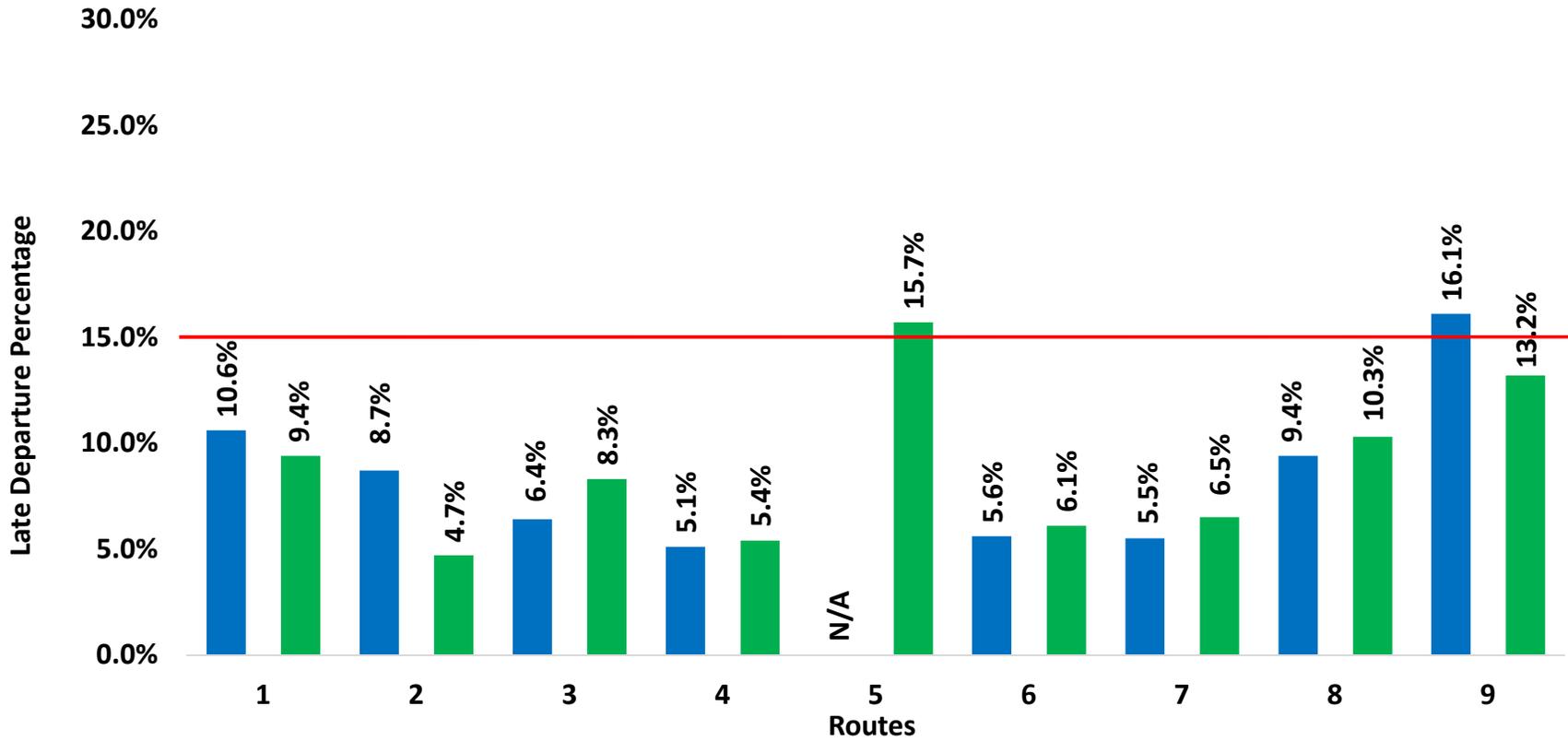


Definition: When a bus leaves a time point ahead of the scheduled departure time.

Goal: To reduce early departures to 0% for each route.

Late Departure Percentage by Route

■ August 2021 ■ September 2021 — Goal

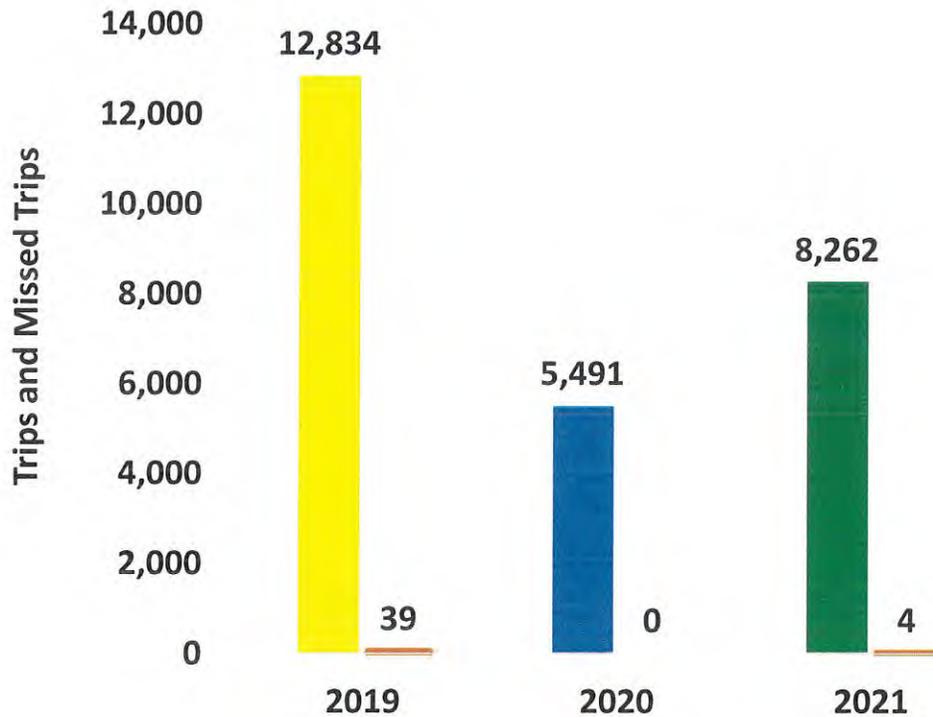


Late Definition: When a bus leaves a time point after the scheduled departure time and the route is running late with a departure greater than 5 minutes.

Goal: To ensure late departures remain below 15%.

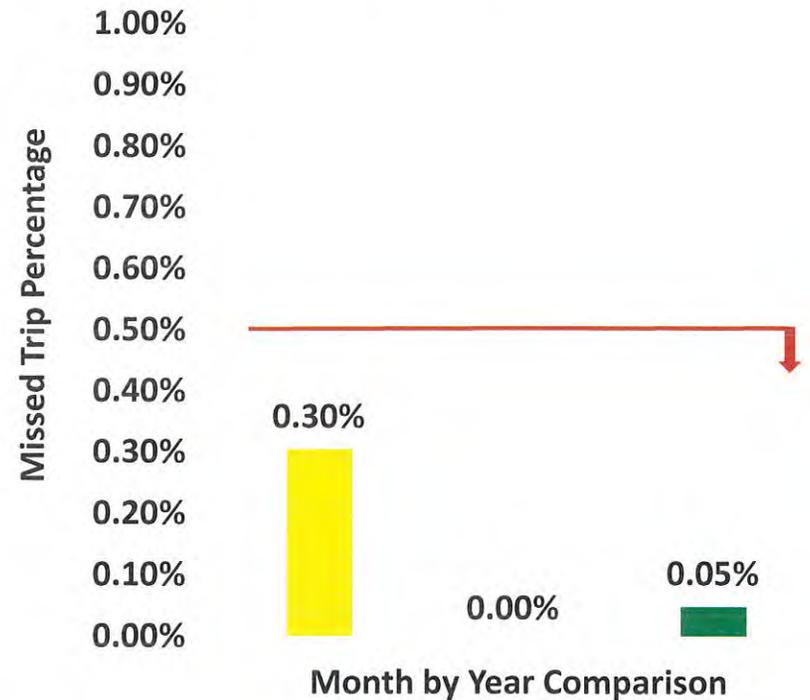
Total Trips vs. Missed Trips September

Missed Trips



Missed Trip Percentage

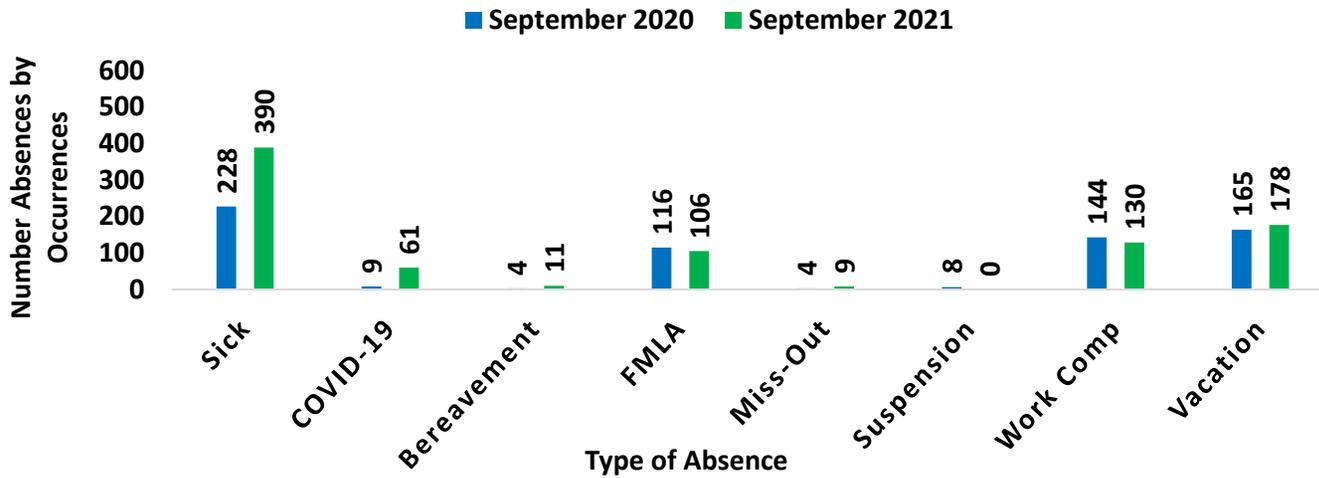
FY20 FY21 FY22 Goal



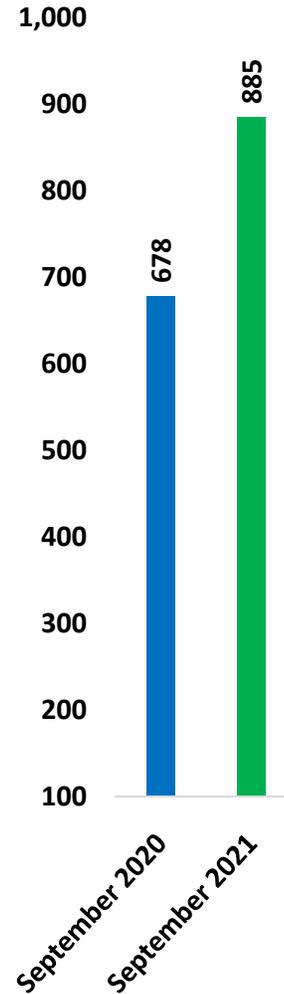
Missed Trip: A trip is considered missed by the Agency when the vehicle arrives outside of the pick-up window and the rider does not take the trip. Similarly, if a vehicle arrives before the beginning of the pick-up window and the rider does not board and the vehicle departs, it is a missed trip.

Goal for Missed Trips: 0.50% or below, which is the industry standard for missed trips.

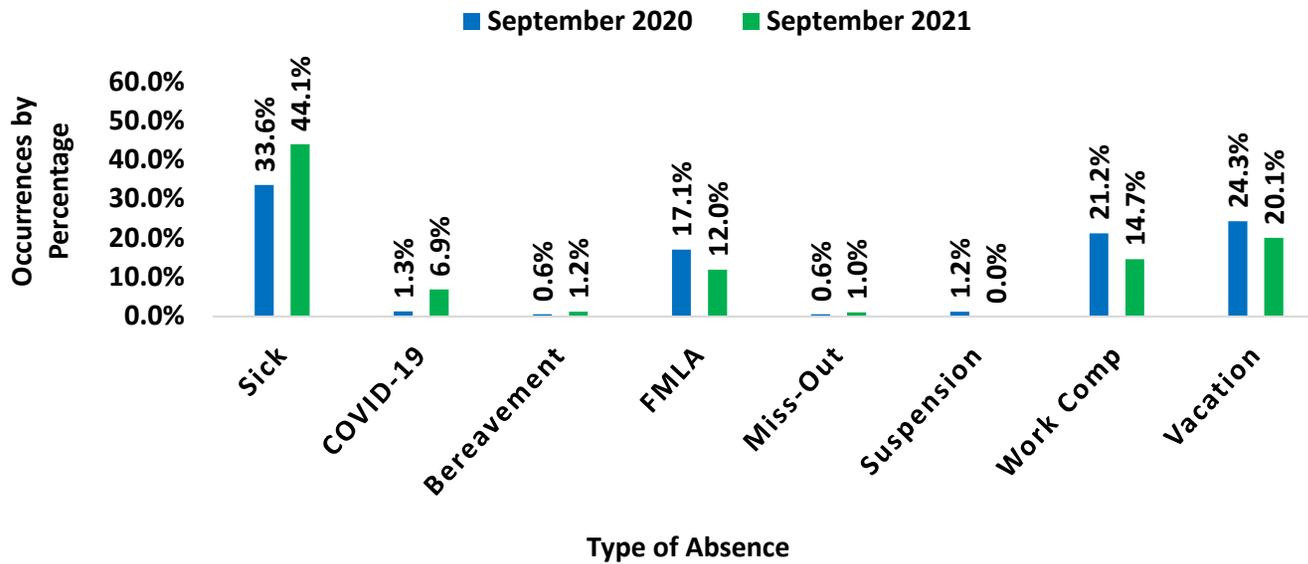
Driver Absence Occurrences



Total Absence Occurrences

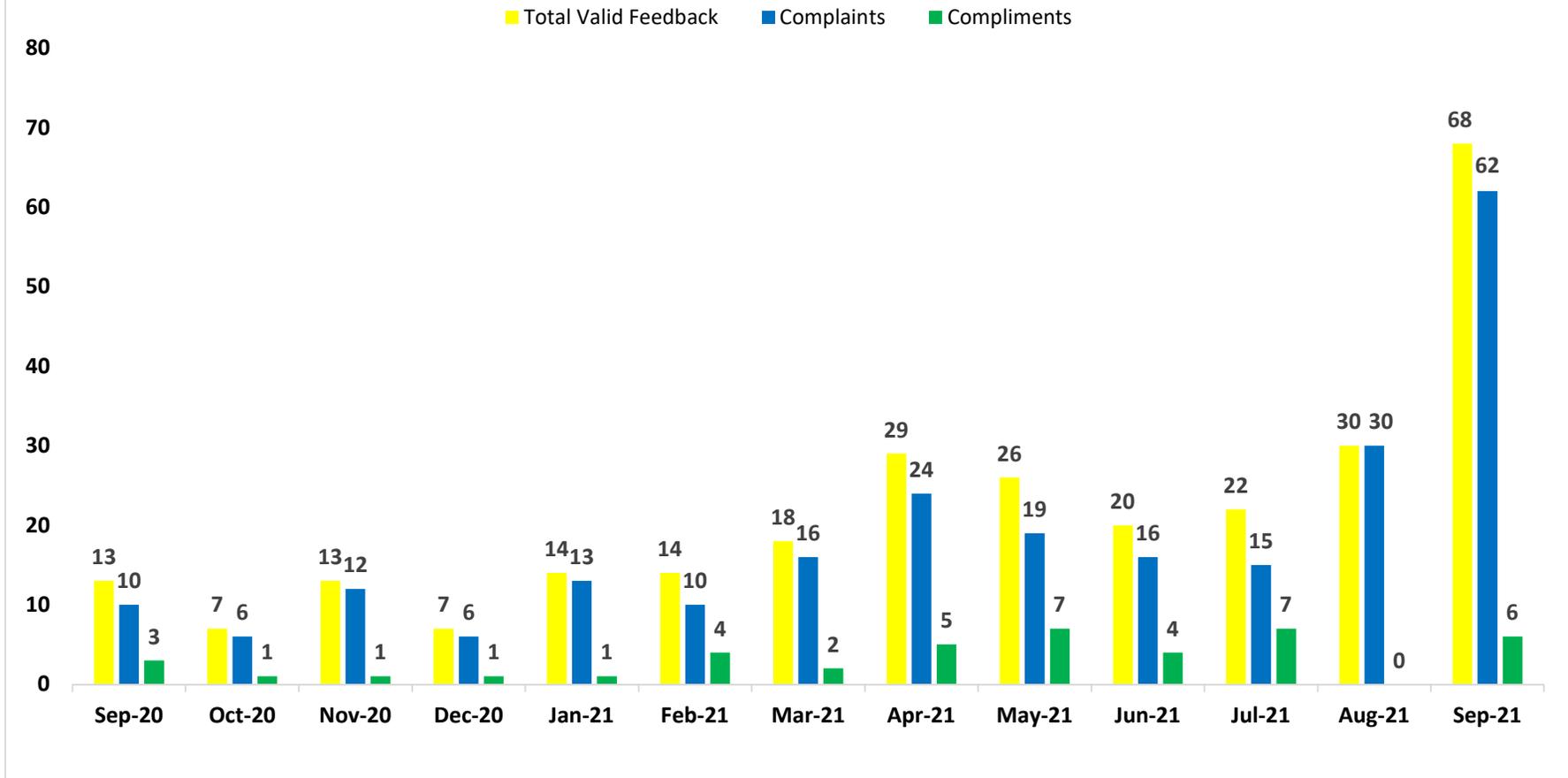


Driver Absence Occurrences by Percentage



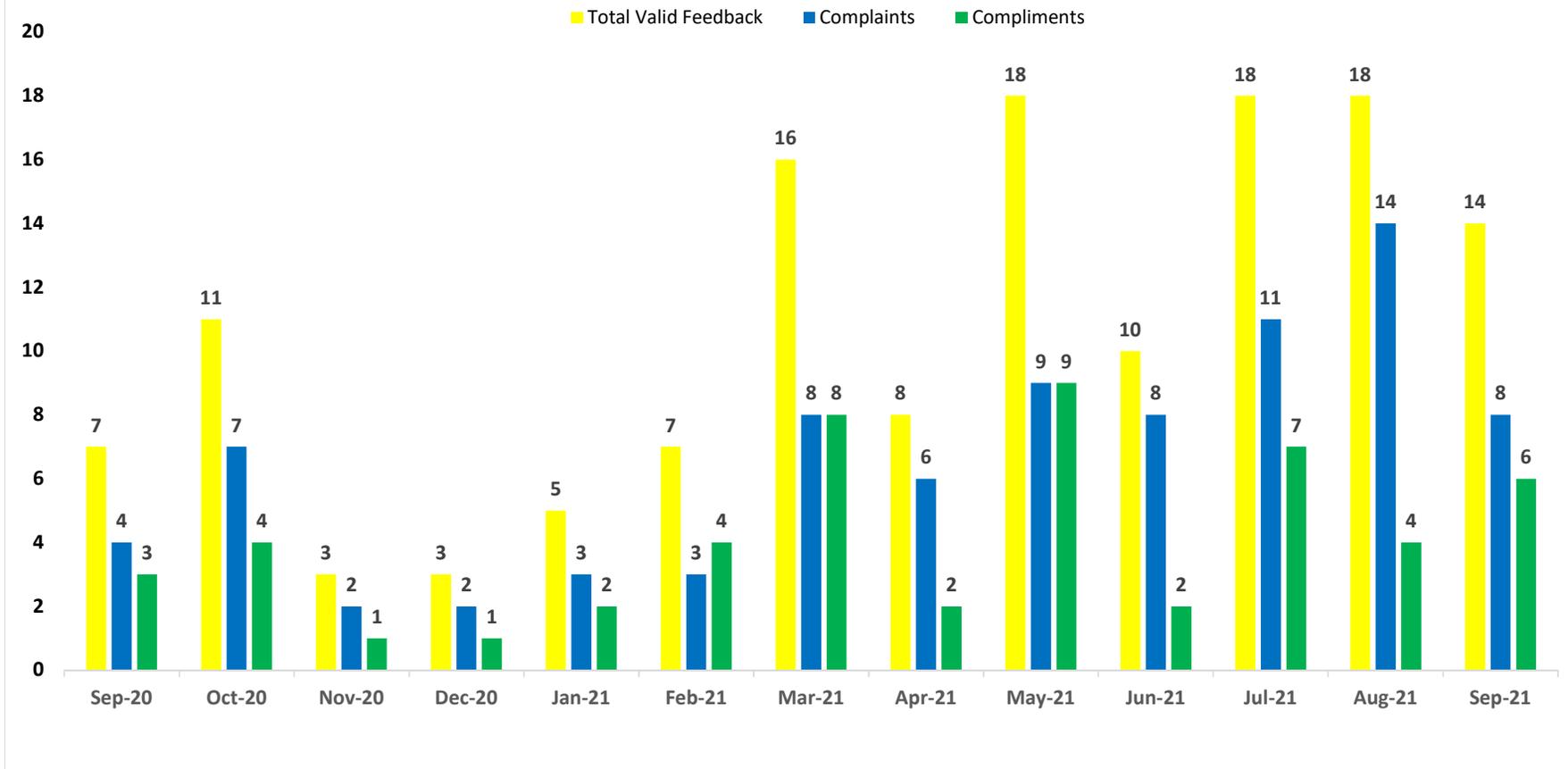
This chart includes unplanned/unscheduled and COVID-19 absences for Fixed Route drivers. SunLine continues to monitor all driver absences and has seen an increase in workforce absences for September 2021 when compared to September 2020.

Fixed Route Customer Feedback September 2020 through September 2021



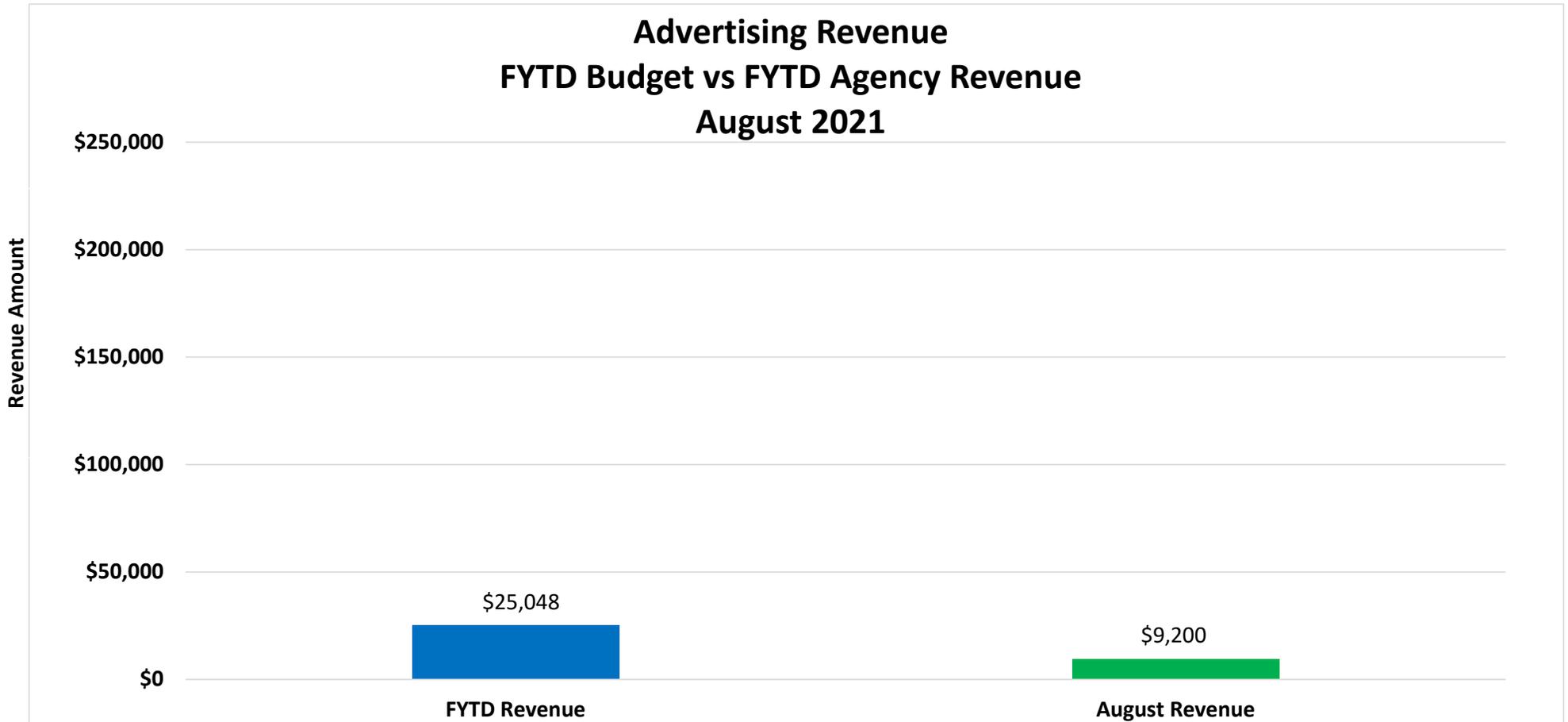
Valid fixed route feedback comprised of compliments and complaints for September 2020 through September 2021

Paratransit Customer Feedback September 2020 through September 2021



Valid paratransit feedback comprised of compliments and complaints for September 2020 through September 2021

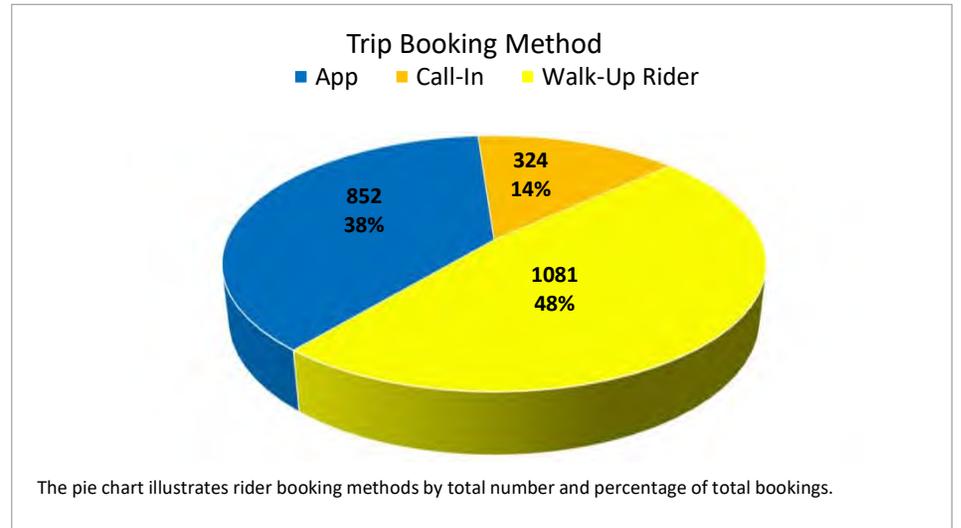
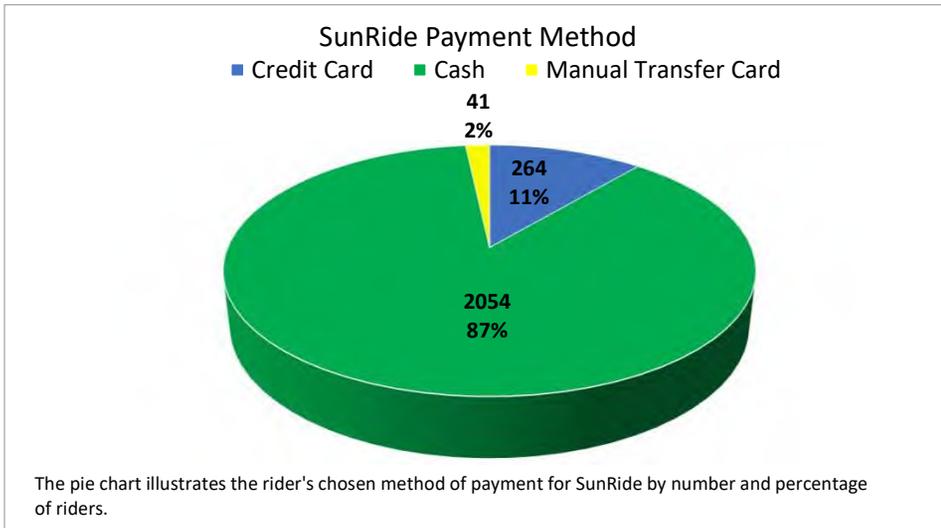
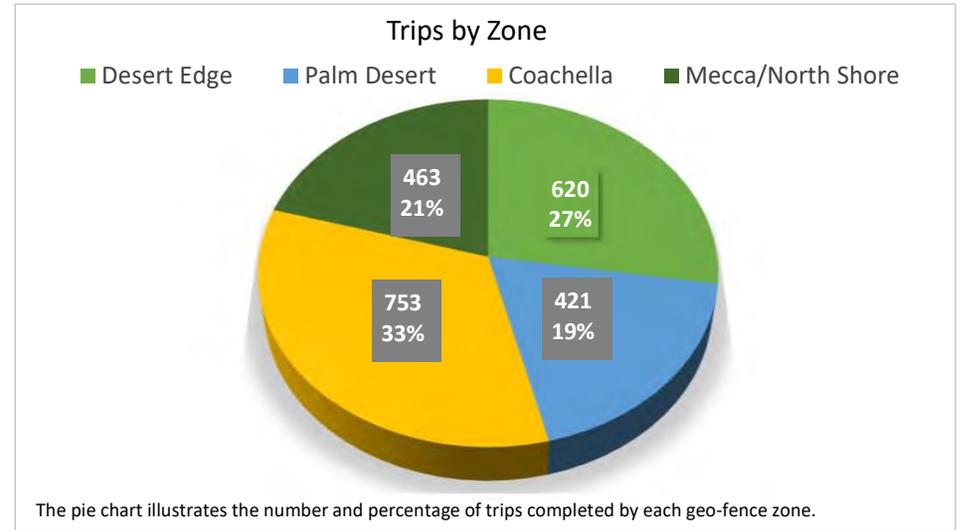
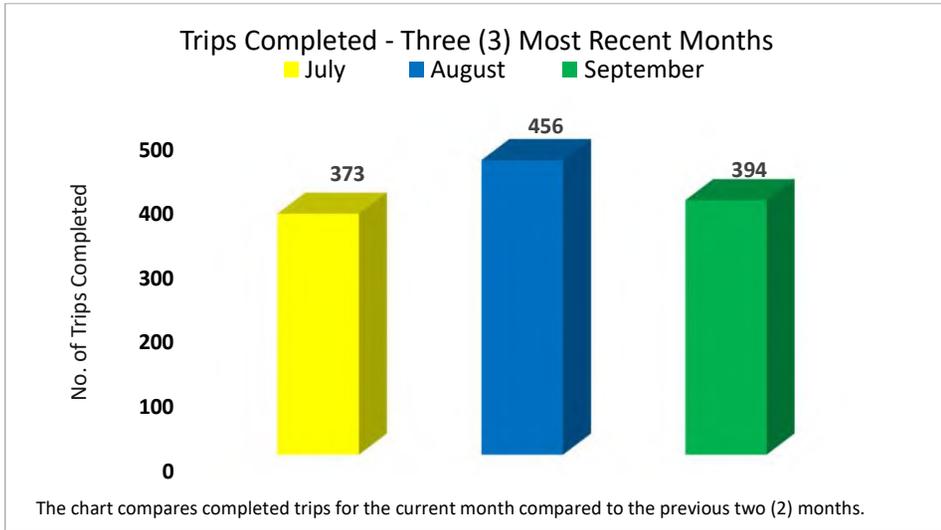
Advertising Revenue FYTD Budget vs FYTD Agency Revenue August 2021



Advertising revenue tracks revenue of invoiced contracts for bus shelter and bus wrap advertising. The graph tracks FYTD revenue accrued with the monthly revenue accrued. The annual budget amount for FY22 is \$250,000. (Advertising revenues follow Finance Department reporting from the previous two (2) months)

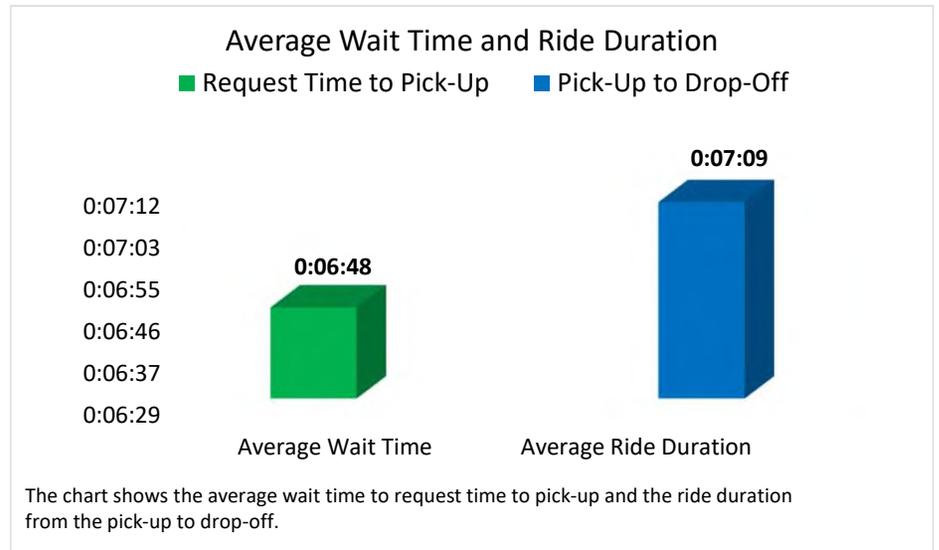
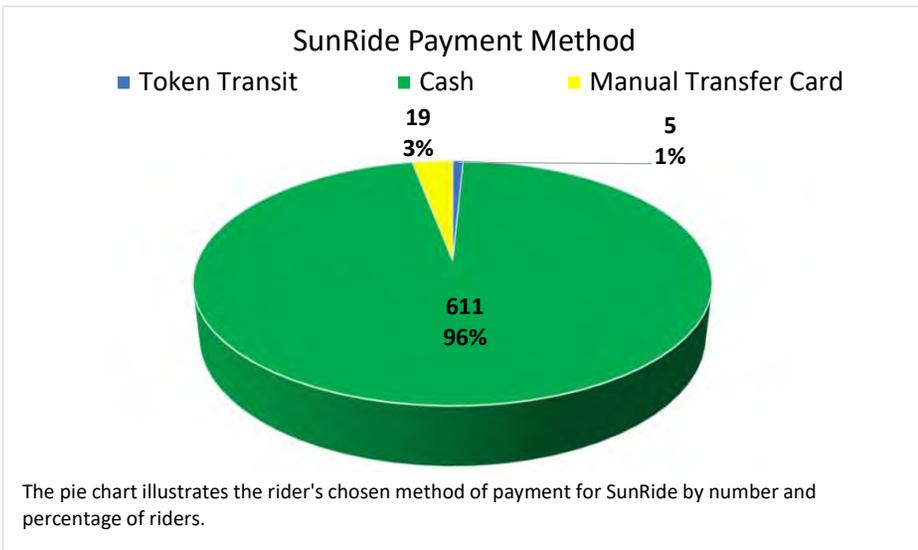
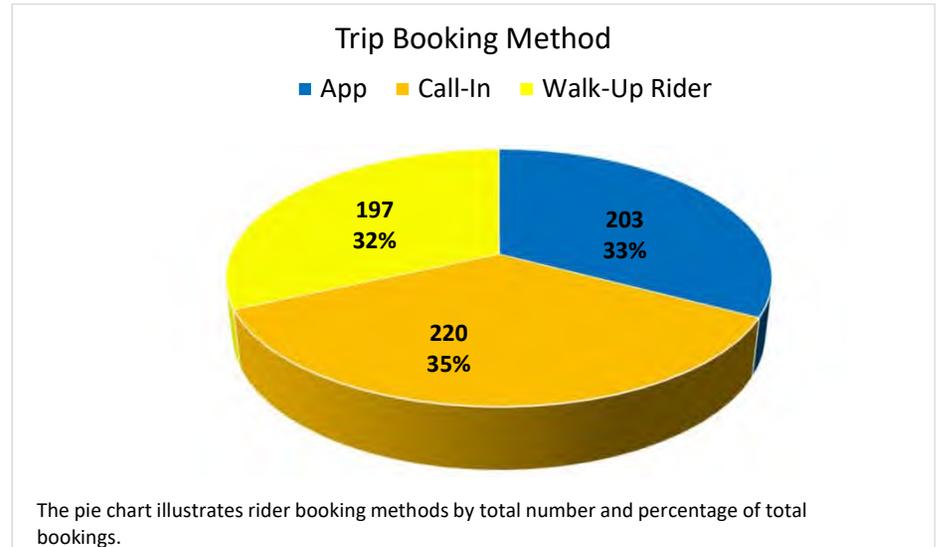
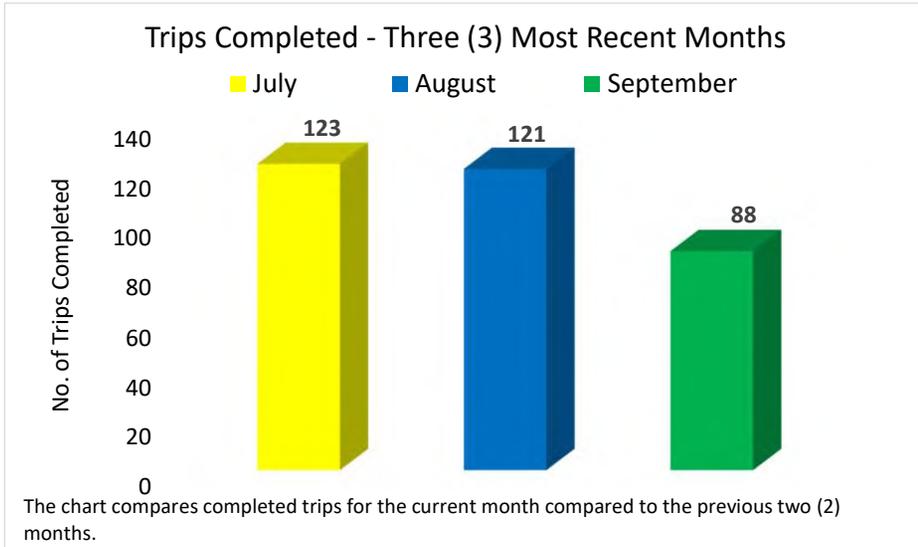
SunRide System-Wide Metrics January 2021 through September 2021

Total Completed Trips: 2,257



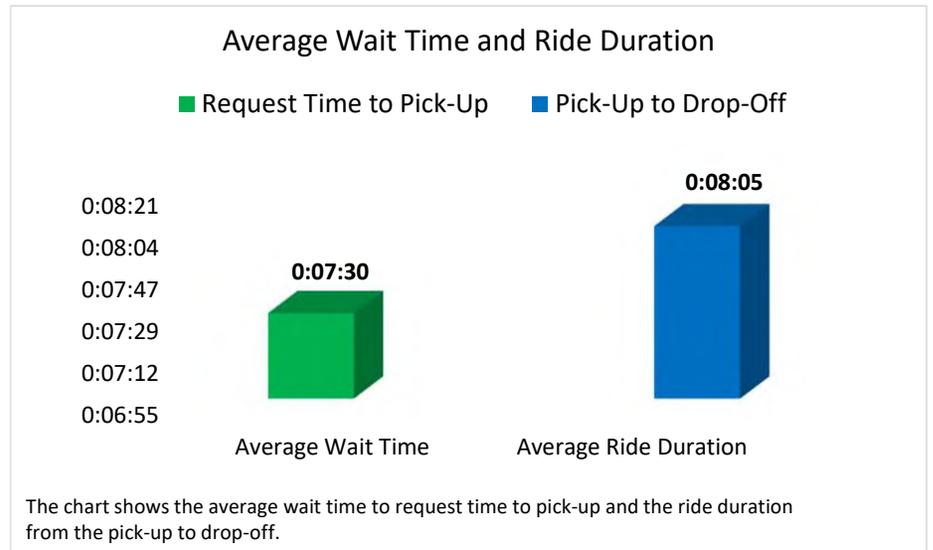
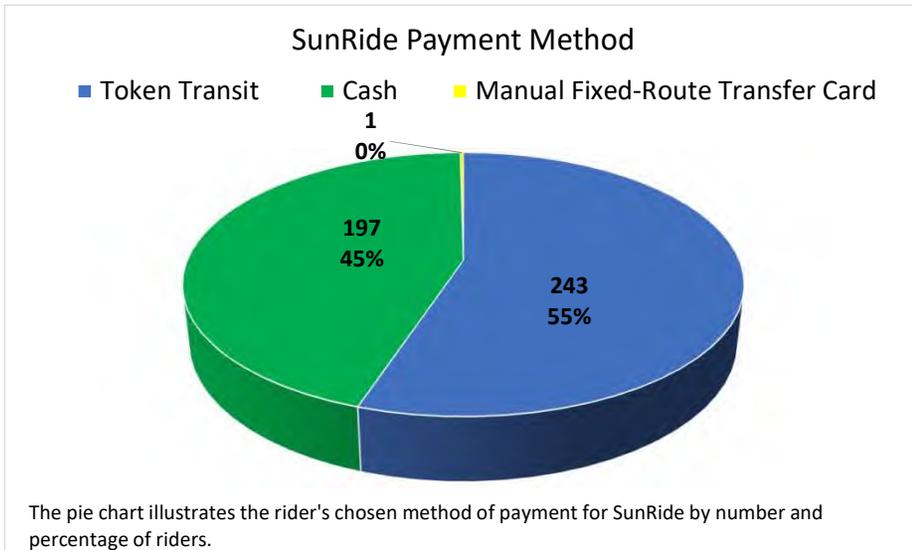
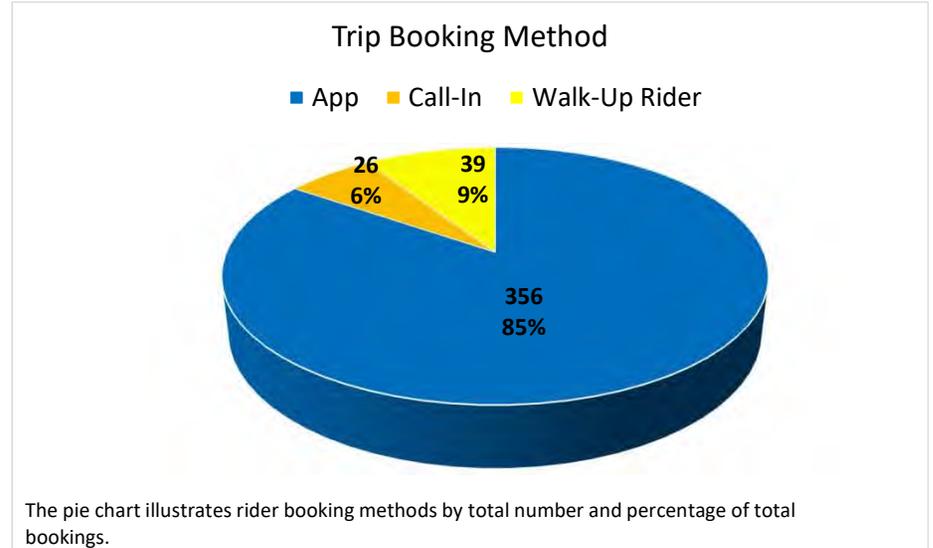
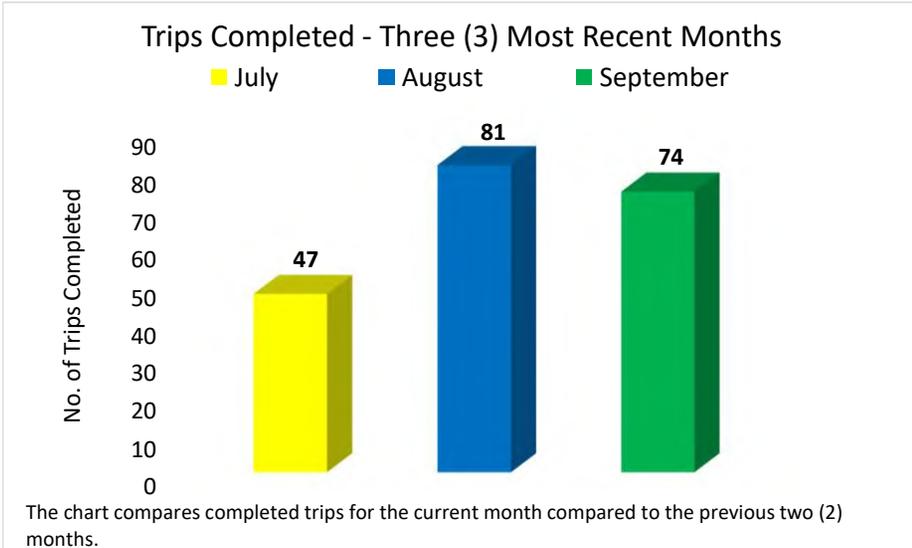
Desert Hot Springs/Desert Edge Geo-Fence Metrics January 2021 through September 2021

Total Completed Trips: 620



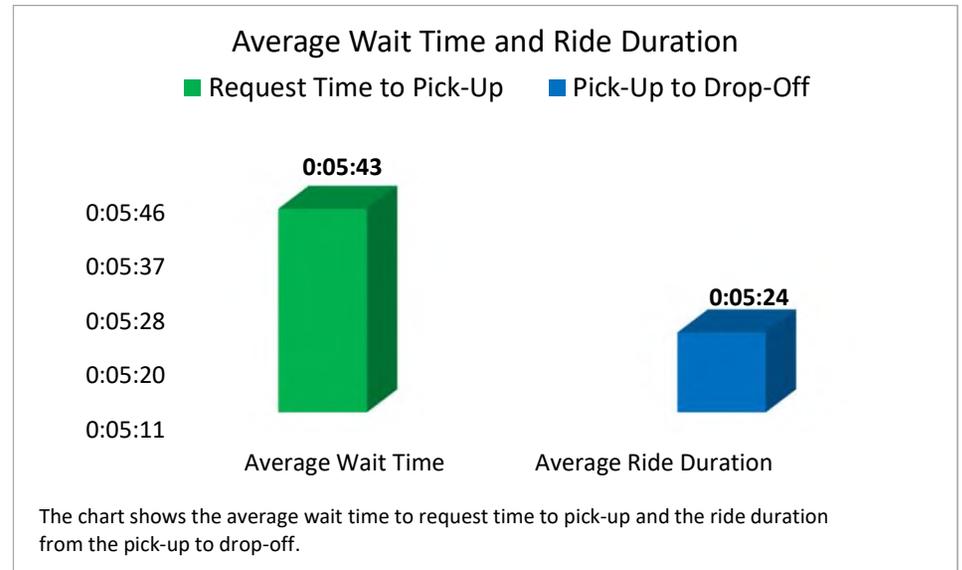
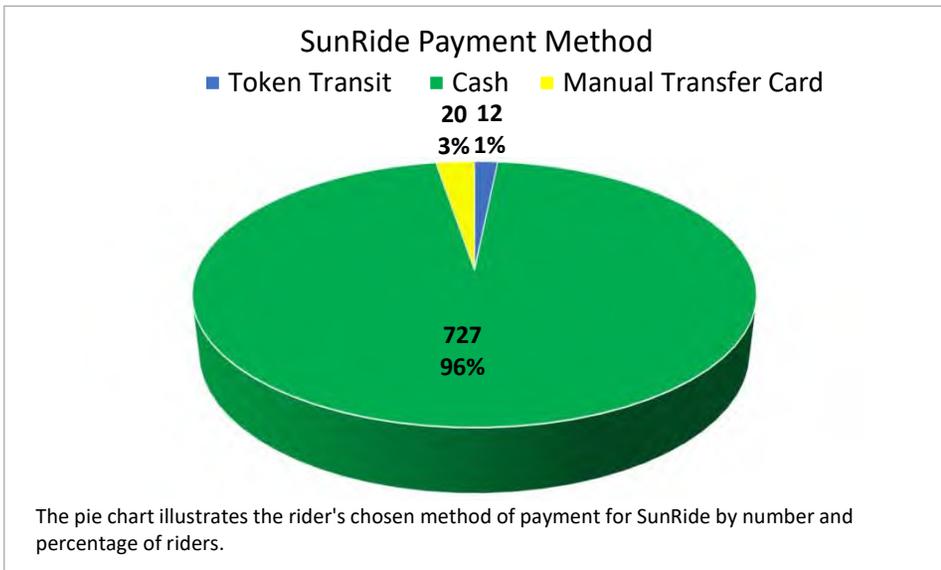
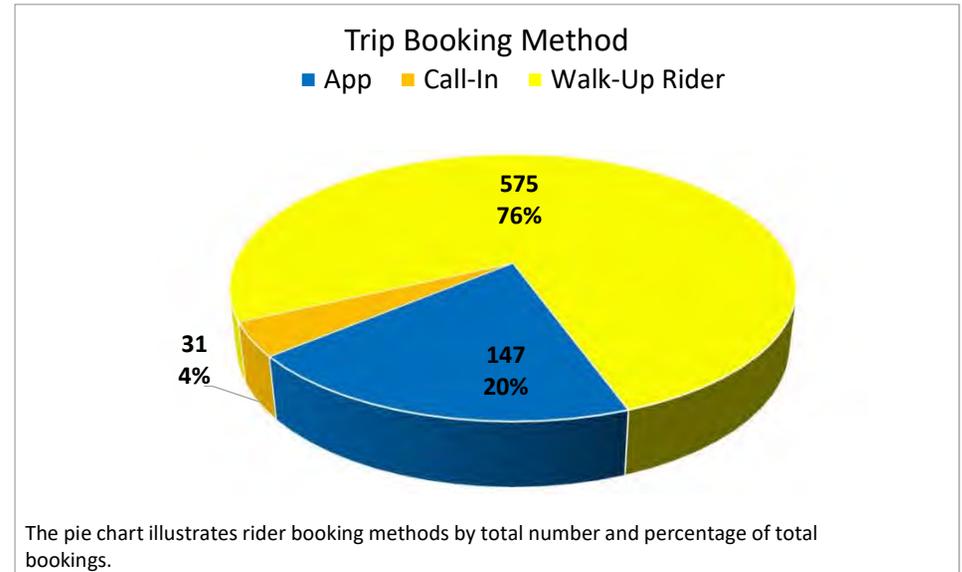
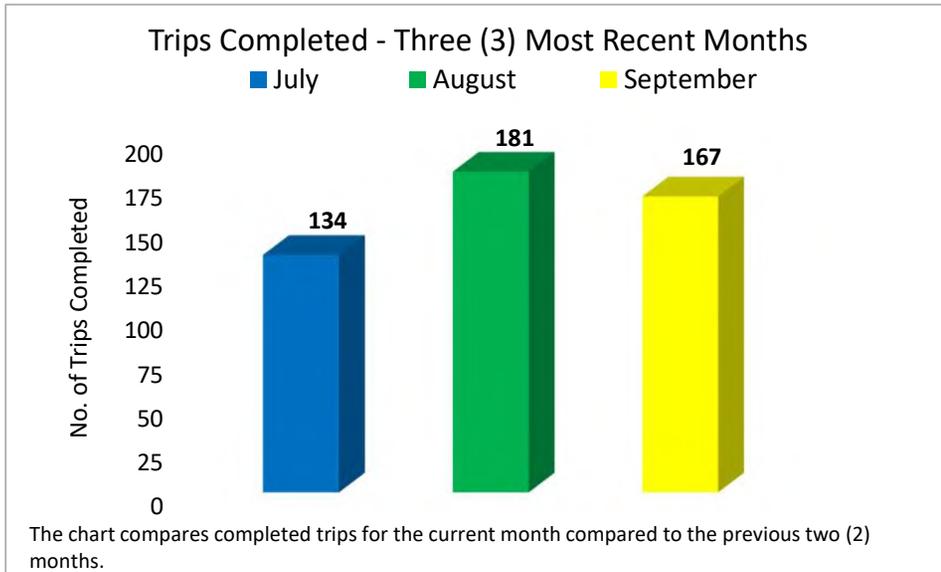
Palm Desert Geo-Fence Metrics January 2021 through September 2021

Total Completed Trips: 421



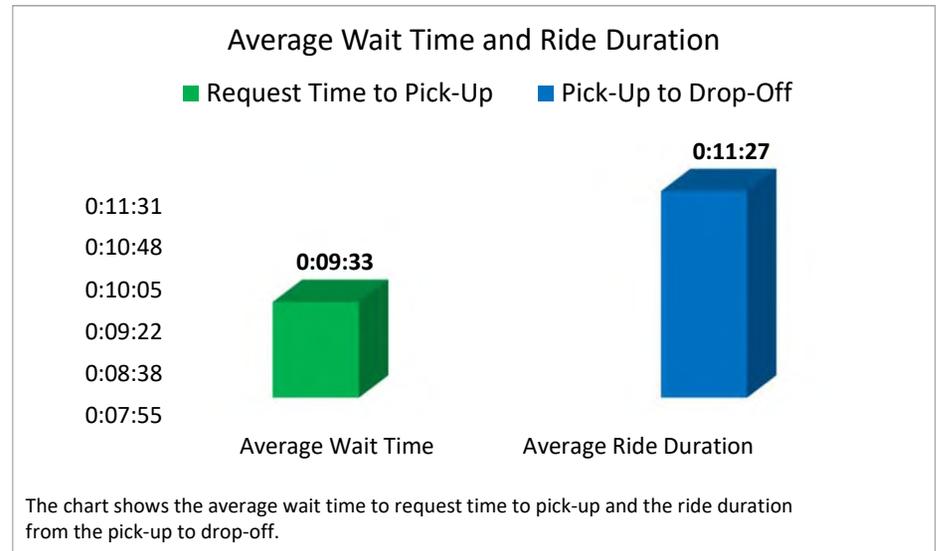
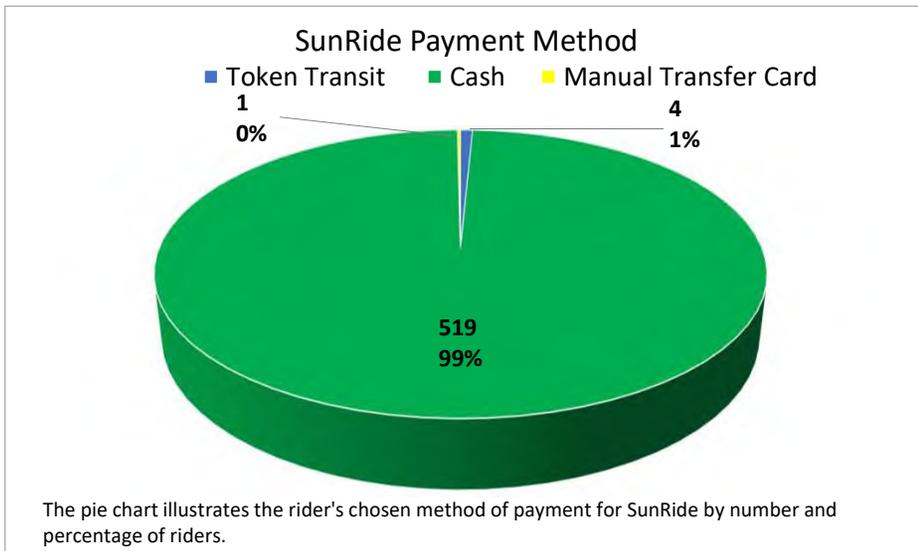
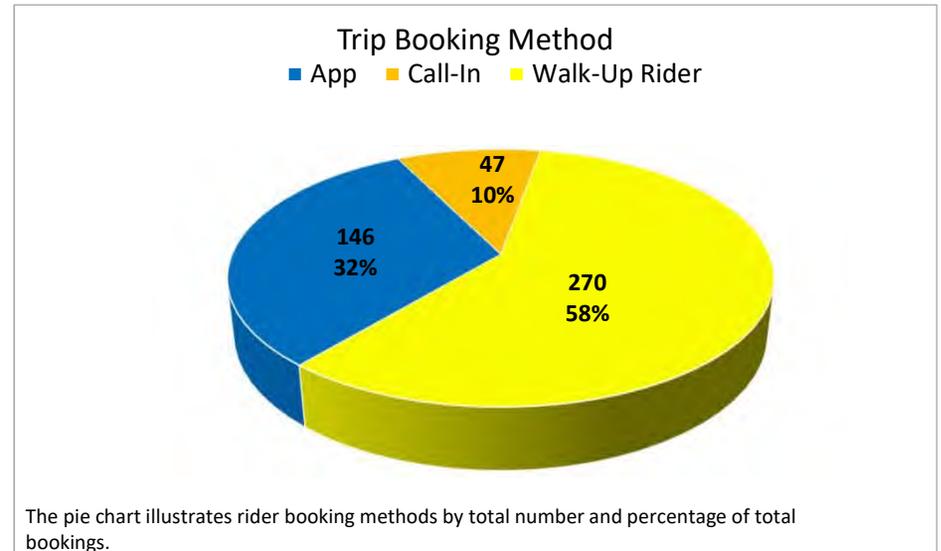
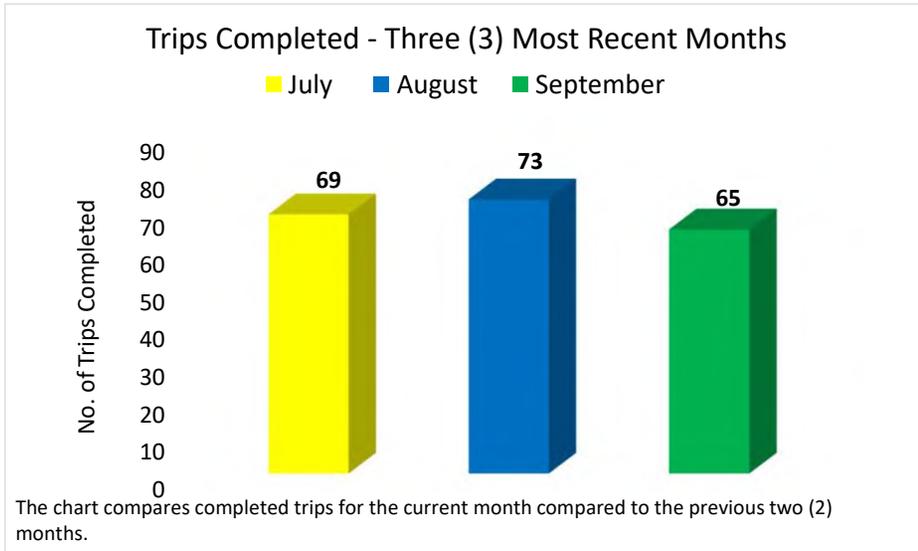
Coachella Geo-Fence Metrics January 2021 through September 2021

Total Completed Trips: 753

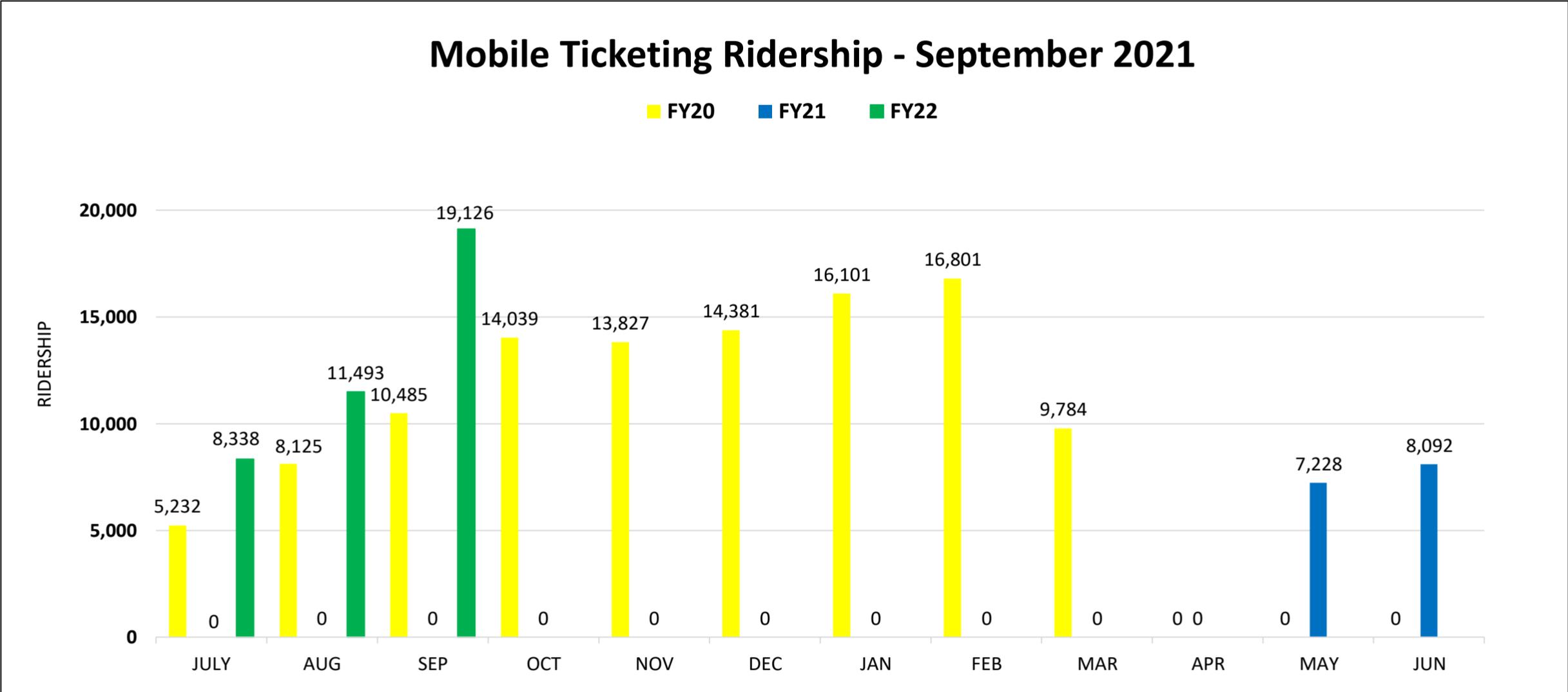


Mecca/North Shore Geo-Fence Metrics January 2021 through September 2021

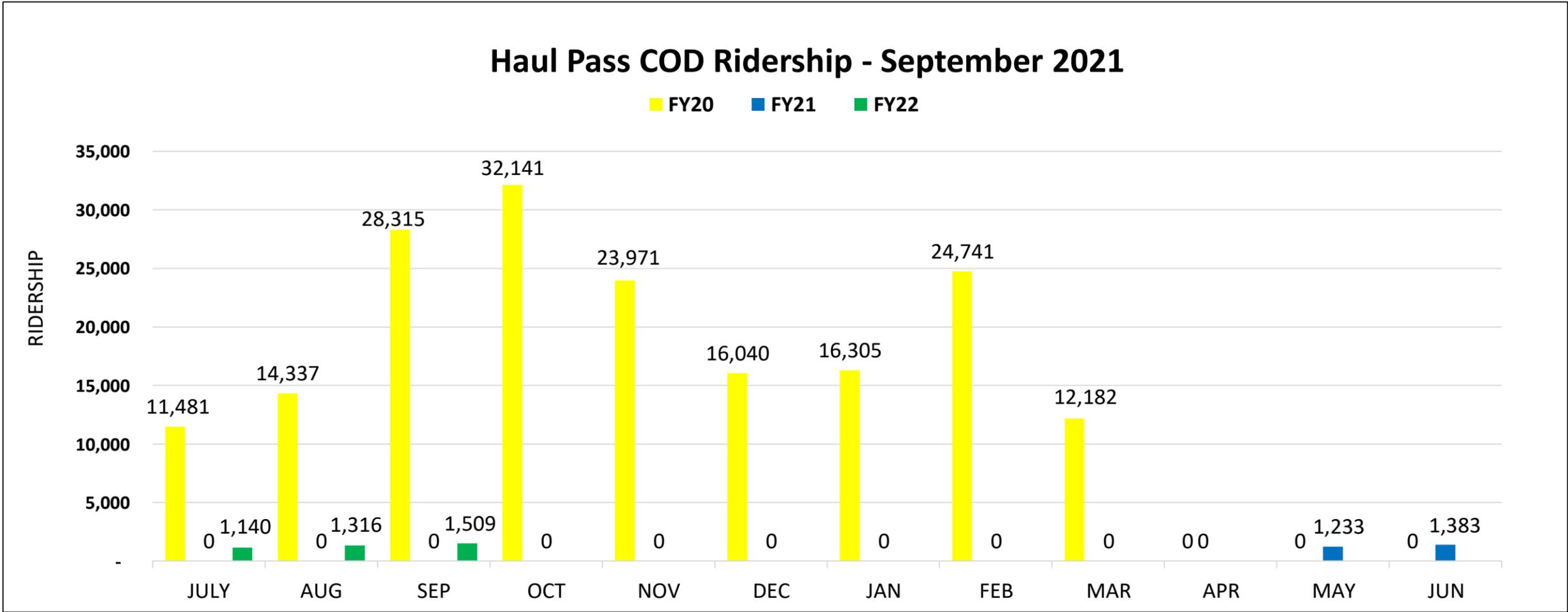
Total Completed Trips: 463



Mobile Ticketing Ridership - September 2021

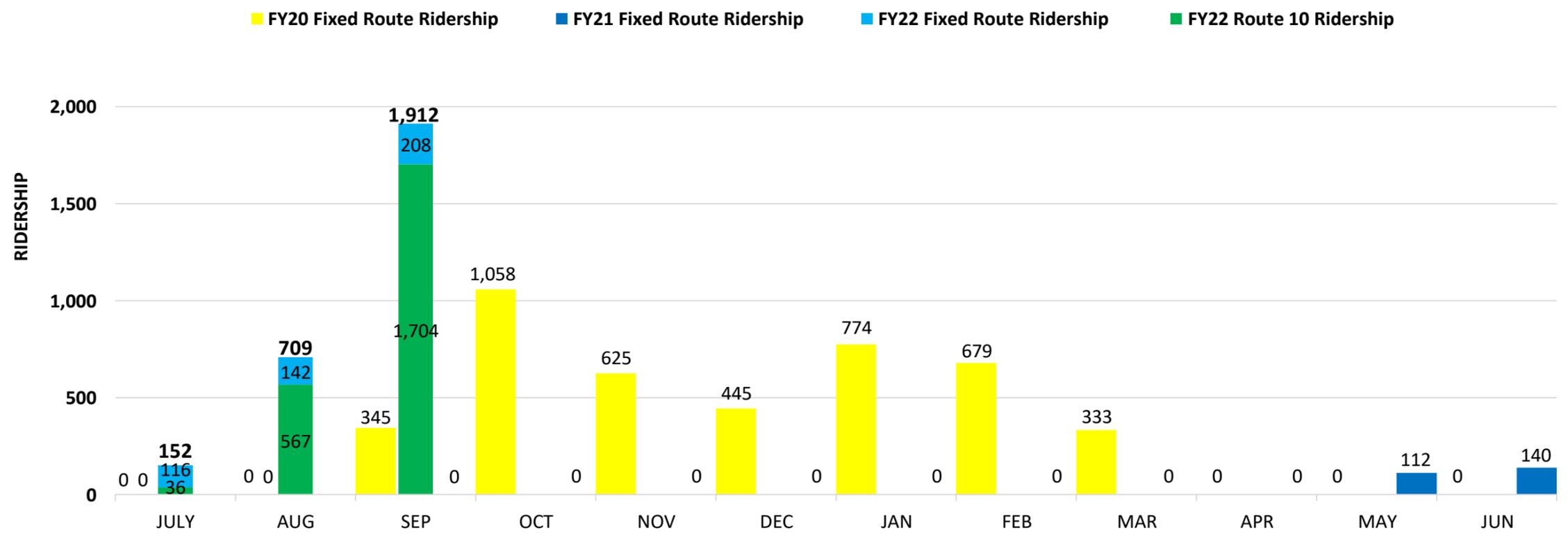


This chart represents all monthly mobile ticketing usage based on the Token Transit app data.
 The total for September 2021 includes 281 paratransit mobile tickets. A total of 1,100 unique users used mobile ticketing in the month of September.
 On Sunday, May 2, 2021, SunLine resumed fare collection. May 2021 was the first month to have data available for FY21.
 On September 5, 2021, SunLine commenced operations under Level 1.



The Haul Pass program was introduced in August 2018.
 This chart represents monthly ridership on the Haul Pass COD program.
 Haul Pass COD contributed with 1,509 rides from 110 unique riders.
 On Sunday, May 2, 2021, SunLine resumed fare collection. May 2021 was the first month to have data available for FY21.
 On September 5, 2021, SunLine commenced operations under Level 1.

Haul Pass CSUSB Ridership - September 2021



The Haul Pass CSUSB program was introduced in September 2019.

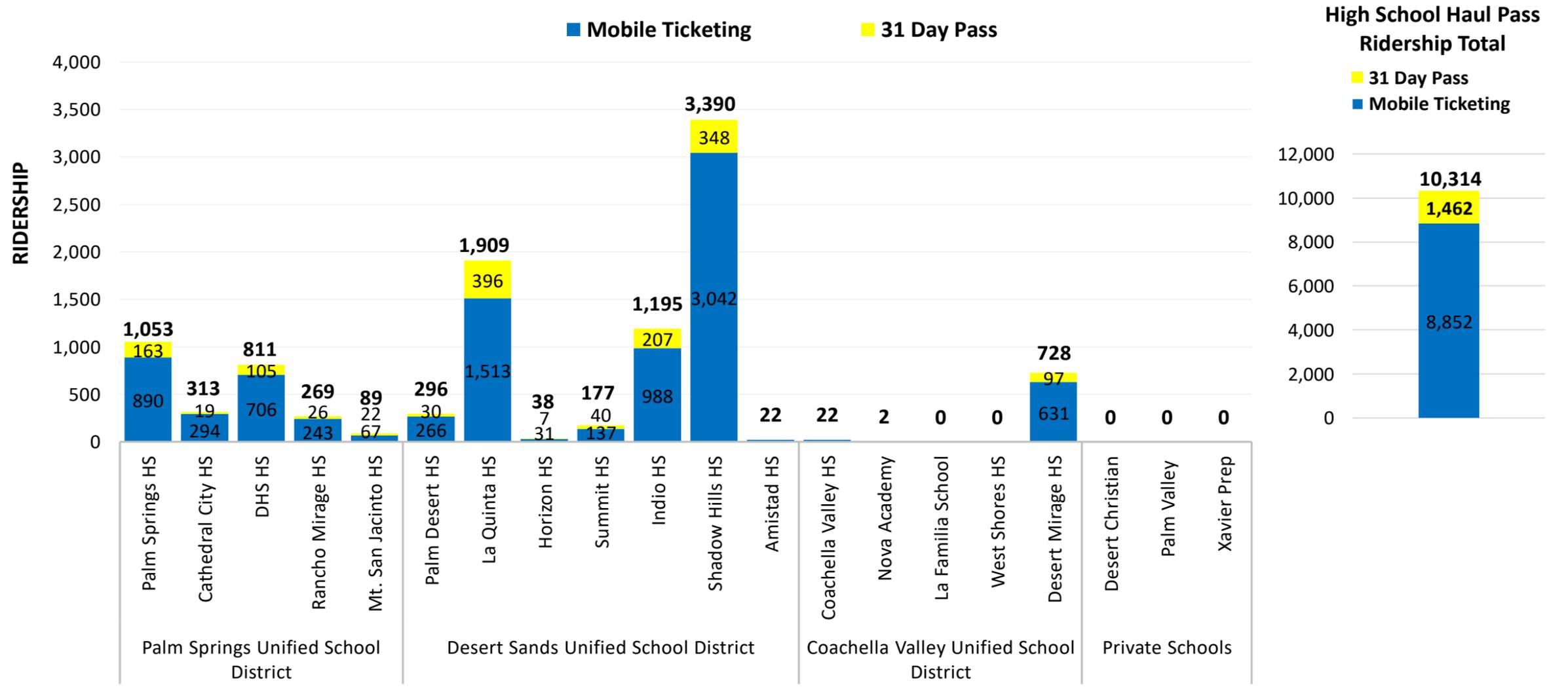
This chart represents monthly ridership on the Haul Pass CSUSB program.

Haul Pass CSUSB contributed with 1,912 rides from 172 unique riders and a total of 1,704 rides from the Route 10.

On Sunday, May 2, 2021, SunLine resumed fare collection. May 2021 was the first month to have data available for FY21.

On September 5, 2021, SunLine commenced operations under Level 1.

High School Haul Pass - September 2021



The High School Haul Pass program was introduced in August 2021.

This chart represents monthly ridership by school for the High School Haul Pass program.

The total active users as of September 2021 are 1,249 using the High School Haul Pass Program.

On September 5, 2021, SunLine commenced operations under Level 1.

SunLine Transit Agency

CONSENT CALENDAR

DATE: October 27, 2021

RECEIVE & FILE

TO: Finance/Audit Committee
Board of Directors

RE: Quarterly Capital Projects Update for 3rd Quarter Calendar Year 2021

Summary:

The capital projects update summarizes the quarterly status of the large capital projects that are active. For the third quarter of calendar year 2021, there are 17 large projects in progress. Third quarter projects have been minimally impacted by the COVID-19 pandemic. Any substantial impacts will be reported.

Recommendation:

Receive and file.

New Projects Update			
Project Title	Brief Description	Current Status	Funding
Liquid Hydrogen Station Project	The new liquid hydrogen station will include liquid storage, compression equipment, gaseous storage and dispensing, providing both additional capacity and resiliency for the existing fueling infrastructure. The new station will be capable of dispensing fuel at 350 and 700 bar.	The Board of Directors approved the design-build product delivery in September of 2021. The project team is in the process of finalizing the request for proposals and request for qualifications. Once the bids are evaluated, staff will present to the Board of Directors the best qualified proposal for approval before awarding a contract.	\$5,161,250
Purchase of MCI Commuter Bus	Purchase of one (1) additional MCI bus to meet the needs of the Agency.	The project will be presented to the Board of Directors for approval in October 2021, for the purchase of one (1) MCI commuter bus. After Board's approval, staff will begin the procurement process.	\$950,000
SunRide Microtransit Pilot – Software Application Technology	Microtransit software application and professional services for the Agency's SunRide microtransit pilot program.	The project team is evaluating the proposals that were submitted by the vendors. After review, the contract will be awarded to the successful proposer.	\$77,000

QUARTERLY CAPITAL PROJECT UPDATES 3RD QUARTER CALENDAR YEAR 2021

Projects Update			
Project Title	Brief Description	Current Status	Funding
Five (5) Hydrogen Buses & On-Site Hydrogen Fueling Station	This project will deploy five (5) new 40-foot fuel cell electric buses along with the upgrade of SunLine’s existing hydrogen refueling station with a new electrolyzer.	All five (5) buses are in service. Commissioning of the hydrogen station and dispensers are in progress. Staff is working with the contractor on the root cause analysis of the equipment issues and monitoring the performance of the station.	\$15,571,561
Replacement Operations Facility	Replacement Operations Facility will allow SunLine to complete the demolition and removal of the existing Operations buildings in Division I.	Construction has been completed. The facility is currently in use by SunLine staff. The contractor is working on completing the punch list items. Upon completion of the punch list, staff will commence the closeout phase.	\$8,100,000
CNG Fueling Station	CNG station will be located at Division I and will replace the existing station that has exceeded its useful life.	Construction has been completed. The facility is currently in use by SunLine staff. The project team is working towards closing this project.	\$8,000,778
Purchase of Five (5) New Flyer Fuel Cell Buses	Project is to purchase five (5) 40-foot fuel cell fixed route buses that will replace the old CNG buses.	Four (4) buses have been delivered to SunLine. Staff is prepping buses with make-ready equipment for service. The remaining bus is expected to be delivered by end of October 2021.	\$5,995,922
Center of Excellence Facility	Project will build a facility to serve as a training facility and maintenance bay for the zero emission vehicles.	Design plans have been submitted to the Riverside County for review and are currently pending approval. Staff has been working on preparing the bidding documents.	\$3,097,654

QUARTERLY CAPITAL PROJECT UPDATES 3RD QUARTER CALENDAR YEAR 2021

Project Title	Brief Description	Current Status	Funding
Purchase of Fifteen (15) Paratransit Vehicles	Project to procure fifteen (15) Paratransit vehicles.	All fifteen (15) vehicles have been delivered to SunLine. Twelve vehicles are in service. Staff is coordinating the acceptance of the remaining buses.	\$2,375,076
Coachella Hub	Project is in conjunction with a grant awarded to SunLine as part of the Affordable Housing Sustainability Community Grant. SunLine, along with the City of Coachella, is to construct a sustainable transportation infrastructure to provide transportation related amenities.	In coordination with the City of Coachella, the site plans are in final stage of being submitted for approval and permitting. Staff will begin to prepare the bidding documents.	\$1,313,500
SoCal Gas/Hydrogen Demonstration Project	SunLine in partnership with the Southern California Gas Company (SCG) will install, test, monitor, and demonstrate a Steam Methane Reformer (SMR) in various operating conditions.	Site layout has been finalized by the engineering team and approved by SunLine. SoCalGas is coordinating construction and equipment permits with Riverside County. Upon approval of the site layout by the County, civil work will commence.	\$600,000
Purchase of Fleet Management Information System	Project to purchase new maintenance software to support the growing needs of the department, to maintain documentation of fleet maintenance records and parts inventory management.	The project team is reviewing the scope of work to determine the needs of the Agency.	\$499,487
Operations Facility IT Equipment	Purchase of information technology equipment such as servers, switches and battery backup systems for the new Operations Facility.	Information technology equipment has been delivered. Staff is working on final punch list items to begin the project closeout process.	\$230,291
Purchase of Driving Simulator	Project to purchase and install a bus simulator at the Operations Facility.	Simulator has been delivered. Project team is working on closing this project.	\$200,000

QUARTERLY CAPITAL PROJECT UPDATES 3RD QUARTER CALENDAR YEAR 2021

Project Title	Brief Description	Current Status	Funding
Purchase of Five (5) Replacement Zero Emission Relief Cars	Purchase five (5) replacement Chevy Bolt 2021 cars and charging infrastructure.	All five (5) cars have been delivered. The charging infrastructure is due to be installed by the end of the fourth quarter of 2021.	\$196,866
Purchase of Administrative Vehicles Two (2) Hybrid Ford Explorers	Purchase of two (2) hybrid administrative vehicles to be used by staff to transport employees for trainings, meetings, conventions or to support the transportation needs of other required activities.	Two (2) vehicles are on order and are expected to be delivered in the fourth quarter of 2021.	\$103,705
Purchase Support Truck	Purchase of a new Ford F-250 administrative support vehicle, to be used by staff to support the Agency's operations and maintenance needs.	Procurement staff is in the process of procuring the vehicle which is expected to be delivered in the first quarter of 2022.	\$43,900

SunLine Transit Agency

CONSENT CALENDAR

DATE: October 27, 2021

RECEIVE & FILE

TO: Finance/Audit Committee
Board of Directors

RE: Board Member Attendance for September 2021

Summary:

The attached report summarizes the Board of Directors' attendance for fiscal year to date September 2021.

Recommendation:

Receive and file.

FY 21/22	Board Member Matrix Attendance													Total Meetings	Total Attended
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun			
Desert Hot Springs	X		X											10	2
Palm Desert	X		X											10	2
Palm Springs	X		X											10	2
Cathedral City	X		X											10	2
Rancho Mirage	X		X											10	2
Indian Wells	X		X											10	2
La Quinta	X		X											10	2
Indio	X		X											10	2
Coachella	X		X											10	2
County of Riverside	X		X											10	2

X - ATTENDED (Primary/Alternate)

DARK –

SunLine Transit Agency**DATE: October 27, 2021****RECEIVE & FILE****TO: Finance/Audit Committee
Board of Directors****FROM: Luis Garcia, Chief Financial Officer****RE: Fiscal Year 2021 Audit Reports**

Recommendation

Recommend that the Board of Directors receive and file the fiscal year 2021 audit reports. The audits were completed by Vasquez & Company, LLP and include financial audits for SunLine Transit Agency and SunLine Services Group as well as a Single Audit for SunLine Transit Agency.

Background

The Joint Powers Agreement requires that SunLine Transit Agency and SunLine Services Group have an independent audit of its finances conducted annually. In addition, state law requires that recipients of Transportation Development Act (TDA) funds undergo an annual fiscal audit. TDA funds comprise the majority of SunLine's operating revenues, which are disbursed by Riverside County Transportation Commission (RCTC), the planning agency for SunLine.

Additionally, the Code of Federal Regulations (2 CFR Part 200) requires an entity that expends more than \$750,000 in federal awards during a fiscal year undergo a Single Audit. This audit requirement further ensures that federal funds are expended properly. Submission of the Single Audit is required nine (9) months following the end of the entity's fiscal year.

Audit Outcome

The auditors presented an unmodified opinion with no significant deficiencies.

Attachment:

- [Item 9a](#) – SunLine Transit Agency Audited Financial Statements
- [Item 9b](#) – SunLine Services Group Audited Financial Statements
- [Item 9c](#) – SunLine Transit Agency Single Audit Report
- [Item 9d](#) – Vasquez & Company LLP Presentation



SunLine Transit Agency
Audited Financial Statements
As of and for the Year Ended June 30, 2021
with Independent Auditor's Report

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SunLine Transit Agency
Audited Financial Statements
As of and for the Year Ended June 30, 2021
with Independent Auditor's Report

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Independent Auditor's Report

**Board of Directors
SunLine Transit Agency
Thousand Palms, California 92276**

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of SunLine Transit Agency (STA), as of and for the year ended June 30, 2021, and the related notes to financial statements, which collectively comprise the STA'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.

Auditor's Responsibility

Our responsibility is to express an opinion 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 from 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 entity'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 entity'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of SunLine Transit Agency as of June 30, 2021, the respective changes in its financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, and the schedule of changes in the net pension liability and related ratios and schedules of contributions on pages 42 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The combining statements of net position, revenues, expenses and changes in net position, cash flows, fiduciary net position, and changes in fiduciary net position are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements of net position, revenues, expenses and changes in net position, cash flows, fiduciary net position, and changes in fiduciary net position 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements of net position, revenues, expenses and changes in net position, cash flows, fiduciary net position, and changes in fiduciary net position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

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

Glendale, California
OPEN DATE

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The management of SunLine Transit Agency (STA) or Agency offers readers of the STA's financial statements narrative overview and analysis of the financial activities of STA for the fiscal year (FY) ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the audited financial statements including the notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The combined assets of STA exceeded its liabilities (net position) at the close of the fiscal year by \$90,037,847 for 2021 and \$82,543,717 for 2020. Net position at June 30, 2021 consists of \$86,636,884 of net position invested in capital assets and \$3,400,963 of unrestricted net position.
- STA's combined net position increased in fiscal year 2021 by \$7,494,130 which were used to fund capital asset acquisitions and other capital projects. The increase was primarily due to increase in operating funding received from 5307 Cares Act. In fiscal year 2021, salaries and employee benefits and other expenses (services, material and supplies, fuel and lubricants) were lower than fiscal year 2020 due to decrease in manned position across departments, and third party contract services for STA's various projects. Casualty and liability costs increased in 2021 due to increase in workers' compensation and general liability claims. Fiscal year 2021 depreciation expense is lower than fiscal year 2020 due to increase in capital projects closed at the end of fiscal year 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to STA's financial statements. STA's financial statements consist of two components:

- Financial statements
- Notes to financial statements

This report also contains other supplementary information in addition to the financial statements.

Financial Statements. The financial statements are designed to provide readers with a broad overview of STA's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of STA's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether STA's financial position is improving or deteriorating. The presentation of net position also distinguishes between those invested in capital assets, those that are restricted by external parties or legal requirements, or those that are unrestricted and can be used for any Agency purpose.

The *Statement of Revenues, Expenses, and Changes in Net Position* provide information regarding the revenues generated and earned (passenger fares and grants) and the expenses incurred related to those revenues. The difference between the revenues and expenses represents the change in net position, or profitability as reflected by the amount of change in net position generated for the fiscal year.

The *Statement of Cash Flows* presents information on STA's sources and uses of cash and the overall change in cash and cash equivalents over the fiscal year. These activities are categorized by the different activities in which STA engages: operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

Since STA's primary function is to provide transportation services to the region's citizens and recover costs through user fees and charges, the financial statements include business-type activities. In addition, the financial statements include the financial statements of STA (known as primary government), and another legally separate entity, for which STA is financially accountable for: SunLine Services Group (SSG).

Notes to Financial Statements

The notes provide information on significant accounting policies, cash and investments, governmental subsidies, inventory, capital assets, long-term obligations, unearned revenues, risk management, retirement plans, and other areas for a full understanding of the data in the financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning STA's progress in funding its obligation to provide pension benefits to its employees.

FINANCIAL STATEMENT ANALYSIS

Net Position

As stated earlier, increases or decreases in net position over time may serve as a useful indicator of STA's financial position. At June 30, 2021, STA's assets exceeded liabilities by \$90,037,847, a \$7,494,130 increase from June 30, 2020. A condensed summary of the Statements of Net Position as of June 30, 2021 and 2020 is shown below:

	<u>2021</u>	<u>2020</u>	<u>Changes</u>
Current and other assets	\$ 22,342,850	\$ 20,436,638	\$ 1,906,212
Net pension asset	7,231,644	834,199	6,397,445
Capital assets, net of depreciation	86,636,884	81,615,087	5,021,797
Deferred outflows of resources	5,428,031	7,167,857	(1,739,826)
Total assets and deferred outflows of resources	<u>121,639,409</u>	<u>110,053,781</u>	<u>11,585,628</u>
Current liabilities	17,557,222	16,408,057	1,149,165
Long-term liabilities	2,919,147	2,380,886	538,261
Deferred inflows of resources	11,125,193	8,721,121	2,404,072
Total liabilities and deferred inflows of resources	<u>31,601,562</u>	<u>27,510,064</u>	<u>4,091,498</u>
Net position			
Net investment in capital assets	86,636,884	81,615,087	5,021,797
Unrestricted	3,400,963	928,630	2,472,333
Total net position	<u>\$ 90,037,847</u>	<u>\$ 82,543,717</u>	<u>\$ 7,494,130</u>

STA's net investment in capital assets (e.g. buses, support vehicles, passenger facilities/structures, and peripheral equipment for operations, maintenance, and administrative support) reflects the largest portion of STA's net position. STA uses these capital assets to provide transportation services to the surrounding communities, as well as maintain the necessary service infrastructure. Because of this, these assets are not available for future spending. The increase of \$5,021,797 in net investment in capital assets at June 30, 2021 resulted primarily from additions to capital assets related to purchases of fixed route buses, paratransit and support vehicles, facility improvements and other small projects in STA's capital program.

Unrestricted net position represents the portion of net position that can be used to finance day-to-day operations without constraints by debt covenants, enabling legislation, or other legal requirements. Unrestricted net position increased by \$2,472,333 from \$928,630 at June 30, 2020 to \$3,400,963 at June 30, 2021. The increase in net position is due to higher operating grants received during fiscal year 2021.

Changes in Net Position

For the fiscal years ended June 30, 2021 and 2020, STA's combined revenues were \$52,266,708 and \$53,575,397, respectively, while the total controllable expenses, excluding depreciation, were \$35,756,449 and \$36,138,141, respectively. Grants finance a significant portion of the transit operations. The table below represents condensed financial data related to the changes in net position of \$7,494,130 and \$8,158,749 during the fiscal years ended June 30, 2021 and 2020, respectively. The decrease in change in net position in 2021 from 2020 was due to decrease in capital contributions that funded STA's capital projects.

**SunLine Transit Agency
Management's Discussion and Analysis
Year ended June 30, 2021**

	2021	2020	Changes
REVENUES			
Passenger fares	\$ 334,651	\$ 2,032,866	\$ (1,698,215)
CNG and hydrogen fuel sales	2,011,578	3,955,754	(1,944,176)
Operating grants	35,108,445	29,203,359	5,905,086
Capital grants	14,047,089	17,470,031	(3,422,942)
Interest and other revenues	764,945	913,387	(148,442)
Total revenues	52,266,708	53,575,397	(1,308,689)
CONTROLLABLE OPERATING EXPENSES			
Salaries and employee benefits	23,252,492	25,239,220	(1,986,728)
Services	3,468,636	3,828,718	(360,082)
Bad debts	18,852	21,936	(3,084)
Casualty and liability costs	3,519,827	1,852,786	1,667,041
Materials and supplies	1,992,775	2,209,776	(217,001)
Utilities	2,547,572	1,941,946	605,626
Tires and tubes	196,314	189,917	6,397
Taxes	84,616	98,008	(13,392)
Administrative	161,788	131,349	30,439
Fuel and lubricants	103,172	241,656	(138,484)
Miscellaneous	410,405	382,829	27,576
Total controllable operating expenses	35,756,449	36,138,141	(381,692)
Depreciation	9,016,129	9,278,507	(262,378)
Total expenses	44,772,578	45,416,648	(644,070)
CHANGES IN NET POSITION	7,494,130	8,158,749	(664,619)
NET POSITION			
Beginning of year	82,543,717	74,384,968	8,158,749
End of year	\$ 90,037,847	\$ 82,543,717	\$ 7,494,130

Revenues

The national trends in fixed route ridership have shown decreasing ridership. As such, passenger fare revenues decreased in fiscal year 2021 by \$1,698,215 due to continuing decline in ridership.

CNG and hydrogen fuel revenues which reflect outside fuel revenues, state emission credits and CNG rebates decreased in fiscal year 2021 by \$1,944,176 compared to fiscal year 2020 due to suspension of fares effective March 17, 2020 in response to COVID-19. The Agency resumed fare collection on May 2, 2021.

Operating grants in fiscal year 2021 increased by \$5,905,086 mainly due to increase in funding from the Federal Transit Administration (FTA).

Capital grants in fiscal year 2021 decreased by \$3,422,942 due to decrease in FTA, and Prop 1B funding.

Interest and other revenues in fiscal year 2021 decreased by \$148,442 due to State Transit haul pass program reimbursements.

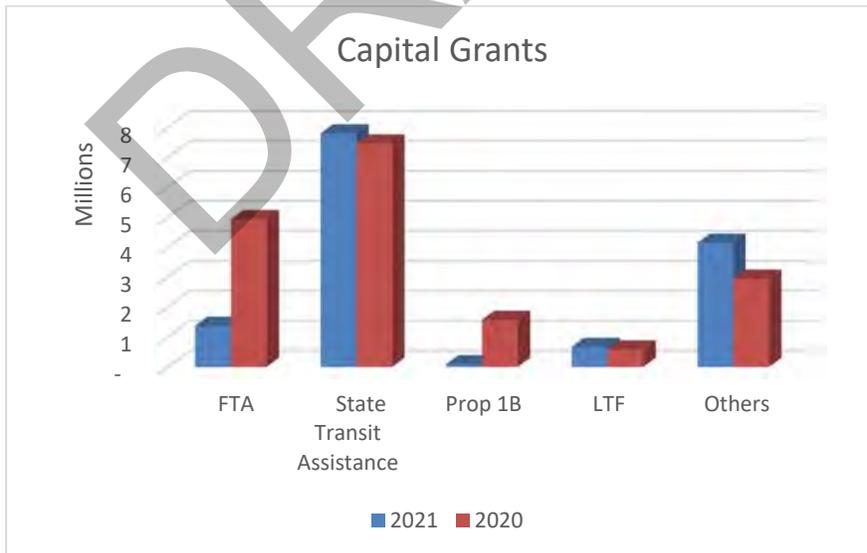
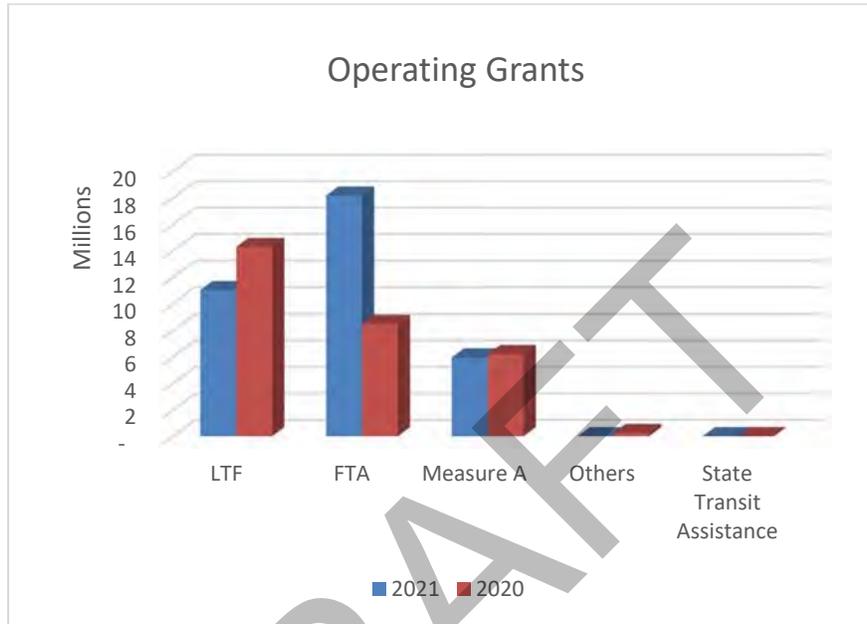
The combined amount of operating and capital grants in fiscal year 2021 and 2020 reflects 94% and 87% of STA's total revenues, respectively. These funds come from a variety of specific funding sources. Each funding source is guided by government regulations regarding the type and use of funds.

Annually, STA submits its short-range transit plan to the Riverside County Transportation Commission (RCTC), which is the basis for annual operating and capital grant allocations. Local Transportation Funds (LTF) comprise the significant component of STA's operating grants; other operating grants generally include funding from Measure A, Riverside County's one-half cent sales tax for transportation purposes, Low-Carbon Transit Operations Program (LCTOP) and Federal Transit Administration (FTA).

Capital assets are funded primarily by capital grants from FTA with matching funds from State Transit Assistance and Proposition 1B, LTF and other sources.

Operating and Capital Grants by Funding Sources

Below shows the bar chart comparison of the operating and capital grants received by STA by funding sources for the years ended June 30, 2021 and 2020.



Expenses

Adopted Agency policies, procedures, and business processes are used as management tools to control expenses and attain goals and objectives. These combined controllable operating expenses consist of cost elements that exclude depreciation. For purposes of this analysis, operating expenses before depreciation will be discussed. These expenses totaled \$35,756,449 during fiscal year 2021, a decrease of \$381,692 from fiscal year 2020 of \$36,138,141. The decrease attributed mainly to decrease in salaries and employee benefits, services, fuel and lubricants, and materials and supplies.

Salaries and employee benefits decreased in fiscal year 2021 by \$1,986,728 due to decrease in pension expense.

Services decreased in fiscal year 2021 by \$360,082 mainly due to decrease in third party contract services for SunLine's vanpool program and other consulting services.

Fuel and lubricant costs decreased in fiscal year 2021 by \$138,484 because of utilizing more hydrogen buses in fiscal year 2021.

Materials and supplies decreased in fiscal year 2021 by \$217,001 due to decrease in repair parts of aging vehicles and maintenance of old facilities.

A breakdown of operating expenses is reflected on page 7.

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CAPITAL ASSETS

STA's capital assets (net of accumulated depreciation), as of June 30, 2021 and 2020, amounted to \$86,636,884 and \$81,615,087 respectively. Capital assets include land, buildings, fleet, communication/fare box systems, machinery/equipment, support vehicles, facilities improvement and passenger facilities.

Significant capital asset projects during FY 2021 included the following:

- CNG and Hydrogen Fueling Station (continued)
- Hydrogen Electric Hybrid FCB & Hydrogen Station (continued)
- Operation Facility Replacement (continued)
- Bus rehabilitation and equipment (continued)
- Zero Emissions Maintenance Facility (continued)
- Miscellaneous Maintenance Equipment Projects (continued)
- Facility improvements (continued)
- Information Technology Projects (continued)
- Purchase of Paratransit Vehicles
- Purchase of Four (4) Fixed Route Buses

Significant capital asset projects during FY 2020 included the following:

- Miscellaneous Maintenance Equipment Projects
- Facility improvements
- Bus rehabilitation and equipment
- CNG and Hydrogen Fueling Station (continued)
- Information Technology Projects
- Purchase of Hydrogen Fuel Cell Buses (continued)
- Hydrogen Electric Hybrid FCB & Hydrogen Station
- Purchase of Four (4) Electric Buses (continued)

A summary of the capital assets balances as of June 30, 2021 and related activity for the fiscal year then ended is presented in Note 5 of the financial statements.

ECONOMIC AND OTHER FACTORS

The transportation industry is undergoing massive transformation, and SunLine is studying ways to improve and change its service model in order to remain competitive and continue to provide valued service to the community. The national decreasing ridership trend for fixed route continues to impact Agency's financial stability. The proposed operating and capital budgets for FY2022 are \$41,003,574 and \$15,074,900, respectively, which represents the same operating budget and a 139% increase in capital budget over the previous fiscal year's budget. The operating budget encompasses such costs as driver salaries, administrative salaries, fuel, insurance premiums, and other overhead costs required to run daily operations. The capital budget incorporates key projects to help further the Agency's Capital Improvement Program (CIP).

SunLine continues to identify ways to strengthen its overall financial position in order to continue to serve a diverse community of transit users.

The Capital Improvement Program for FY 2021/2022 focuses on continuing SunLine's investment in increasing its alternative fuel technology fleet and building energy efficient infrastructures. There are 12 new capital projects programmed in in FY2021/2022. The new projects represent an emphasis on safety and projects that provide opportunities to increase revenue and are in compliance with CARB mandates on innovative clean transit regulation. The new projects cover necessities in fleet and facilities. They support the replacement and rehabilitation of existing assets as well as continue the advancement of alternative fuel technology:

- Fleet:
 - Expansion Motor Coach Bus
 - Replacement Paratransit Vehicles
 - Bus Refurbishment

- Facilities and Equipment:
 - Upgrades to Gate and Guard Shack
 - Facility Improvements
 - Public Hydrogen Station
 - Microgrid to Hydrogen Phase III
 - Maintenance Tools and Equipment
 - Bus Stop Improvements
 - Indio CNG Station Upgrade
 - Liquid Hydrogen Refueling Infrastructure
 - Coachella Transit Hub

SunLine relies on operating and capital grants for approximately 94% of its total revenue. These funds come from a variety of specific funding sources. Each funding source is guided by government regulations regarding type and use of funds. The economic expansion in Riverside County has contributed to an increase in the operating and capital grant funds available

A component of the Agency's operating grants is local operating assistance. These funds are governed by various provisions of the Transportation Development Act and Public Utilities Code. One such provision is adherence to a predetermined farebox recovery ratio (fare revenue/net operating expenses excluding depreciation, vehicle lease and SSG's operating revenues and expenses) approved by RCTC and the California Department of Transportation. The fiscal year 2021 required farebox recovery ratio was 19.74%; the Agency's actual ratio was 19.72% which is about the same ratio as the requirement.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of STA's finances for all those with an interest in STA's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Finance Officer, SunLine Transit Agency, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

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ASSETS	
Current assets	
Cash and investments	\$ 4,195,657
Accounts receivable, net	2,237,893
Due from other governmental agencies	11,138,997
Inventory	1,172,708
Prepaid items	866,945
Total current assets	<u>19,612,200</u>
Noncurrent assets	
Deposits	2,730,650
Net pension asset	7,231,644
Capital assets, not depreciated	32,911,485
Capital assets, depreciated	53,725,399
Total noncurrent assets	<u>96,599,178</u>
Total assets	<u>116,211,378</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pension	<u>5,428,031</u>
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	2,542,748
Accrued payroll and related liabilities	367,040
Retention Payable	657,420
Compensated absences	1,927,116
Claims payable - current portion	973,213
Unearned revenue	11,089,685
Total current liabilities	<u>17,557,222</u>
Noncurrent liabilities	
Net pension liability	-
Claims payable - noncurrent portion	2,919,147
Total noncurrent liabilities	<u>2,919,147</u>
Total liabilities	<u>20,476,369</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pension	<u>11,125,193</u>
NET POSITION	
Net investment in capital assets	86,636,884
Unrestricted	3,400,963
Total net position	<u>\$ 90,037,847</u>

See notes to financial statements.

SunLine Transit Agency
Statement of Revenues, Expenses and Changes in Net Position
Year ended June 30, 2021

OPERATING REVENUES	
Passenger fares	\$ 334,651
CNG and hydrogen fuel sales	2,011,578
Taxi license fees	198,792
Other	539,488
Total operating revenues	<u>3,084,509</u>
OPERATING EXPENSES	
Salaries and employee benefits	23,252,492
Depreciation	9,016,129
Services	3,468,636
Bad debts	18,852
Casualty and liability costs	3,519,827
Materials and supplies	1,992,775
Utilities	2,547,572
Tires and tubes	196,314
Taxes	84,616
Administrative	161,788
Fuel and lubricants	103,172
Miscellaneous	410,405
Total operating expenses	<u>44,772,578</u>
OPERATING LOSS	<u>(41,688,069)</u>
NONOPERATING REVENUES	
Operating grants:	
Local Transportation Fund	11,000,000
Measure A	5,955,883
Federal Transit Administration - Section 5307	16,908,195
Federal Transit Administration - Section 5309	119,700
Federal Transit Administration - Section 5310	18,747
Federal Transit Administration - Section 5311	609,306
Federal Transit Administration - Section 5311(f)	185,187
Federal Transit Administration - Others	311,427
Local reimbursement	-
Low-Carbon Transit Operations Program (LCTOP) Grant	-
Total operating grants	<u>35,108,445</u>
Interest income	5,174
Gain on sale of capital assets, net	21,491
Total nonoperating revenues	<u>35,135,110</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS	<u>(6,552,959)</u>
CAPITAL CONTRIBUTIONS	
Capital grants:	
Federal Transit Administration	1,368,394
State Transit Assistance	7,789,771
Proposition 1B	85,809
Local Transportation Fund	663,704
Other	4,139,411
Total capital contributions	<u>14,047,089</u>
CHANGE IN NET POSITION	7,494,130
NET POSITION	
Beginning of year	<u>82,543,717</u>
End of year	<u>\$ 90,037,847</u>

See notes to financial statements.

**SunLine Transit Agency
Statement of Cash Flows
Year ended June 30, 2021**

Cash flows from operating activities	
Cash received from customers	\$ 3,791,186
Cash payments to suppliers for goods and services	(11,783,401)
Cash payments to employees for services	<u>(25,777,188)</u>
Net cash used in operating activities	<u>(33,769,403)</u>
Cash flows from noncapital financing activities	
Cash received from operating grants	<u>31,639,370</u>
Net cash provided by noncapital financing activities	<u>31,639,370</u>
Cash flows from capital and related financing activities	
Cash received from capital grants	14,413,886
Acquisition and construction of capital assets	(14,037,926)
Proceeds from sale of capital assets	<u>21,491</u>
Net cash provided by capital and related financing activities	<u>397,451</u>
Cash flows from investing activity	
Interest income received	<u>5,174</u>
Net cash provided by investing activity	<u>5,174</u>
Change in cash and cash equivalents	(1,727,408)
Cash and cash equivalents, beginning of year	<u>5,923,065</u>
Cash and cash equivalents, end of year	<u>\$ 4,195,657</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:	
Operating loss	\$ (41,688,069)
Provision for doubtful accounts	18,852
Depreciation	9,016,129
Changes in operating assets, liabilities and deferred outflows and inflows of resources:	
Accounts receivable	706,677
Inventory	(175,489)
Prepaid items	(161,837)
Deposits	(541,710)
Deferred outflows of resources related to pension	(4,657,619)
Accounts payable and accrued liabilities	59,499
Accrued payroll and related liabilities	45,703
Retention payable	265,897
Net pension asset/liability	(242,040)
Compensated absences	86,976
Claims payable	1,093,556
Deferred inflows of resources related to pension	<u>2,404,072</u>
Net cash used in operating activities	<u>\$ (33,769,403)</u>

See notes to financial statements.

SunLine Transit Agency
Statement of Fiduciary Net Position – Pension Trust Funds
June 30, 2021

	December 31, 2020*
ASSETS	
Cash and cash equivalents	\$ 803,380
Receivables:	
Contributions	110,782
Interest	17
Dividends	40,673
Investments, at fair value:	
Mutual funds	72,122,266
Total assets	73,077,118
 NET POSITION	
Fiduciary net position restricted for pension benefits	\$ 73,077,118

**Measurement date used in this report was as of December 31, 2020*

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See notes to financial statements.

SunLine Transit Agency
Statement of Changes in Fiduciary Net Position – Pension Trust Funds
Year ended June 30, 2021

	<u>Year ended December 31, 2020*</u>
ADDITIONS	
Contributions:	
Employer	\$ 2,242,032
Participants	513,455
Investment income:	
Interest	3,837
Dividend	1,403,040
Net appreciation (depreciation) in fair value of investments	<u>8,912,208</u>
Total additions	<u>13,074,572</u>
DEDUCTIONS	
Benefits paid to participants and beneficiaries	1,815,027
Administrative expenses	<u>155,730</u>
Total deductions	<u>1,970,757</u>
CHANGE IN NET POSITION	11,103,815
NET POSITION RESTRICTED FOR PENSION BENEFITS	
Beginning of year	<u>61,973,303</u>
End of year	<u>\$ 73,077,118</u>

**Measurement date used in this report was for the year ended December 31, 2020.*

See notes to financial statements.

NOTE 1 REPORTING ENTITY

SunLine Joint Powers Transportation Agency (doing business as SunLine Transit Agency) ("STA") ("Agency"), was originally formed by the County of Riverside, California, and the cities in the Coachella Valley to provide transportation services in the Coachella Valley. STA is a special purpose government and is eligible for funding under Section 99200 et. seq. of the California Public Utilities Code.

Accounting principles generally accepted in the United States of America require that these financial statements represent STA and its component units. A component unit is included in the primary government's financial statements, if STA appoints a majority of the component unit's board of directors or if the governing body is substantively the same as STA, if the component unit provides services or other benefits almost entirely to the primary government, and if STA is financially accountable for the component unit.

The component units discussed below are legally separate component units, however, it is included in STA's reporting entity because STA appoints majority of its board of directors and STA is considered financially accountable for its operations.

Included within the reporting entity as blended component unit:

SunLine Services Group ("SSG") was formed in 1993 in order to enhance public/private partnerships in the Coachella Valley. SSG operations include regulation, licensing, and franchising the taxicabs and alternative transportation in the Coachella Valley. Effective July 1, 1996, SSG adopted ordinances to give it the authority to regulate taxicab.

Included as Fiduciary Funds:

SunLine Transit Retirement Income Plan for Bargaining Unit Personnel and SunLine Transit Retirement Income Plan for Non-Bargaining Unit Personnel (Plans) are single employer defined benefit pension plans that were established on February 1, 1980. SunLine Transit Retirement Income Plan for Bargaining Unit Personnel covers all collective bargaining employees of STA, regardless of hours worked. SunLine Transit Retirement Income Plan for Non-Bargaining Unit Personnel covers all employees who are considered to be full time and are not covered by the collective bargaining agreement of STA, provided they agree to make the mandatory employee contributions. STA is financially accountable for the Plans.

NOTE 2 SUMMARY SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Financial statement presentation follows the standards promulgated by the Governmental Accounting Standards Board ("GASB") commonly referred to as accounting principles generally accepted in the United States of America ("U.S. GAAP"). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The financial statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, the statement of cash flows, the statement of fiduciary net position and the statement of changes in fiduciary net position) report information on all of the activities of the primary government, its component unit, and pension trust funds.

Basis of Accounting and Measurement Focus

The financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

Operating revenues are those revenues that are generated from the primary operations of STA. STA reports a measure of operations by presenting the change in net position from operations as "operating income" in the statement of revenues, expenses, and changes in net position. Operating activities are defined by STA as all activities other than financing and investing activities (interest expense and investment income), and other infrequently occurring transaction of a nonoperating nature. Operating expenses are those expenses that are essential to the primary operations of STA. All other expenses are reported as nonoperating expenses.

Fiduciary Fund – Pension Trust Funds

The Pension Trust Funds account for the accumulated resources to be used to provide for retirement benefits to all members of the Plans. The Plans' financial statements are reported as of and for the year ended December 31, 2020 consistent with the Plan's year end.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities of 90 days or less and are carried at cost, which approximates fair value.

Investments

Investments are stated at fair value, which is based on quoted market price. Changes in fair value that occur during the fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

NOTE 2 SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Receivables are shown net of allowances for doubtful accounts, if any. Federal and State grants accrued as revenue when all eligibility requirements have been met. Amount earned but outstanding at year-end are reported as accounts receivable.

Inventory

Inventory consists of vehicle parts held for consumption, fuel and bus passes. Inventory is stated at the lower of weighted average cost or market.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items.

Deposits

Deposits represent amounts held by the Public Entity Risk Management Authority (PERMA) on behalf of STA to pay workers' compensation claims and other expenses that do not involve a transfer of risk to PERMA.

Capital Assets

Capital assets are valued at historical cost, or estimated historical cost, if actual historical cost was not available. Donated capital assets are valued at their estimated fair market value on the date of donation. STA policy has set the capitalization threshold for reporting capital assets at \$1,000, all of which must have an estimated useful life of more than one year. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Land improvements	10 – 20 years
Building	10 – 30 years
Office furniture and equipment	3 – 7 years
Vehicles	4 – 12 years
Equipment	5 – 10 years

Major outlays for capital assets are capitalized as projects, and once constructed, the related repairs and maintenance costs are expensed. Interest incurred during capital assets construction, if any, is capitalized as part of the asset cost, net of interest income earned on construction bond proceeds.

Compensated Absences

It is STA's policy to permit employees to accumulate earned but unused vacation leaves up to 500 hours and unlimited hours for unused sick leave. Management, non-exempt, and union employees begin to accrue vested vacation and sick hours upon being hired, except for part-time employees who begin to accrue such hours after the first year. Accumulated unpaid vacation and vested sick leave pay is recorded as an expense and a liability at the time the benefit is earned.

NOTE 2 SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Claims Payable

STA's uninsured claims are accrued and charged to expense when the claims are reasonably determinable and the existence of a liability is probable. Liabilities include amount for claims that have been incurred but not reported (IBNR).

Deferred Inflows and Outflows of Resources

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and therefore, not recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and therefore, are not recognized as revenue until that time.

Net Position

Net Position is classified as follows:

Net investment in capital assets – This is component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted - This component of net position are the amounts of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investments in capital assets or the restricted component of net position.

Use of Restricted/Unrestricted Resources

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

Federal, State, and Local Subventions

Federal, state and local governments have made various grants and subventions available to STA for operating assistance and acquisition of capital assets. Grants for operating assistance, the acquisition of equipment or other capital outlay are not formally recognized in the accounts until the grant becomes a valid receivable as a result of STA's complying with appropriate grant requirements. Operating assistance grants are included in nonoperating revenues in the year in which the related expenses are incurred. Revenues earned under capital grants are recorded as capital contributions.

NOTE 2 SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fuel and Lubricants Expense

STA allocates operating expenses to the fuel and lubricants expense on the statement of revenues, expenses and change in net position including salaries and benefits, and supplies, representing the costs incurred for the generation of CNG fuel by STA.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Pension Reporting

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of STA's pension plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported in the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

New Accounting Pronouncements, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements, that have effective dates that may impact future financial presentations. Management has not yet determined any impact the implementation of the following statements may have on the financial statements of STA.

GASB No. 84

In January 2017, the Governmental Accounting Standards Board issued Statement No. 84 "Fiduciary Activities". The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

GASB No. 87

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87 "Leases". The requirements of this Statement are effective for reporting periods beginning after December 15, 2022.

GASB No. 89

In June 2018, the Governmental Accounting Standards Board issued Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

NOTE 2 SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements, Not Yet Effective (Continued)

GASB No. 90

In August 2018, the Governmental Accounting Standards Board issued Statement No. 90 “Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61”. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

GASB No. 91

In May 2019, the Governmental Accounting Standards Board issued Statement No. 91, “Conduit Debt Obligations.” The requirements of this Statement are effective for reporting periods beginning after December 15, 2022.

GASB No. 92

In January 2020, the Governmental Accounting Standards Board issued Statement No. 92, “Omnibus 2020.” The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB No. 93

In March 2020, the Governmental Accounting Standards Board issued Statement No. 93, “Replacement of Interbank Offered Rates.” The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB No. 94

In May 2020, the Governmental Accounting Standards Board issued Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements.” The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB No. 95

In May 2020, the Governmental Accounting Standards Board issued Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance.” The Statement postponed the effective dates of certain Statements to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The effective dates of the affected Statements listed above have been updated to reflect the impact of this Statement.

GASB No. 96

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, “Subscription-Based Information Technology Arrangements.” The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB No. 97

In June 2020, the Governmental Accounting Standards Board issued Statement No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan – an amendment of GASB Statements No. 14, 84, and a suppression of GASB Statement No. 32.” The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

NOTE 3 CASH AND INVESTMENTS

Cash and investments consisted of the following:

Reported in Enterprise Funds:

	<u>STA</u>	<u>SSG</u>	<u>Total</u>
Cash on hand	\$ 1,100	\$ 100	\$ 1,200
Deposits with financial institutions	3,251,827	338,341	3,590,168
Investments - LAIF	604,289	-	604,289
Total cash and investments	<u>\$ 3,857,216</u>	<u>\$ 338,441</u>	<u>\$ 4,195,657</u>

Reported in Pension Trust Funds (December 31, 2020):

	<u>Bargaining Plan</u>	<u>Non-Bargaining Plan</u>	<u>Total</u>
Cash and cash equivalents	\$ 426,008	\$ 377,372	\$ 803,380
Investments, at fair value	35,947,123	36,175,143	72,122,266
Total cash and investments	<u>\$ 36,373,131</u>	<u>\$ 36,552,515</u>	<u>\$ 72,925,646</u>

Demand Deposits

At fiscal year-end of 2021, the carrying amount of demand deposits was \$3,590,168 and the bank balance was \$4,862,847 of which the total amount was collateralized or insured with securities held by the pledging financial institutions in STA's name discussed as follows:

The California Government Code requires California banks and savings and loan associations to secure STA's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in STA's name.

The market value of pledged securities must equal at least 110% of STA's cash deposits. California law also allows institutions to secure Agency's deposits by pledging first trust deed mortgage notes having a value of 150% of STA's total cash deposits. STA may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). STA, however, has not waived the collateralization requirements.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Authorized Investments

The table below identifies the investment types that are authorized for STA by the California Government Code (or STA's investment policy where more restrictive), and certain provisions that address interest rate risk and concentration of risk.

Investment Type	Authorized by Investment Policy	Maturity	Maximum Percentage of Portfolio	Maximum Investments in One Issuer
Local Agency Bonds	No	N/A	N/A	N/A
U.S. Treasury Obligations	Yes	5 years	None	None
Federal Agency Securities	Yes	5 years	25%	None
Banker's Acceptances	Yes	180 days	40%	None
Commercial Paper-Pooled Funds	Yes	270 days	40%	A-1
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements and Securities	No	N/A	N/A	None
Medium-Term Notes	Yes	5 years	30%	"A" Rating
Mutual Funds and Money Market Funds	No	N/A	20%	Multiple
Mortgage Pass-Through Securities	Yes	5 years	20%	"A" "A" Rating
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	\$50 million

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

The Agency's investment in LAIF has a maturity of less than one year.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a nationally recognized statistical rating organization. STA's investment in LAIF at June 30, 2021 was not rated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of STA's investment in a single issuer. The investment policy of STA contains no limitations on the amount that can be invested in one issuer beyond that stipulated by the California Government Code. As of June 30, 2021, STA did not have any investments in any one issuer (other than external investment pools) that represented 5% or more of its total investment portfolio.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, STA will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The California Government Code and STA's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the provision for deposits as disclosed previously.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investment in State Investment Pool

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based on the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. As of June 30, 2021, the Agency's investment in LAIF had a contractual withdrawal value of \$604,289.

Fair Value Measurement

STA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

STA's investments in LAIF as of June 30, 2021 is reported at the Agency's pro-rata share of the amortized cost provided by LAIF for the entire LAIF portfolio. This amount approximates fair value.

NOTE 4 DUE FROM OTHER GOVERNMENTAL AGENCIES

At June 30, 2021, due from other governmental agencies consisted of the following:

	2021	2020
Federal Transit Administration (FTA)	\$ 7,650,428	\$ 3,996,913
State Transit Assistance	2,336,508	2,523,004
Measure A	496,323	58,864
Local Transportation Fund (LTF)	113,927	477,496
CalTrans	9,429	560,671
Others	532,382	25,312
Total	\$ 11,138,997	\$ 7,658,884

Federal Transit Administration (FTA)

Under the provisions of the FTA, funds are available to the Agency for maintenance costs, acquisition, construction, improvement and maintenance of transit facilities, transit vehicles and equipment.

NOTE 4 DUE FROM OTHER GOVERNMENTAL AGENCIES (CONTINUED)

State Transit Assistance and Local Transportation Fund (LTF)

Local Transportation Fund (LTF) and the State Transit Assistance programs are created under the Transportation Development Act (TDA) by the State of California (State). Funds are available to the Agency for maintenance costs, acquisition, construction, improvement and maintenance of transit facilities, transit vehicles and equipment. Funds are administered by the Riverside County Transportation Commission.

Measure A

Measure A is a voter-approved one-half of one percent sales tax for the purpose of improving the transportation system of the Riverside County.

NOTE 5 CAPITAL ASSETS

Summary of changes in capital assets for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2021
Non-depreciable assets					
Land	\$ 3,141,003	\$ -	\$ -	\$ -	\$ 3,141,003
Construction in progress	20,405,086	13,964,937	-	(4,599,541)	29,770,482
Total nondepreciable assets	<u>23,546,089</u>	<u>13,964,937</u>	<u>-</u>	<u>(4,599,541)</u>	<u>32,911,485</u>
Depreciable assets					
Buildings	29,109,985	-	(232,026)	595,522	29,473,481
Land improvements	4,558,926	-	(23,611)	-	4,535,315
Facility improvements	3,367,364	18,868	(21,670)	927,546	4,292,108
Office furniture and equipment	7,664,607	11,897	(31,973)	296,823	7,941,354
Vehicles	79,886,626	43,340	(653,062)	2,632,218	81,909,122
Equipment	6,720,089	43,220	(372,640)	112,257	6,502,926
Total depreciable assets	<u>131,307,597</u>	<u>117,325</u>	<u>(1,334,982)</u>	<u>4,564,366</u>	<u>134,654,306</u>
Less accumulated depreciation	<u>(73,238,599)</u>	<u>(9,016,129)</u>	<u>1,325,821</u>	<u>-</u>	<u>(80,928,907)</u>
Total depreciable assets, net	<u>58,068,998</u>	<u>(8,898,804)</u>	<u>(9,161)</u>	<u>4,564,366</u>	<u>53,725,399</u>
Total capital assets, net	<u>\$ 81,615,087</u>	<u>\$ 5,066,133</u>	<u>\$ (9,161)</u>	<u>\$ (35,175)</u>	<u>\$ 86,636,884</u>

Depreciation expense for the year ended June 30, 2021 comprised of:

SunLine Transit Agency	\$ 9,015,684
SunLine Services Group	<u>445</u>
Total	<u>\$ 9,016,129</u>

NOTE 5 CAPITAL ASSETS (CONTINUED)

Changes in capital assets by funding source for the year ended June 30, 2021 were as follows:

	Federal Funds	State Transit / Prop 1B Funds	SGR Funds	TDA Funds	Measure A	Operator/ Other	Total
Balance at July 1, 2020	\$ 60,598,029	\$ 65,845,681	\$ 202,719	\$ 15,903,856	\$ 10,000	\$ 12,293,401	\$ 154,853,686
Additions	1,368,394	7,875,580	47,170	663,704	-	4,092,239	14,047,087
Deletions	(505,395)	(383,800)	-	(390,726)	-	(55,061)	(1,334,982)
Balance at June 30, 2021	\$ 61,461,028	\$ 73,337,461	\$ 249,889	\$ 16,176,834	\$ 10,000	\$ 16,330,579	\$ 167,565,791

NOTE 6 UNEARNED REVENUE

Unearned revenue represents excess capital and operating assistance. The following represent the amounts at June 30, 2021:

Capital Assistance	
State Transit Assistance	\$ 8,099
Proposition 1B	55,775
Low Carbon Transit Operations Program	2,060,933
Transportation Development Act	106,216
Operators/Others	1,508,777
Total capital assistance	<u>3,739,800</u>
Operating Assistance	
Low Carbon Transit Operations Program	508,528
Transportation Development Act	6,658,353
Operator/Others	183,004
Total operating assistance	<u>7,349,885</u>
Total	\$ <u>11,089,685</u>

Capital Assistance

Changes in unearned revenue by funding source for the year ended June 30, 2021 were as follows:

	Federal Funds	State Transit Funds	Prop 1 B Funds	LCTOP Funds	TDA Funds	SGR Funds	Operator/ Other Funds	Total
Excess capital funds at July 1, 2020	\$ -	\$ 1,271,272	\$ 141,379	\$ 1,022,832	\$ 87,241	\$ -	\$ 850,279	\$ 3,373,003
Interest earned	-	-	204	-	-	-	-	204
Allocation received/deferred	1,368,394	6,526,599	-	1,038,101	682,679	47,170	4,750,737	14,413,680
Funds available	1,368,394	7,797,871	141,583	2,060,933	769,920	47,170	5,601,016	17,786,887
Less: eligible costs - capitalized	(1,368,394)	(7,789,772)	(85,808)	-	(663,704)	(47,170)	(4,092,239)	(14,047,087)
Excess capital funds at June 30, 2021	\$ -	\$ 8,099	\$ 55,775	\$ 2,060,933	\$ 106,216	\$ -	\$ 1,508,777	\$ 3,739,800

NOTE 6 UNEARNED REVENUE (CONTINUED)

Operating Assistance

Changes in unearned revenue by funding source for the year ended June 30, 2021 was as follows:

	Federal Funds	TDA Funds	LCTOP Funds	Operator/ Other Funds	Total
Excess operating funds at July 1, 2020	\$ -	\$ 6,658,353	\$ 508,528	\$ 171,966	\$ 7,338,847
Allocation received/deferred	18,152,562	16,955,883	-	11,038	35,119,483
Funds available	18,152,562	23,614,236	508,528	183,004	42,458,330
Eligible costs	(18,152,562)	(16,955,883)	-	-	(35,108,445)
Excess operating funds at June 30, 2021	\$ -	\$ 6,658,353	\$ 508,528	\$ 183,004	\$ 7,349,885

NOTE 7 LONG-TERM OBLIGATIONS

Summary of changes in long-term obligations for the years ended June 30, 2021 was as follows:

	Balance			Balance June 30, 2021	Due Within One Year	Due In More Than One Year
	July 1, 2020	Additions	Reductions			
Claims payable	\$ 2,798,804	\$ 1,366,024	\$ (272,468)	\$ 3,892,360	\$ 973,213	2,919,147
Compensated absences	1,840,140	2,838,730	(2,751,754)	1,927,116	1,927,116	-
Net pension liability (asset)						
- non-bargaining	(834,199)	(3,367,437)	-	(4,201,636)	-	(4,201,636)
Net pension liability (asset)						
- bargaining	242,040	(1,151,217)	(2,120,831)	(3,030,008)	-	(3,030,008)
Total	\$ 4,046,785	\$ (313,900)	\$ (5,145,053)	\$ (1,412,168)	\$ 2,900,329	\$ (4,312,497)

Claims Payable

Claims payable at June 30, 2021, amounted to \$3,892,360. There is no fixed payment schedule for claims payable. See Note 8 for more detail.

Net Pension Liability (Asset)

Refer to Note 9 for information.

NOTE 8 RISK MANAGEMENT

STA is a participant in the Public Entity Risk Management Authority (PERMA) formed under a joint powers agreement between local governments and special districts for the purpose of jointly funding (pooling risks) general liability and workers' compensation insurance for the member agencies. STA's general liability self-insured retention is \$125,000 per claim. The total general liability coverage limit is \$50,000,000 per occurrence. Workers' compensation insurance costs are based on annual deposit premiums. STA's workers' compensation self-insured retention is \$250,000 per claim and coverage limits are statutory limits. Settlements have not exceeded insurance coverage for each of the past three years.

NOTE 8 RISK MANAGEMENT (CONTINUED)

If PERMA experiences an unusually large number of losses during a policy year, the funds for a given program may become exhausted. In such case, the Board of Directors of PERMA may impose premium surcharges on all members who were in the program at the time such loss or losses occurred in order to pay the necessary costs. Annual surcharges shall not exceed an amount equal to three times the member's annual premium for the policy year in which such loss occurred. STA's surcharge would be based upon its pro rata share of premiums paid in said year.

STA's self-insured retention for general and workers' compensation liabilities is based on an annual actuarial study discounted at 2%.

Separate financial statements for PERMA are available at 36-951 Cook Street, Suite 101, Palm Desert, California 92211.

NOTE 9 EMPLOYEE RETIREMENT PLANS

Plan Description

STA contributes to the SunLine Transit Retirement Income Plans for Bargaining and Non-Bargaining Personnel (Plans), single-employer defined benefit pension plans. STA administers the Plans through a Retirement Committee appointed by STA's Board of Directors.

Bargaining and non-bargaining participants are 100 percent vested in their accrued benefit after completion of five years of credited service. Normal retirement age is 62; however, an employee may retire prior to age 62, provided he/she has attained age 55 or has completed 25 years of credited service. Employees who retire early are subject to a reduced benefit. An employee may remain employed after his/her normal retirement age and receive an increased benefit. Non-bargaining employees shall at all times be 100 percent vested in their contributions.

Bargaining Personnel Plan - Prior to June 30, 2007, the amount of the monthly retirement benefit at the normal retirement date shall be equal to 1/90 of the first \$400 of Final Average Monthly Earnings (FAME) plus 1/60 of the excess of FAME over \$400, times years and completed quarters of credited service. The calculation was amended effective July 1, 2007, whereas benefit payments at the normal retirement date shall be equal to 1/60 of FAME, multiplied by years and completed quarters of service. FAME is the average of the 36 highest consecutive months of earnings as a participant. If the employee has attained age 62 at termination and completed ten years of service, the minimum monthly benefit is \$400. Earnings mean compensation paid during a plan year as an eligible employee, excluding any compensation paid as bonuses, overtime, or other extra pay. A year of credited service for each plan year is earned during which an employee is employed full time for STA. The basic form of benefit payment is a life annuity; however, various joint and survivor annuity forms are available, provided certain requirements are met.

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Plan Description (Continued)

Non-Bargaining Personnel Plan - The amount of the monthly retirement benefit at the normal retirement date shall be equal to the greater of a) 2.5 percent times FAME times years of credited service (FAME is the average of the 36 highest consecutive months of earnings as a participant) or b) if the employee has attained age 62 at termination and completed ten years of service, the minimum monthly benefit is \$400. Earnings mean compensation paid during a plan year as an eligible employee, excluding any compensation paid as bonuses, overtime, or other extra pay. The maximum benefit is 90% of FAME. A year of credited service for each plan year is earned during which an employee is employed full time for STA. The basic form of benefit payment is a life annuity; however, various joint and survivor annuity forms are available, provided certain requirements are met.

Death, Disability and Termination Benefits Under the Plans - If an active employee (participant) dies, a death benefit may be paid to the participant's spouse, (or dependent under age 21) provided the participant has completed five years of credited service. The benefit is the participant's accrued benefit assuming that the participant retired on the day prior to their death. If an employee becomes totally and permanently disabled after completing ten years of services he/she shall be entitled to receive an unreduced pension equal to 2.5 percent of FAME times years of service. This benefit cannot exceed the projected benefit at age 62 based on current FAME and total service assuming continued employment until age 62. If a participant who has completed five years of vesting service is terminated for any reason other than death, he/she will be entitled to receive his/her normal benefit upon attainment of age 55.

Separate financial statements for the Plans may be obtained from STA.

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

	<u>Bargaining</u>	<u>Non-Bargaining</u>
Benefit formula at normal retirement age	1.6% @ 62	2.5% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	55 - 62	55 - 62
Monthly benefits, as a % of eligible	1.6%	2.0% to 2.5%
Required employee contribution rates	none	3%
Required employer contribution rates	8.80%	18.80%

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Employees Covered – At December 31, 2020, valuation date, the following employees were covered by the benefit terms of each Plan:

	Bargaining	Non-Bargaining
Inactive employees or beneficiaries		
currently receiving benefits	102	60
Inactive employees entitled to but		
not yet receiving benefits	95	109
Active employees	294	120
	491	289

Investment Policy – The financial goal for the Plans is to provide funding for the benefits on the most cost efficient basis to STA. The objectives of the Retirement Committee is the preservation of principal, assurance of liquidity to meet the cash needs of the plan, and obtaining the maximum investment yield consistent with those objectives. Assets shall be invested in accordance with federal and state regulations, although the Retirement Committee has determined that investment of the Plans' assets will not be permitted in warrants, commodities or options, other than U.S. treasury bonds, notes and futures, margin purchases or short sales, and such other assets as may be specified by the Retirement Committee from time to time.

The Plans' target asset allocation is summarized below:

	Target
Cash and cash equivalent	0%
Fixed income	40%
Equities	60%
	100%

Plans' Investments – US Bank was the custodian for all of the Plans' investments at December 31, 2020. The Plans do not have any funds or deposits that are not covered by depository insurance, nor does the Plans have any investments that are not registered in the name of the Plans. The Plans assets are invested in mutual funds and therefore the Plans' assets are not exposed to interest rate risk or credit risk. The Plans' investments were also not exposed to foreign currency risk, which is the risk that any deposit or investment denominated in foreign currency bear a potential risk of loss arising from changes in currency exchange rates. The Plans' assets, which consisted of mutual funds, were measured using level 1 inputs as defined in Note 3. The Plans had the following non-participant directed investments that were greater than five percent of the Plans' fiduciary net position as of December 31, 2020:

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Plans' Investments (Continued)

		<u>Bargaining</u>	<u>Non-Bargaining</u>	<u>Total</u>
JOHCM International Select Fund	Mutual Fund	\$ 1,868,451	\$ 1,880,009	\$ 3,748,460
Vanguard Total International Stock Index Admiral Fund	Mutual Fund	2,390,939	2,405,798	4,796,737
Vanguard Total Stock Market Index Admiral Fund	Mutual Fund	12,066,318	12,156,630	24,222,948
Baird Core Plus Bond Institutional Fund	Mutual Fund	3,438,053	3,472,507	6,910,560
DoubleLine Core Fixed Income I Fund	Mutual Fund	1,624,918	1,635,267	3,260,185
Voya Intermediate Bond Fund Class R6	Mutual Fund	2,159,178	2,169,817	4,328,995
Harding Loevner International Equity	Mutual Fund	1,874,130	1,885,784	3,759,914
Jensen Quality Growthn Fund Class Y	Mutual Fund	1,381,324	-	1,381,324
PGIM Total Return Bond CL R6	Mutual Fund	4,064,382	4,086,966	8,151,348
		<u>30,867,693</u>	<u>29,692,778</u>	<u>60,560,471</u>
Aggregate of non-participant directed investments less than five percent of the Plan's fiduciary net position:		<u>5,079,430</u>	<u>6,482,365</u>	<u>11,561,795</u>
		<u>\$ 35,947,123</u>	<u>\$ 36,175,143</u>	<u>\$ 72,122,266</u>

The annual money-weighted rate of return on pension plan investments, net of investment expense, for the Bargaining and Non-Bargaining Plans for the plan year ended December 31, 2020 were 16.59% and 16.57%, respectively. Money-weighted rate of return expresses investment performance, net of plan investment expense, adjusted for the changing amounts actually invested.

Detailed information about each pension plan's investments is available in the separately issued audited financial reports.

Contributions – Funding contributions for both Plans are determined annually on an actuarial basis as of January 1 by an 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 Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Net Pension Liability (Asset)

The Agency's net pension liability (asset) for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability (asset) of the Plan is measured as of December 31, 2020, using an actuarial valuation as of the same date. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – The total pension liabilities in the December 31, 2020 actuarial valuations were determined using the following actuarial assumptions:

	<u>Bargaining</u>	<u>Non-Bargaining</u>
Valuation Date	January 1, 2020	January 1, 2020
Measurement Date	December 31, 2019	December 31, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Discount Rate	6.0%	6.0%
Cost-of-living Increases	None	3% per year, compounded annually
Inflation	2.75%	2.75%
Projected Salary	3.0% ⁽¹⁾	4.0% ⁽¹⁾
Investment Rate of Return	6.0% ⁽²⁾	6.0% ⁽²⁾
Mortality	RP-2006 ¹ Blue Collar Mortality Tables with generational improvements beginning in 2006 based on the Social Security Administration's assumption scale. After disablement, the RP-2006 ² Disabled Retiree Table with generational improvements beginning in 2006 based on the Social Security Administration's assumption scale.	RP-2006 ¹ Blue Collar Mortality Tables with generational improvements beginning in 2006 based on the Social Security Administration's assumption scale. After disablement, the RP-2006 ² Disabled Retiree Table with generational improvements beginning in 2006 based on the Social Security Administration's assumption scale.

⁽¹⁾ Compounded annually. Compensation for the year beginning on the valuation date is based on the hourly rate on the valuation date multiplied by 2,080. Future compensation is limited to \$275,000 per year. For participants subject to PEPRA, future compensation is limited to \$149,016. This limit is assumed to increase by 3% per year.

⁽²⁾ Net of investment expenses, compounded annually

¹ These are the RP-2014 Blue Collar Mortality Tables with the MP-2014 generational projection scale removed from the central year of the study (2006) to 2014.

² These are the RP-2006 Disabled Retiree Mortality Tables with the MP-2014 generational projection scale removed from the central year of the study (2006) to 2014.

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Given the size of the plan, there is not enough data available to conduct credible experience study. The assumptions are not anticipated to produce significant cumulative actuarial gains or losses over time. The liabilities and data are analyzed each year in order to identify any trends of experience deviation from the actuarial assumptions.

Long-term Expected Rate of Return – The long-term expected rate of return on pension plan investments was determined using a building-block method where expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of the December 31, 2020 measurement date are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income equities securities	40%	2.10%
Domestic equities	50%	4.50%
International equities	10%	4.40%
Cash	0%	0.50%
	100%	

Discount Rate – The discount rate used to measure the total pension liability was 6.00% for both Plans. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. An explicit cost for Plan expenses was not included in the valuation. The 6.00% investment return used in this accounting valuation is assumed to be net of administrative expenses. An investment return excluding administrative expenses would have been higher than 6.00%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. STA believes the difference in calculation will not lead to a material difference.

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Changes in the Net Pension Liability

The following tables show the changes in net pension liability (asset) over the measurement period:

	Bargaining Increase(Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability / (Asset)
Balance at 12/31/2019	\$ 31,029,032	\$ 30,786,992	\$ 242,040
Changes recognized for the measurement period:			
Service cost	1,213,301	-	1,213,301
Interest	1,910,847	-	1,910,847
Differences between expected and actual experiences	-	-	-
Changes of assumptions	-	-	-
Contributions from the employer	-	1,007,430	(1,007,430)
Contributions from the employee	-	323,330	(323,330)
Net Investment Income	-	5,145,119	(5,145,119)
Administrative expenses	-	(79,683)	79,683
Benefit payments, including refunds of employee contributions	(789,772)	(789,772)	-
Net changes during 2020	2,334,376	5,606,424	(3,272,048)
Balance at 12/31/2020	\$ 33,363,408	\$ 36,393,416	\$ (3,030,008)

	Non-Bargaining Plan Increase(Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability / (Asset)
Balance at 12/31/2019	\$ 30,249,446	\$ 31,083,645	\$ (834,199)
Changes recognized for the measurement period:			
Service cost	1,286,954	-	1,286,954
Interest	1,861,389	-	1,861,389
Differences between expected and actual experiences	-	-	-
Changes of assumptions	-	-	-
Contributions from the employer	-	1,214,312	(1,214,312)
Contributions from the employee	-	202,300	(202,300)
Net Investment Income	-	5,175,214	(5,175,214)
Administrative expenses	-	(76,046)	76,046
Benefit payments, including refunds of employee contributions	(1,026,502)	(1,026,502)	-
Net changes during 2020	2,121,841	5,489,278	(3,367,437)
Balance at 12/31/2020	\$ 32,371,287	\$ 36,572,923	\$ (4,201,636)

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of STA for each Plan, calculated using the discount rate for each Plan, as well as what STA’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Bargaining</u>	<u>Non-Bargaining</u>
1% Decrease	5.00%	5.00%
Net Pension Liability	\$ 1,535,610	\$ 523,875
Current Discount Rate	6.00%	6.00%
Net Pension Liability (Asset)	\$ (3,030,008)	\$ (4,201,636)
1% Increase	7.00%	7.00%
Net Pension Liability (Asset)	\$ (6,805,770)	\$ (8,052,965)

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued audited financial reports.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2021, STA recognized total pension expense of \$(46,152). At June 30, 2021, STA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Pension contribution subsequent to measurement date	\$ 1,320,583	\$ -
Differences between expected and actual experience	231,616	(542,219)
Changes in assumptions	1,424,335	(244,802)
Net differences between projected and actual earnings on pension plan investments	2,451,497	(10,338,172)
Total	\$ 5,428,031	\$ (11,125,193)

Pension contribution made subsequent to measurement date amounting to \$1,320,583 was reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

December 31	Amount
2021	\$ (2,053,513)
2022	(1,155,518)
2023	(2,670,487)
2024	(1,138,227)

Payable to the Pension Plan

At June 30, 2021, the Agency has no outstanding amount of contributions to the pension plan.

NOTE 10 COMMITMENTS AND CONTINGENCIES

Lawsuits

STA and SSG were named in certain legal actions pending at June 30, 2021. While the outcome of these lawsuits is not presently determinable, in the opinion of management of STA and SSG, based in part on the advice of counsel, the resolution of these matters is not expected to have a material adverse effect on the financial position or results of operations of STA and SSG, or is adequately covered by insurance.

Federal and State Grant Programs

STA participates in Federal and State grant programs. These programs were audited in accordance with the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and applicable state requirements. No cost disallowance is expected as a result of these audits; however, these programs may be subject to further examination by the grantors. Awards which may be disallowed by the granting agencies, if any, cannot be determined at this time. Management expects such amounts, if any, to be immaterial.

Commitments

Commitments consist primarily of additions to operations equipment and building improvements. Significant commitments as of June 30, 2021 are as follows:

	Amount Authorized	Cumulative Expenses June 30, 2021	Unexpended Commitments
Project			
Bus and van purchases	\$ 8,239,173	\$ 456,850	\$ 7,782,322
Administrative building	6,436,493	5,985,491	451,003
CNG & Hydrogen Fueling Infrastructure	8,918,655	8,052,665	865,990
Equipment and other	297,440	-	297,440
	\$ 23,891,761	\$ 14,495,006	\$ 9,396,755

NOTE 11 TRANSPORTATION DEVELOPMENT ACT (TDA) COMPLIANCE

STA is subject to the provisions of the Public Utilities Code ("PUC") Section 99270.1 and must maintain a minimum fare ratio of 19.74% in 2020 of operating revenues to operating expenses.

After allocation of indirect costs to each type of service and taking into consideration certain cost exemption provisions of the TDA, STA's fare ratio for the year ended June 30, 2021 was 23.34%, as calculated below. STA is in compliance with the provisions of PUC Section 99270.1.

Farebox and other revenues	\$	2,916,374
Measure A		5,955,883
Interest		5,174
Total revenues		8,877,431
Net revenues	\$	8,877,431
Operating expenses	\$	44,550,092
Less:		
Depreciation		9,015,684
Pension expense (GASB 68 adjustment)		(2,495,587)
Net operating expenses	\$	38,029,995
Fare ratio		23.34%
Target ratio		19.74%

NOTE 12 PROPOSITION 1B

On November 7, 2006, the voters of the State of California approved the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, known as Proposition 1B. Proposition 1B included in a State program of funding in the amount of \$4 billion and \$1 billion to be deposited in the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) and Transit System Safety, Security and Disaster Response Account (TSSSDRA), respectively. PTMISEA funds can be used for rehabilitation, safety or modernization improvements, or for rolling stock procurement, rehabilitation or replacement. TSSSDRA funds can be used for transportation related security and safety projects.

Proposition 1B activity during the year ended June 30, 2021 was as follows:

	PTMISEA	TSSSDRA	Total
Unspent Prop 1B funds at July 1, 2020	\$ 168,027	\$ -	\$ 168,027
Prop 1 B transferred to Operating Account	-	-	-
Prop 1 B funds spent	(112,317)	-	(112,317)
Interest revenue earned on unspent Prop 1B funds	204	-	204
Unspent Prop 1B funds at June 30, 2020	\$ 55,914	\$ -	\$ 55,914

NOTE 13 IMPACT OF THE CORONAVIRUS ON THE ORGANIZATION'S OPERATIONS

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies of many countries including the geographical area where the Organization operates.

It is unknown how long this condition will last and what the complete financial effect will be to the Organization. However, management believes that the financial impact, if any, did not materially affect its June 30, 2021 financial statements.

NOTE 14 SUBSEQUENT EVENTS

The Agency has evaluated events subsequent to June 30, 2021 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through **OPEN DATE**, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

Sunline Transit Agency
Schedule of Changes in the Net Pension Liability and Related Ratios
As of June 30, 2021
Last Ten Years*

	Reporting Period		Reporting Period	
	2021		2020	
	Bargaining	Non-Bargaining	Bargaining	Non-Bargaining
Total Pension Liability				
Service cost	\$ 1,213,301	\$ 1,286,954	\$ 1,123,520	\$ 1,056,964
Interest	1,910,847	1,861,389	1,699,200	1,672,990
Differences between expected and actual experience	-	-	297,167	(185,002)
Changes of assumptions	-	-	1,088,323	1,397,572
Benefits payments, including refunds of employee contributions	(789,772)	(1,026,502)	(751,313)	(1,038,556)
Net change in total pension liability	2,334,376	2,121,841	3,456,897	2,903,968
Total pension liability - beginning	31,029,032	30,249,446	27,572,135	27,345,478
Total pension liability - ending ^(a)	\$ 33,363,408	\$ 32,371,287	\$ 31,029,032	\$ 30,249,446
Plan fiduciary net pension				
Contributions from the employer	\$ 1,007,430	\$ 1,214,312	\$ 1,137,127	\$ 1,202,250
Contributions from the employee	323,330	202,300	143,440	158,948
Net investment income	5,145,119	5,175,214	5,105,422	5,175,930
Benefits payments, including refunds of employee contributions	(789,772)	(1,026,502)	(751,313)	(1,038,556)
Administrative expenses	(79,683)	(76,046)	(77,740)	(68,989)
Net change in plan fiduciary net position	\$ 5,606,424	\$ 5,489,278	\$ 5,556,936	\$ 5,429,583
Plan fiduciary net position - beginning	30,786,992	31,083,645	25,230,056	25,654,062
Plan fiduciary net position - ending ^(b)	\$ 36,393,416	\$ 36,572,923	\$ 30,786,992	\$ 31,083,645
Net pension liability - ending ^{(a) - (b)}	\$ (3,030,008)	\$ (4,201,636)	\$ 242,040	\$ (834,199)
Plan fiduciary net position as a percentage of the total pension liability	109.08%	112.98%	99.22%	102.76%
Covered - employee payroll	\$ 11,077,510	\$ 5,204,655	\$ 11,077,510	\$ 5,204,655
Net pension liability as a percentage of covered - employee payroll	-27.35%	-80.73%	2.18%	-16.03%

Note to Schedule

* Fiscal Year 2015 was the 1st year of implementation

Sunline Transit Agency
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
As of June 30, 2021
Last Ten Years*

	Reporting Period 2019		Reporting Period 2018	
	Bargaining	Non-Bargaining	Bargaining	Non-Bargaining
Total Pension Liability				
Service cost	\$ 1,067,330	\$ 1,023,221	\$ 1,014,181	\$ 1,072,153
Interest	1,595,457	1,569,141	1,501,976	1,494,609
Differences between expected and actual experience	(252,563)	64,249	(341,121)	(417,693)
Changes of assumptions	-	-	-	-
Benefits payments, including refunds of employee contributions	<u>(723,427)</u>	<u>(880,536)</u>	<u>(616,895)</u>	<u>(835,332)</u>
Net change in total pension liability	1,686,797	1,776,075	1,558,141	1,313,737
Total pension liability - beginning	<u>25,885,338</u>	<u>25,569,403</u>	<u>24,327,197</u>	<u>24,255,666</u>
Total pension liability - ending ^(a)	<u>\$ 27,572,135</u>	<u>\$ 27,345,478</u>	<u>\$ 25,885,338</u>	<u>\$ 25,569,403</u>
Plan fiduciary net pension				
Contributions from the employer	\$ 1,332,751	\$ 1,163,831	\$ 1,240,460	\$ 1,056,891
Contributions from the employee	-	154,443	-	139,280
Net investment income	(1,445,368)	(1,480,804)	3,196,447	3,301,003
Benefits payments, including refunds of employee contributions	(723,427)	(880,536)	(616,895)	(835,332)
Administrative expenses	<u>(89,608)</u>	<u>(89,087)</u>	<u>(164,498)</u>	<u>(176,739)</u>
Net change in plan fiduciary net position	\$ (925,652)	\$ (1,132,153)	\$ 3,655,514	\$ 3,485,103
Plan fiduciary net position - beginning	<u>26,155,708</u>	<u>26,786,215</u>	<u>22,500,194</u>	<u>23,301,112</u>
Plan fiduciary net position - ending ^(b)	<u>\$ 25,230,056</u>	<u>\$ 25,654,062</u>	<u>\$ 26,155,708</u>	<u>\$ 26,786,215</u>
Net pension liability - ending ^{(a) - (b)}	<u>\$ 2,342,079</u>	<u>\$ 1,691,416</u>	<u>\$ (270,370)</u>	<u>\$ (1,216,812)</u>
Plan fiduciary net position as a percentage of the total pension liability	91.51%	93.81%	101.04%	104.76%
Covered - employee payroll	\$ 10,495,187	\$ 4,842,573	\$ 9,937,276	\$ 4,939,705
Net pension liability as a percentage of covered - employee payroll	22.32%	34.93%	-2.72%	-24.63%

Note to Schedule

* Fiscal Year 2015 was the 1st year of implementation

Sunline Transit Agency
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
As of June 30, 2021
Last Ten Years*

	Reporting Period 2017		Reporting Period 2016	
	Bargaining	Non-Bargaining	Bargaining	Non-Bargaining
Total Pension Liability				
Service cost	\$ 963,077	\$ 987,864	\$ 786,230	\$ 838,631
Interest	1,396,512	1,443,007	1,319,280	1,380,214
Differences between expected and actual experience	(97,435)	(866,759)	43,602	(461,064)
Changes of assumptions	-	-	(565,426)	(130,456)
Benefits payments, including refunds of employee contributions	<u>(494,152)</u>	<u>(741,407)</u>	<u>(452,533)</u>	<u>(718,599)</u>
Net change in total pension liability	1,768,002	822,705	1,131,153	908,726
Total pension liability - beginning	<u>22,559,195</u>	<u>23,432,961</u>	<u>21,428,042</u>	<u>22,524,235</u>
Total pension liability - ending ^(a)	<u>\$ 24,327,197</u>	<u>\$ 24,255,666</u>	<u>\$ 22,559,195</u>	<u>\$ 23,432,961</u>
Plan fiduciary net pension				
Contributions from the employer	\$ 1,171,779	\$ 1,043,297	\$ 1,017,569	\$ 972,058
Contributions from the employee	-	131,637	-	124,295
Net investment income	1,553,438	1,619,088	(134,851)	(140,493)
Benefits payments, including refunds of employee contributions	(494,152)	(741,407)	(452,533)	(718,599)
Administrative expenses	<u>(181,447)</u>	<u>(186,344)</u>	<u>(162,245)</u>	<u>(172,502)</u>
Net change in plan fiduciary net position	\$ 2,049,618	\$ 1,866,271	\$ 267,940	\$ 64,759
Plan fiduciary net position - beginning	<u>20,450,576</u>	<u>21,434,841</u>	<u>20,182,636</u>	<u>21,370,082</u>
Plan fiduciary net position - ending ^(b)	<u>\$ 22,500,194</u>	<u>\$ 23,301,112</u>	<u>\$ 20,450,576</u>	<u>\$ 21,434,841</u>
Net pension liability - ending ^{(a) - (b)}	<u>\$ 1,827,003</u>	<u>\$ 954,554</u>	<u>\$ 2,108,619</u>	<u>\$ 1,998,120</u>
Plan fiduciary net position as a percentage of the total pension liability	92.49%	96.06%	90.65%	91.47%
Covered - employee payroll	\$ 9,306,674	\$ 4,429,828	\$ 7,395,958	\$ 3,608,769
Net pension liability as a percentage of covered - employee payroll	19.63%	21.55%	28.51%	55.37%

Note to Schedule

* Fiscal Year 2015 was the 1st year of implementation

Sunline Transit Agency
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
As of June 30, 2021
Last Ten Years*

	Reporting Period	
	2015	
	Bargaining	Non-Bargaining
Total Pension Liability		
Service cost	\$ 722,633	\$ 832,999
Interest	1,168,813	1,248,085
Differences between expected and actual experience	38,118	(491,252)
Changes of assumptions	948,715	1,267,953
Benefits payments, including refunds of employee contributions	(415,646)	(603,943)
Net change in total pension liability	2,462,633	2,253,842
Total pension liability - beginning	18,965,409	20,270,393
Total pension liability - ending ^(a)	<u>\$ 21,428,042</u>	<u>\$ 22,524,235</u>
Plan fiduciary net pension		
Contributions from the employer	\$ 838,727	\$ 850,854
Contributions from the employee	-	119,857
Net investment income	827,017	878,786
Benefits payments, including refunds of employee contributions	(415,646)	(603,943)
Administrative expenses	(16,569)	(16,079)
Net change in plan fiduciary net position	\$ 1,233,529	\$ 1,229,475
Plan fiduciary net position - beginning	18,949,107	20,140,607
Plan fiduciary net position - ending ^(b)	<u>\$ 20,182,636</u>	<u>\$ 21,370,082</u>
Net pension liability - ending ^{(a) - (b)}	<u>\$ 1,245,406</u>	<u>\$ 1,154,153</u>
Plan fiduciary net position as a percentage of the total pension liability	94.19%	94.88%
Covered - employee payroll	\$ 7,171,287	\$ 3,626,818
Net pension liability as a percentage of covered - employee payroll	17.37%	31.82%

Note to Schedule

* Fiscal Year 2015 was the 1st year of implementation

**SunLine Transit Agency
Schedule of Contributions – Bargaining Plan
Last Ten Years***

Year Ended December 31	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contributions Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2011	\$ 959,580	\$ 1,028,823	\$ (69,243)	6,514,916	15.60%
2012	1,011,840	1,045,458	(33,618)	6,593,082	15.23%
2013	916,788	999,727	(82,939)	6,862,649	13.94%
2014	693,586	838,727	(145,141)	7,171,287	11.34%
2015	891,288	1,017,569	(126,281)	7,395,958	10.93%
2016	1,175,179	1,171,779	3,400	9,306,674	11.79%
2017	1,276,570	1,240,460	36,110	9,937,276	11.82%
2018	1,271,919	1,332,751	(60,832)	10,495,187	12.70%
2019	1,332,533	1,137,127	195,406	11,077,510	10.27%
2020	1,233,598	1,022,792	210,806	11,332,605	9.03%

Notes to Schedule

Actuarially determined contributions are calculated annually, at the beginning of each Plan year in which contributions are reported. Methods and assumptions used to determine contributions are as follows:

Actuarial cost method	Aggregate Actuarial Cost Method
Amortization method	Level percentage of payroll
Remaining amortization period	Remaining working lifetime
Asset valuation method	Actuarial value of assets is the market value of funds held by custodian with accrued contributions and accrued interest and dividends.
Inflation	2.75%
Salary increases	3.00%, including merit, seniority, and inflation.
Investment rate of return	6.00% per annum, net of investment expenses, compounded annually.
Retirement age	Retirement age varies based on employees' age and year of service
Mortality	RP-2006 Blue Collar Mortality Tables with generational improvements beginning in 2006 based on the Social Security Administration's assumption scale. After disablement, the RP-2006 Disabled Retiree Table with generational improvements beginning in 2006 based on the Social Security Administration's assumption scale. The RP-2006 Mortality Tables are the RP-2014 Mortality tables with the MP-2014 generational projection scale removed from the central year of the study (2006) to 2014.

**SunLine Transit Agency
Schedule of Contributions – Non-Bargaining Plan
Last Ten Years***

Year Ended December 31	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contributions Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2011	\$ 1,013,700	\$ 1,072,780	\$ (59,080)	\$ 3,295,632	32.55%
2012	1,063,500	1,120,580	(57,080)	3,288,878	34.07%
2013	960,708	1,168,010	(207,302)	3,626,818	32.20%
2014	709,392	970,711	(261,319)	3,608,769	26.90%
2015	838,188	972,058	(133,870)	4,429,828	21.94%
2016	1,053,887	1,043,297	10,590	4,939,705	21.12%
2017	1,088,228	1,056,891	31,337	4,842,573	21.82%
2018	979,399	1,163,831	(184,432)	4,842,573	24.03%
2019	1,043,456	1,202,250	(158,794)	5,204,655	23.10%
2020	1,363,614	1,219,240	144,374	6,016,305	20.27%

Notes to Schedule

Actuarially determined contributions are calculated annually, at the beginning of each Plan year in which contributions are reported. Methods and assumptions used to determine contributions are as follows:

Actuarial cost method	Aggregate Actuarial Cost Method
Amortization method	Level percentage of payroll
Remaining amortization period	Remaining working lifetime
Asset valuation method	Actuarial value of assets is the market value of funds held by custodian with accrued contributions and accrued interest and dividends.
Inflation	2.75%
Salary increases	4.00%
Investment rate of return	6.00% per annum, net of investment expenses, compounded annually.
Retirement age	Retirement age varies based on employees' age and year of service
Mortality	RP-2006 Blue Collar Mortality Tables with generational improvements beginning in 2006 based on the Social Security Administration's assumption scale. After disablement, the RP-2006 Disabled Retiree Table with generational improvements beginning in 2006 based on the Social Security Administration's assumption scale. The RP-2006 Mortality Tables are the RP-2014 Mortality tables with the MP-2014 generational projection scale removed from the central year of the study (2006) to 2014.

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SUPPLEMENTARY INFORMATION

SunLine Transit Agency
Combining Statements of Net Position
June 30, 2021

	STA	SSG	Total
ASSETS			
Current assets:			
Cash and investments	\$ 3,857,216	\$ 338,441	\$ 4,195,657
Accounts receivable, net	2,237,646	247	2,237,893
Due from other governmental agencies	11,138,997	-	11,138,997
Inventory	1,172,708	-	1,172,708
Prepaid items	866,945	-	866,945
Total current assets	19,273,512	338,688	19,612,200
Noncurrent assets:			
Deposits	2,730,650	-	2,730,650
Net pension asset	7,231,644	-	7,231,644
Capital assets, not depreciated	32,911,485	-	32,911,485
Capital assets, depreciated	53,724,430	969	53,725,399
Total noncurrent assets	96,598,209	969	96,599,178
Total assets	115,871,721	339,657	116,211,378
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pension	5,428,031	-	5,428,031
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	2,532,992	9,756	2,542,748
Accrued payroll and related liabilities	360,332	6,708	367,040
Retention payable	657,420	-	657,420
Compensated absences	1,913,753	13,363	1,927,116
Claims payable - current portion	973,213	-	973,213
Unearned revenue	11,089,685	-	11,089,685
Total current liabilities	17,527,395	29,827	17,557,222
Noncurrent liabilities:			
Claims payable - noncurrent portion	2,919,147	-	2,919,147
Total noncurrent liabilities	2,919,147	-	2,919,147
Total liabilities	20,446,542	29,827	20,476,369
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pension	11,125,193	-	11,125,193
NET POSITION			
Net investment in capital assets	86,635,915	969	86,636,884
Unrestricted	3,092,102	308,861	3,400,963
Total net position	\$ 89,728,017	\$ 309,830	\$ 90,037,847

See independent auditor's report.

SunLine Transit Agency
Combining Statements of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2021

	STA	SSG	Total
OPERATING REVENUES			
Passenger fares	\$ 334,651	\$ -	\$ 334,651
CNG and hydrogen fuel sales	2,011,578	-	2,011,578
Taxi license fees	-	198,792	198,792
Other	539,488	-	539,488
Total operating revenues	2,885,717	198,792	3,084,509
Operating expenses			
Salaries and employee benefits	23,252,492	-	23,252,492
Depreciation	9,015,684	445	9,016,129
Services	3,439,707	28,929	3,468,636
Bad debts	6,510	12,342	18,852
Casualty and liability costs	3,511,933	7,894	3,519,827
Materials and supplies	1,990,049	2,726	1,992,775
Utilities	2,543,084	4,488	2,547,572
Tires and tubes	196,314	-	196,314
Taxes	84,616	-	84,616
Administrative	-	161,788	161,788
Fuel and lubricants	103,172	-	103,172
Miscellaneous	406,531	3,874	410,405
Total operating expenses	44,550,092	222,486	44,772,578
OPERATING LOSS	(41,664,375)	(23,694)	(41,688,069)
NONOPERATING REVENUES			
Operating grants:			
Local Transportation Fund	11,000,000	-	11,000,000
Measure A	5,955,883	-	5,955,883
Federal Transit Administration -Section 5307	16,908,195	-	16,908,195
Federal Transit Administration -Section 5309	119,700	-	119,700
Federal Transit Administration -Section 5310	18,747	-	18,747
Federal Transit Administration -Section 5311	609,306	-	609,306
Federal Transit Administration -Section 5311(f)	185,187	-	185,187
Federal Transit Administration - Others	311,427	-	311,427
Total operating grants	35,108,445	-	35,108,445
Interest income	5,174	-	5,174
Gain on sale of capital assets, net	21,491	-	21,491
Total nonoperating revenues	35,135,110	-	35,135,110
LOSS BEFORE CAPITAL CONTRIBUTIONS	(6,529,265)	(23,694)	(6,552,959)
CAPITAL CONTRIBUTIONS			
Capital grants:			
Federal Transit Administration	1,368,394	-	1,368,394
State Transit Assistance	7,789,771	-	7,789,771
Proposition 1B	85,809	-	85,809
Local Transportation Fund	663,704	-	663,704
Other	4,139,411	-	4,139,411
Total capital contributions	14,047,089	-	14,047,089
CHANGE IN NET POSITION	7,517,824	(23,694)	7,494,130
NET POSITION			
Beginning of year	82,210,193	333,524	82,543,717
End of year	\$ 89,728,017	\$ 309,830	\$ 90,037,847

See independent auditor's report.

SunLine Transit Agency
Combining Statements of Cash Flows
Year ended June 30, 2021

	<u>STA</u>	<u>SSG</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from customers	\$ 3,568,817	\$ 222,369	\$ 3,791,186
Cash payments to suppliers for goods and services	(11,739,394)	(44,007)	(11,783,401)
Cash payments to employees for services	(25,620,060)	(157,128)	(25,777,188)
Net cash used in operating activities	(33,790,637)	21,234	(33,769,403)
Cash flows from noncapital financing activities			
Cash received from operating grants	31,639,370	-	31,639,370
Net cash provided by noncapital financing activities	31,639,370	-	31,639,370
Cash flows from capital and related financing activities			
Cash received from capital grants	14,413,886	-	14,413,886
Acquisition and construction of capital assets	(14,037,926)	-	(14,037,926)
Proceeds from sale of capital assets	21,491	-	21,491
Net cash provided by capital and related financing activities	397,451	-	397,451
Cash flows from investing activity			
Interest income received	5,174	-	5,174
Cash provided by investing activity	5,174	-	5,174
Change in cash and cash equivalents	(1,748,642)	21,234	(1,727,408)
Cash and cash equivalents, beginning of year	5,605,858	317,207	5,923,065
Cash and cash equivalents, end of year	\$ 3,857,216	\$ 338,441	\$ 4,195,657
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (41,664,375)	\$ (23,694)	\$ (41,688,069)
Write off of bad debts	6,510	12,342	18,852
Depreciation	9,015,684	445	9,016,129
Changes in operating assets, liabilities and deferred outflows and inflows of resources:			
Accounts receivable	683,100	23,577	706,677
Inventory	(175,489)	-	(175,489)
Prepaid items	(161,837)	-	(161,837)
Deposits	(541,710)	-	(541,710)
Deferred outflows of resources related to pension	(4,657,619)	-	(4,657,619)
Accounts payable and accrued liabilities	55,595	3,904	59,499
Accrued payroll and related liabilities	45,275	428	45,703
Retention payable	265,897	-	265,897
Net pension asset/liability	(242,040)	-	(242,040)
Compensated absences	82,744	4,232	86,976
Claims payable	1,093,556	-	1,093,556
Deferred inflows of resources related to pension	2,404,072	-	2,404,072
Net cash used in operating activities	\$ (33,790,637)	\$ 21,234	\$ (33,769,403)

See independent auditor's report.

SunLine Transit Agency
Combining Statements of Fiduciary Net Position – Pension Trust Funds
June 30, 2021

	As of December 31, 2020*		
	Bargaining	Non-Bargaining	Total
ASSETS			
Cash and cash equivalents	\$ 426,008	\$ 377,372	\$ 803,380
Receivables:			
Contributions	53,896	56,886	110,782
Interest	9	8	17
Dividends	20,273	20,400	40,673
Investments, at fair value:			
Mutual funds	35,947,123	36,175,143	72,122,266
Total assets	<u>36,447,309</u>	<u>36,629,809</u>	<u>73,077,118</u>
NET POSITION			
Fiduciary net position restricted for pension benefits	\$ <u>36,447,309</u>	\$ <u>36,629,809</u>	\$ <u>73,077,118</u>

*Measurement date used in this report was as of December 31, 2020.

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SunLine Transit Agency
Combining Statements of Changes in Fiduciary Net Position – Pension Trust Funds
Year ended June 30, 2021

	Year ended December 31, 2020*		
	Bargaining	Non-Bargaining	Total
ADDITIONS			
Contributions:			
Employer	\$ 1,022,792	\$ 1,219,240	\$ 2,242,032
Participants	310,522	202,933	513,455
Investment income:			
Interest	1,975	1,862	3,837
Dividend	699,139	703,901	1,403,040
Net appreciation (depreciation) in fair value of investments	4,444,004	4,468,204	8,912,208
Total additions	<u>6,478,432</u>	<u>6,596,140</u>	<u>13,074,572</u>
DEDUCTIONS			
Benefits paid to participants and beneficiaries	789,772	1,025,255	1,815,027
Administrative expenses	<u>79,683</u>	<u>76,047</u>	<u>155,730</u>
Total deductions	<u>869,455</u>	<u>1,101,302</u>	<u>1,970,757</u>
CHANGES IN NET POSITION	5,608,977	5,494,838	11,103,815
NET POSITION RESTRICTED FOR PENSION BENEFITS			
Beginning of year	<u>30,838,332</u>	<u>31,134,971</u>	<u>61,973,303</u>
End of year	<u>\$ 36,447,309</u>	<u>\$ 36,629,809</u>	<u>\$ 73,077,118</u>

*Measurement date used in this report was for the year ended December 31, 2020.

See independent auditor's report.

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

**Board of Directors
SunLine Transit Agency**

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 SunLine Transit Agency (STA), which comprise the statement of net position as of June 30, 2021, the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated **OPEN DATE**.

Internal Control over Financial Reporting

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

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

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



Compliance and Other Matters

As part of obtaining reasonable assurance about whether STA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, contained in the State of California Department of Transportation, Article 4 of the *Transportation Development Act*, the *Public Transportation Modernization, Improvement and Service Enhancement Account* (PTMISEA) described in California Government Code §8879.55, the *Transit System Safety, Security and Disaster Response Account* (TSSSDRA) described in California Government Code §8879.23, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of STA'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Glendale, California
OPEN DATE

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SunLine Services Group
Audited Financial Statements
For the Year Ended June 30, 2021
with Independent Auditor's Report

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SunLine Services Group
Audited Financial Statements
For the Year Ended June 30, 2021
with Independent Auditor's Report

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Independent Auditor's Report

Board of Directors
SunLine Services Group
Thousand Palms, California 92276

Report on the Financial Statements

We have audited the accompanying financial statements of the SunLine Services Group (SSG), a component unit of SunLine Transit Agency (STA), which comprise the statement of net position as of June 30, 2021, the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

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 an opinion on these financial statements based on our audits. 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 from 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 entity'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 entity'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 opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the SunLine Services Group as of June 30, 2021, and the changes in its financial position, and its cash flows 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 on pages 3 through 6 be presented to supplement the financial statements. Such information, although not a 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 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 financial statements, and other knowledge we obtained during our audit of the 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 Reporting Required by *Government Auditing Standards*

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

Glendale, California

OPEN DATE

The management of SunLine Services Group (SSG) offers readers of the SSG's financial statements narrative overview and analysis of the financial activities of SSG for the fiscal year (FY) ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the audited financial statements including the notes to the financial statements.

FINANCIAL HIGHLIGHTS

- Total assets of SSG exceeded its liabilities at the close of the fiscal year by \$309,830 in 2021 and \$333,524 in 2020. At June 30, 2021, net position consisted of \$969 net investment in capital assets and \$308,861 of unrestricted net position.
- SSG's net position decreased in FY 2021 by \$23,694. The decrease in net position in FY 2021 was due to the increase in administrative expenses specifically related to group health insurance caused by the COVID-19 pandemic.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to SSG's financial statements. SSG's financial statements consist of two components:

- Financial statements
- Notes to financial statements

Financial Statements

The financial statements are designed to provide readers with a broad overview of SSG's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of SSG's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether SSG's financial position is improving or deteriorating. The presentation of net position also distinguishes between those invested in capital assets, those that are restricted by external parties or legal requirements, or those that are unrestricted and can be used for any purpose.

The *Statement of Revenues, Expenses and Changes in Net Position* provide information regarding the revenues generated and earned and the expenses incurred related to those revenues. The difference between the revenues and expenses represents the change in net position, or profitability as reflected by the amount of change in net position generated for the fiscal year.

The *Statement of Cash Flows* presents information on SSG's sources and uses of cash and the overall change in cash and cash equivalents over the fiscal year. These activities are categorized by the different activities in which SSG engages: operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

Notes to Financial Statements

The notes provide information on significant accounting policies, cash and investments, accounts receivable, capital assets, compensated absences, and other areas for a full understanding of the data in the financial statements.

FINANCIAL STATEMENT ANALYSIS

Net Position

As stated earlier, increases or decreases in net position over time may serve as a useful indicator of SSG's financial position. At June 30, 2021, SSG's assets exceeded liabilities by \$309,830, a \$23,694 decrease from June 30, 2020. A condensed summary of the Statements of Net Position as of June 30, 2021 and 2020 is shown below:

	<u>2021</u>	<u>2020</u>	<u>Changes</u>
Current assets	\$ 338,688	\$ 353,373	\$ (14,685)
Capital assets	969	1,414	(445)
Total assets	<u>339,657</u>	<u>354,787</u>	<u>(15,130)</u>
Current liabilities	29,827	21,263	8,564
Total liabilities	<u>29,827</u>	<u>21,263</u>	<u>8,564</u>
Net position:			
Net investment in capital assets	969	1,414	(445)
Unrestricted	308,861	332,110	(23,249)
Total net position	<u>\$ 309,830</u>	<u>\$ 333,524</u>	<u>\$ (23,694)</u>

SSG's investment in capital assets represents acquisition of service vehicles, facilities/structures, and peripheral equipment for operations, and administrative support. SSG uses these capital assets to provide services to regulate, license, and franchise taxicabs and alternative transportation in the Coachella Valley. Because of this, these assets are not available for future spending. The decrease of \$445 in net investment in capital assets at June 30, 2021, resulted primarily from the depreciation of capital assets.

Unrestricted net position represents the portion of net position that can be used to finance day-to-day operations without constraints by debt covenants, enabling legislation, or other legal requirements. Unrestricted net position decreased by \$23,249 due to higher employer health costs due to pent-up demand following deferred care.

Changes in Net Position

For the fiscal years ended June 30, 2021 and 2020, SSG's revenues were \$198,792 and \$184,847, respectively, while the total expenses, excluding depreciation, were \$222,041 and \$217,622, respectively. The table below presents financial data related to the decrease in net position of \$23,694 and \$33,331 during the fiscal years ended June 30, 2021 and 2020, respectively. The change in net position in 2021 was primarily due to increase in expenses related to medical insurance because of the COVID-19 pandemic.

SunLine Services Group
Management's Discussion and Analysis
Year ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>Changes</u>
OPERATING REVENUES			
Operating vehicle permit fees	\$ 71,857	\$ 57,538	\$ 14,319
Taxi business permit fees	120,000	120,762	(762)
Driving permits and inspection fees	2,925	5,120	(2,195)
Operator application fees	1,500	-	1,500
Other	2,510	1,427	1,083
Total operating revenues	198,792	184,847	13,945
CONTROLLABLE OPERATING EXPENSES			
Salaries and employee benefits	28	-	28
Administrative	161,760	131,349	30,411
Services	28,929	49,575	(20,646)
Bad debts	12,342	17,423	(5,081)
Casualty and liability	7,894	7,973	(79)
Utilities	4,488	4,240	248
Materials and supplies	2,726	2,604	122
Taxes	-	4	(4)
Miscellaneous	3,874	4,454	(580)
Total controllable operating expenses	222,041	217,622	4,419
Depreciation	445	556	(111)
Total expenses	222,486	218,178	4,308
CHANGE IN NET POSITION	(23,694)	(33,331)	9,637
NET POSITION			
Beginning of year	333,524	366,855	(33,331)
End of year	\$ 309,830	\$ 333,524	\$ (23,694)

Revenues

Operating revenues during FY 2021 increased by \$13,945 from FY 2020 primarily due to the increase in operating vehicle permit fees relating to higher taxi vehicles in service.

Expenses

Adopted SSG policies, procedures, and business processes are used as management tools to control expenses and attain goals and objectives. These controllable operating expenses consist of cost elements that exclude depreciation. For purposes of this analysis, operating expenses before depreciation will be discussed. These expenses totaled \$222,041 and \$217,622 during the fiscal years ended June 30, 2021 and 2020, respectively. Operating expenses before depreciation in FY 2021 increased by \$4,419 from FY 2020. The increase is primarily due to increase in administrative expenses offset by decreases in legal services and bad debts.

Capital assets

SSG's investment in capital assets amounted to \$969 and \$1,414 (net of accumulated depreciation), as of June 30, 2021 and 2020, respectively. This investment in capital assets includes service vehicles, facilities/structures, and peripheral equipment for operations, and administrative support. These capital assets were acquired using internally generated funds.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The following significant factors were considered as budget assumptions when preparing SSG's budget for FY 2022:

- Increase in revenue from the annual vehicle permits due to the increase in the vehicle permit fees.
- Decrease in operating expenses largely from the decrease in administrative services and bad debts.
- SSG will use contingency funds to cover the deficit in FY 2020/21.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of SSG's finances for all those with an interest in SSG's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, SunLine Services Group, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

ASSETS

Current assets

Cash and cash equivalents	\$	338,441
Accounts receivable		247
Total current assets		<u>338,688</u>

Noncurrent assets

Capital assets, net of accumulated depreciation		969
Total assets		<u>339,657</u>

LIABILITIES

Current liabilities

Accounts payable and accrued liabilities		9,756
Accrued payroll and related liabilities		6,708
Compensated absences		13,363
Total current liabilities		<u>29,827</u>

NET POSITION

Net investment in capital assets		969
Unrestricted		308,861
Total net position	\$	<u>309,830</u>

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See notes to financial statements.

SunLine Services Group
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2021

OPERATING REVENUES

Operating vehicle permit fees	\$	71,857
Taxi business permit fees		120,000
Driving permits and inspection fees		2,925
Operator application fees		1,500
Other		2,510
Total operating revenues		<u>198,792</u>

CONTROLLABLE OPERATING EXPENSES

Administrative		161,788
Services		28,929
Bad debts		12,342
Casualty and liability		7,894
Utilities		4,488
Materials and supplies		2,726
Taxes		-
Miscellaneous		3,874
Total controllable operating expenses		<u>222,041</u>
Depreciation		445
Total expenses		<u>222,486</u>

CHANGE IN NET POSITION (23,694)

NET POSITION

Beginning of year		333,524
End of year	\$	<u>309,830</u>

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See notes to financial statements.

SunLine Services Group
Statement of Cash Flows
Year ended June 30, 2021

Cash flows from operating activities:	
Cash received from customers	\$ 222,369
Cash payments to suppliers for goods and services	(44,007)
Cash payments to employees for services	(157,128)
Net cash used in operating activities	<u>21,234</u>
Change in cash and cash equivalents	21,234
Cash and cash equivalents, beginning of year	<u>317,207</u>
Cash and cash equivalents, end of year	<u>\$ 338,441</u>
Reconciliation of operating income to net cash used in operating activities:	
Operating loss	\$ (23,694)
Write off of bad debts	12,342
Depreciation	445
Change in operating assets and liabilities:	
Accounts receivable	23,577
Accounts payable and accrued liabilities	3,904
Accrued payroll and related liabilities	428
Compensated absences	4,232
Net cash used in operating activities	<u>\$ 21,234</u>

See notes to financial statements.

NOTE 1 REPORTING ENTITY

SunLine Services Group (SSG) was formed in 1993 in order to enhance public/private partnerships in the Coachella Valley. SSG operations include regulating, licensing, and franchising of the taxicabs and alternative transportation in the Coachella Valley. Effective July 1, 1996, SSG adopted ordinances to give it the authority to regulate taxicabs.

SSG is accounted for as a blended component unit of SunLine Transit Agency (STA). STA was formed by the County of Riverside, California, and the cities in the Coachella Valley to provide transportation services in the Coachella Valley. The accompanying financial statements present only the SSG and are not intended to present fairly the financial position, change in financial position, or cash flows of STA as a whole, in conformity with accounting principles generally accepted in the United States of America.

NOTE 2 SUMMARY SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The financial statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows) report information on all of the activities of SSG.

Basis of Accounting and Measurement Focus

The financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

Operating revenues are those revenues that are generated from the primary operations of SSG. The principal operating revenues of SSG are operating vehicle permit fees, passenger surcharge fees, and driving permits and inspection fees. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred inflows and outflows of resources

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities of 90 days or less and are carried at cost, which approximates fair value.

Investments

Investments are stated at fair value, which is based on quoted market price. Changes in fair value that occur during the fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Accounts Receivable

Accounts receivable are shown net of allowances for doubtful accounts, if any. Federal and State grants are reported as revenue when all eligibility requirements have been met. Amount earned but outstanding at year-end are reported as accounts receivable.

Capital Assets

Capital assets which consist of service vehicles, facilities/structures, and peripheral equipment for operations and administrative support are stated at cost or, for donated assets, at fair value at the date of donation. SSG capitalizes all assets with acquisition cost of at least \$1,000 and useful life of at least one year. The cost of normal maintenance and repairs that do not add to the value of the assets and do not materially extend asset lives are charged to operations as incurred. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets ranging from three to seven years.

Compensated Absences

It is SSG's policy to permit employees to accumulate earned but unused vacation leave up to 500 hours and unlimited hours for unused sick leave. Management, non-exempt, and union employees begin to accrue vested vacation and sick hours upon being hired, except for part-time employees who begin to accrue such hours after the first year. Accumulated unpaid vacation and vested sick leave pay is recorded as an expense and a liability at the time the benefit is earned.

NOTE 2 SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net Position is classified as follows:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted - This component of net position is the amounts of the assets, deferred outflows of resources, reduced by liabilities, and deferred inflows of resources that are not included in the determination of net investments in capital assets or the restricted component of net position.

Use of Restricted/Unrestricted Resources

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

Regulatory Administration Fees

Regulatory administration fees consist of permit fees, inspection fees, and passenger surcharge fees. Inspection fees and passenger surcharge fees are recognized as revenue when such services are rendered. Permit fees are recognized when permits are issued.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 CASH AND CASH EQUIVALENTS

The carrying amount of SSG's cash deposits was \$338,441 at June 30, 2021. Bank balance at June 30, 2021 was \$345,825, which were fully insured and/or collateralized with securities held by the pledging financial institution in SSG's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure SSG's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in SSG's name.

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

The market value of pledged securities must equal at least 110% of SSG’s cash deposits. California law also allows institutions to secure SSG’s deposits by pledging first trust deed mortgage notes having a value of 150% of SSG’s total cash deposits. SSG may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (“FDIC”). SSG, however, has not waived the collateralization requirements.

NOTE 4 CAPITAL ASSETS

Summary of changes in capital assets for the year ended June 30, 2021 is as follows:

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021
Depreciable assets:				
Vehicles	\$ 290,606	\$ -	\$ -	\$ 290,606
Equipment	50,087	-	-	50,087
Total depreciable assets	340,693	-	-	340,693
Accumulated depreciation	(339,279)	(445)	-	(339,724)
Net capital assets	\$ 1,414	\$ (445)	\$ -	\$ 969

Depreciation expense was \$445 for the year ended June 30, 2021.

NOTE 5 RELATED PARTY TRANSACTIONS

STA’s staff and resources are used in the performance of its responsibilities relating to the activities of SSG. Accordingly, STA allocates salaries and benefits to SSG on the basis of actual hours spent by activity. Other indirect overhead is allocated based on management’s estimates. The fees to reimburse STA are billed to SSG monthly. For the year ended June 30, 2021, STA charged SSG \$161,788, for administrative services.

NOTE 6 COMPENSATED ABSENCES

Compensated absences at June 30, 2021, amounted to \$13,363. There is no fixed payment schedule for compensated absences.

NOTE 7 RISK MANAGEMENT

SSG is insured through STA for its general liability and worker's compensation insurance. Claims liabilities and the related claims expenses are not included in the accompanying financial statements because claims are not identifiable between STA and SSG. Claim liabilities at June 30, 2021 are displayed in the financial statements of STA in the amount of \$3,892,360. Refer to the audited financial statements of STA for additional information.

NOTE 8 COMMITMENT AND CONTINGENCIES

SSG may become involved in various legal actions, administrative proceedings, or claims in the ordinary course of operations. Although it is not possible to predict with certainty the outcome of these actions or the range of possible loss or recovery, it is the opinion of SSG's legal counsel and SSG's management that the resolution of these matters will not have a material adverse effect on the financial condition of SSG.

NOTE 9 IMPACT OF CORONAVIRUS TO THE PLAN'S OPERATIONS

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies of many countries including the geographical area where the Organization operates.

It is unknown how long this condition will last and what the complete financial effect will be to the Organization. However, management believes that the financial impact, if any, did not materially affect its June 30, 2021 financial statements.

NOTE 10 SUBSEQUENT EVENTS

Management has evaluated subsequent events through **OPEN DATE**, the date which the financial statements were available to be issued and concluded that, other than the matter described in Note 6, there were no material subsequent events that required disclosure or adjustment to the accompanying financial statements.

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

Board of Directors
SunLine Services Group
Thousand Palms, California 92276

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 SunLine Services Group (SSG), a component unit of SunLine Transit Agency (STA), which comprise the statement of net position as of June 30, 2021, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated **OPEN DATE**.

Internal Control over Financial Reporting

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

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

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



Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SSG'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Glendale, California
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Vasquez & Company LLP has over 50 years of experience in performing audit, accounting & consulting services for all types of nonprofit organizations, for-profit companies, governmental entities and publicly traded companies. Vasquez is a member of the RSM US Alliance. RSM US Alliance provides its members with access to resources of RSM US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International. Visit rsmus.com/about-us for more information regarding RSM US LLP and RSM International. The RSM™ logo is used under license by RSM US LLP. RSM US Alliance products and services are proprietary to RSM US LLP.

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**SunLine Transit Agency
Single Audit Report
Year Ended June 30, 2021
with Independent Auditor's Report**

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**SunLine Transit Agency
Single Audit Report
Year Ended June 30, 2021
with Independent Auditor's Report**

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**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

Board of Directors
SunLine Transit Agency
Thousand Palms, California 92276

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 SunLine Transit Agency (STA), which comprise the statement of financial position as of June 30, 2021, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated **OPEN DATE**.

Internal Control over Financial Reporting

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

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

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



Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of STA'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Glendale, California

OPEN DATE

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**Independent Auditor's Report on Compliance for Each Major Federal Program,
on Internal Control over Compliance, and on the Schedule of Expenditures
of Federal Awards Required by the Uniform Guidance**

Board of Directors
SunLine Transit Agency
Thousand Palms, California 92276

Report on Compliance for Each Major Federal Program

We have audited SunLine Transit Agency's (STA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of STA's major federal programs for the year ended June 30, 2021. STA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of STA's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about STA'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 on compliance for each major federal program. However, our audit does not provide a legal determination of STA's compliance.



Opinion on Each Major Federal Program

In our opinion, STA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of STA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered STA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of STA's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of STA as of and for the year ended June 30, 2021, and have issued our report thereon dated **OPEN DATE**, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Glendale, California
OPEN DATE

DRAFT

SunLine Transit Agency
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program Title	CFDA Number	Pass-Through/ Grantors Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION				
Federal Transit Cluster:				
Direct Assistance:				
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.507	CA-90-Y964	\$ -	\$ 6,278
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.507	CA-90-Z036	-	51,822
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.507	CA-90-Z225	-	113,893
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.507	CA-90-Z330	-	115,550
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.507	CA-90-Z341	-	361,597
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.507	CA-90-Z374	-	49,298
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.507	CA-90-4051	-	65,934
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.507	CA-90-Z455	-	752
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.507	CA-90-Z460	-	151,710
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.507	CA-95-0076	-	180,235
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Operating)	20.507	CA-90-Z455	-	3,630,155
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Operating)	20.507	CA-90-Z460	-	13,201,903
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Operating)	20.507	CA-90-Z489	-	76,045
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Operating)	20.507	CA-90-0076	-	135,229
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Operating)	20.507	CA-95-X327	-	176,198
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.526	CA-34-0119	-	195,445
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.526	CA-34-0192	-	29,070
Subtotal - Federal Transit - Formula Grants (Urbanized Area Formula Program)			-	18,541,114
Federal Transit - Capital Investment Grants	20.500	CA-55-0006	-	119,700
Total Federal Transit Cluster			-	18,660,814
Formula Grants for Rural Area				
Passed through from the State of California, Department of Transportation				
Formula Grant for Other Than Urbanized Areas (Operating)	20.509	64V020-01090	-	609,306
Formula Grant for Other Than Urbanized Areas (Operating)	20.509	64K020-01269	-	185,187
Total Formula Grants for Rural Areas			-	794,493
Passed through from the Southern California Association of Governments				
Formula Grant for Other Than Urbanized Areas (Capital)	20.514	M-008-016	-	46,806
Passed through from the State of California, Department of Transportation				
Formula Grant for Other Than Urbanized Areas (Operating)	20.513	64AO18-00795	-	18,747
Total Expenditures of Federal Programs			\$ -	\$ 19,520,860

See accompanying Notes to Schedule of Expenditures of Federal Awards and Report of Independent Auditors on Compliance for Each Major Federal Program, on Internal Control over Compliance, and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of SunLine Transit Agency (STA) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of STA, it is not intended to and does not present the financial position, changes in net position, or cash flows of STA.

NOTE 2 BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the costs principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

STA has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Grant expenditure reports for the year ended June 30, 2021, which have been submitted to grantor agencies, will, in some cases, differ from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of the year-end accruals.

NOTE 4 RELATIONSHIP TO ANNUAL FINANCIAL STATEMENTS

Funds received under the various grant programs have been recorded within the operating grants of the STA. Therefore, some amounts reported in the accompanying SEFA may differ from the amounts presented in, or used in, the preparation of the Annual Financial Statements.

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued on the financial statements	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over its major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors’ report issued on compliance for its major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR 200.516 (a) of the Uniform Guidance?	No

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.500/20.507/20.526	Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee:	Yes

Section II – Financial Statement Findings

There were no financial statement findings noted during the fiscal year ended June 30, 2021.

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Section III – Federal Award Findings

There were no federal award findings noted during the fiscal year ended June 30, 2021.

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Finding No.	Description	Condition	Recommendation	Status
Financial Statement Findings				
FS 2020-001	Period of Performance	STA sought reimbursement for \$44,912 of expenses incurred before the start of the period of performance under the CARES Act grant award. The costs were incurred from October 27 through November 23, 2019 while the grant award authorized pre-award expenses incurred on or after January 20, 2020.	Proper supervision and review should be performed on all expenses charged to grant awards to avoid costs being disallowed by the granting agencies. We also recommend that STA revisit the expenses charged to the Formula Grants for Rural Areas grant for completeness and accuracy, and make the necessary adjustments, if necessary, on allowable expenses in the final report to be submitted to the granting agency.	Implemented

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October 27, 2021



Introduction

Board of Directors

We are pleased to present this report related to our audit of the financial statements of SunLine Transit Agency (STA) as of and for the year ended June 30, 2021. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for STA's financial reporting process, as well as other matters that we believe may be of interest to you. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

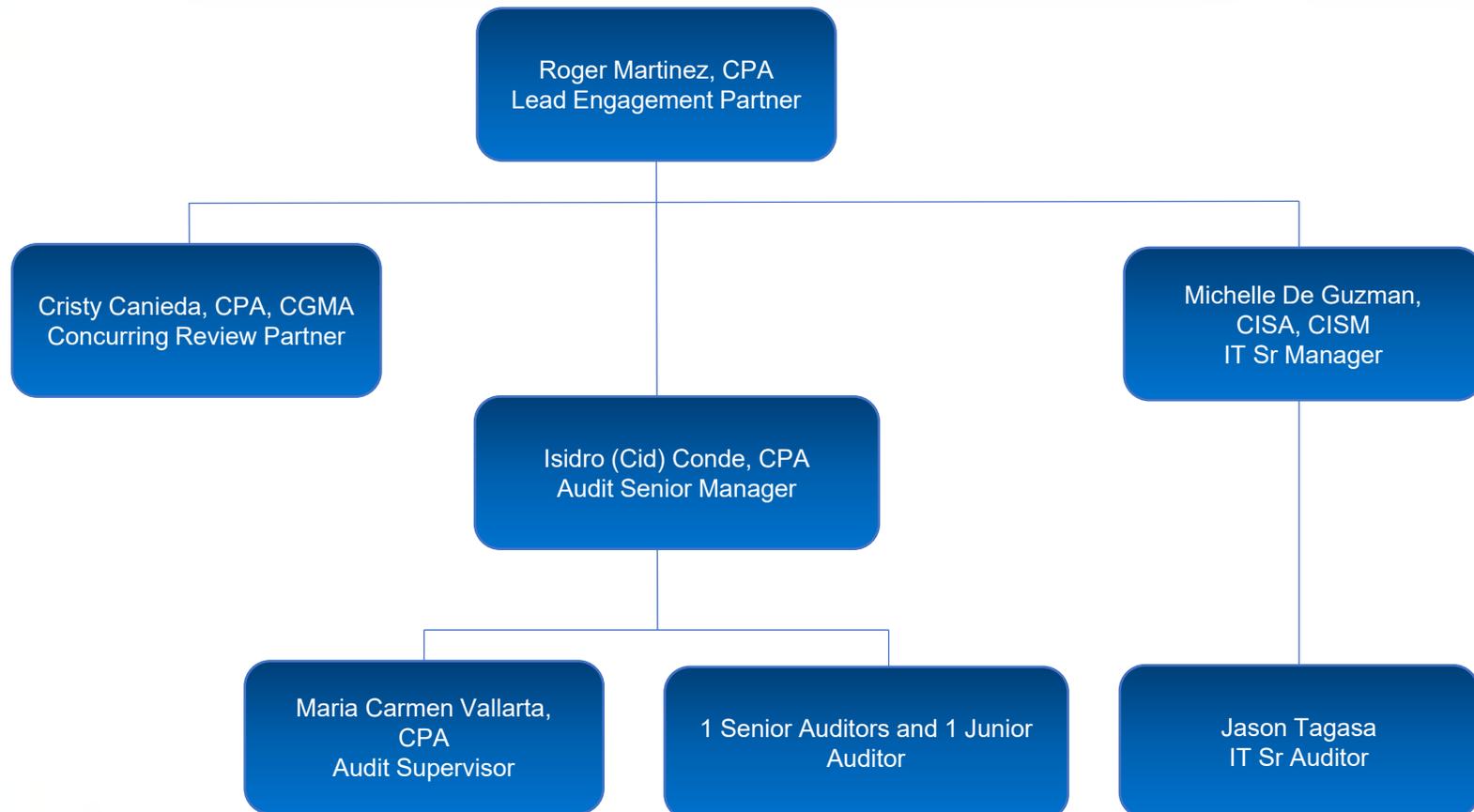
This report is intended solely for the information and use of the Board of Directors and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to STA.

Vasquez & Company LLP



THE AUDIT TEAM

Engagement Team





INDEPENDENCE

Independence

There are no relationships between any of our representatives and SunLine Transit Agency (STA) that in our professional judgment may reasonably be thought to bear on independence.

Vasquez & Company LLP meets the independence requirements of the *Government Auditing Standards* as it relates to STA.



SCOPE OF ENGAGEMENT

Scope of Engagement

SunLine Transit Agency (STA)

- Financial Statement Audit
- Single Audit in accordance with the Uniform Guidance
- Agreed Upon Procedures on the National Transit Database (NTD) report

SunLine Services Group (SSG)

- Financial Statement Audit

SUMMARY OF AUDIT RESULTS

Report of Independent Auditors

Financial Statements Audits

□ Unmodified Opinion – “Clean” Opinion

- Audit performed 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*
- The financial statements fairly present, in all material respects, STA’s and SSG’s:
 - Financial position
 - Results of operations
 - Changes in net position
 - Cash flows

Report of Independent Auditors

Single Audit

Report on Internal Control Over Financial Reporting and Compliance

- Unmodified Opinion – “Clean” Opinion
- Material weakness – none noted
- Significant deficiencies – none noted
- Noncompliance material to the financial statements – none noted

Total Federal expenditures - \$19.5 million

Major program –

- Federal Transit Cluster (CFDA No. 20.500, 20.507, 20.526)
- Tested 95% of total Federal expenditures

Report of Independent Auditors

Single Audit

Current Year Finding

- No exceptions noted during our testing.

Status of Prior Year Finding

- Period of Performance Noncompliance Finding (No. 2020-001)**
 - Expenses incurred prior to the date of period of performance amounting to \$44,912 were included for reimbursement under the CARES Act grant award. The grant authorized pre-award expenses only for those incurred on or after January 20, 2020.
 - Status: Resolved in FY 2020/2021

Report of Independent Auditors

NTD Agreed-upon Procedures

- Audit has not yet started

Audit Focus Areas / Significant Accounts

Audit Area Focus	Risks/Concerns	Comments
Cash and investments	<ul style="list-style-type: none"> ▪ Misappropriation of assets 	No exceptions were noted. Balances were fairly stated and disclosed.
Accounts receivable and Due from other governmental agencies	<ul style="list-style-type: none"> ▪ Existence, proper cut-off and valuation 	<p>Accounts receivable mostly (84%) pertain to CNG rebates and credits. The balance was supported by refund claims with the IRS. No significant allowance for bad debts was reported.</p> <p>Due from other government agencies represents reimbursement amounts from federal and state agencies.</p> <p>No material exceptions were noted.</p>

Audit Focus Areas / Significant Accounts

Audit Area Focus	Risks/Concerns	Comments
Capital assets	<ul style="list-style-type: none"> ▪ Proper capitalization and valuation 	<p>Capital assets, capital expenditures and related depreciation are monitored and fairly stated in the financial statements. Construction commitments, construction in progress and contract retainages are properly disclosed and recorded in the financial statements. Current year additions largely pertain to acquisition of new vehicles and facility improvements.</p>
Unearned revenue	<ul style="list-style-type: none"> ▪ Existence and proper cut-off 	<p>This account represents funds received in advance and remained unspent at the end of the fiscal year end. A large part of the balance came from the TDA funds (see Note 6). No material exceptions were noted.</p>

Audit Areas of Emphasis

Audit Focus Area	Risks/Concerns	Comments
Claims payable	<ul style="list-style-type: none"> ▪ Reasonableness of actuarially determined uninsured general liability and workers' compensation insurance. 	<p>Balance was fairly stated based on actuarial reports prepared by a third-party consultant.</p> <p>No material discrepancies were noted.</p>
Net pension asset	<ul style="list-style-type: none"> ▪ Measurement of net pension asset 	<p>Net pension asset, which increased by \$6.4m this year, is reported based on pension plan audited financial statements and valuation report prepared by a third-party consultant. Book balances were agreed to these reports and required disclosures reported in the audit report.</p>

Audit Areas of Emphasis (continued)

Audit Focus Area	Risks/Concerns	Comments
Revenue	<ul style="list-style-type: none"> ▪ Proper revenue recognition 	<p>We reviewed the revenues recognized during the fiscal year against the Agency's revenue recognition policy and no exception was noted. Operating grants include \$13.2m from the CARES Act grant.</p>
Expense	<ul style="list-style-type: none"> ▪ Reasonableness of expense 	<p>We reviewed the significant expenses, compared with prior year balances and corresponding grant revenues that were recognized and determined that the amounts are reasonable. Total operating expenses this year decreased by about \$644k or 1.4% from the prior year.</p>

Management Letter Comments

- **Financial Audit**

- IRS recently rejected the alternative fuel tax credit application for the period January to June 2021 in the amount of \$354k due to late filing. Per STA management, IRS made an error in its rejection and management is working with the IRS to rectify the error.

New Accounting Pronouncements

Accounting Pronouncements that will be effective after FY20/21

GASB No. 84. In January 2017, the Governmental Accounting Standards Board issued Statement No. 84 “Fiduciary Activities”. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

GASB No. 87. In June 2017, the Governmental Accounting Standards Board issued Statement No. 87 “Leases”. The requirements of this Statement are effective for reporting periods beginning after December 15, 2022.

GASB No. 89. In June 2018, the Governmental Accounting Standards Board issued Statement No. 89 “Accounting for Interest Cost Incurred before the End of a Construction Period”. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

New Accounting Pronouncements

Accounting Pronouncements that will be effective after FY20/21

GASB No. 90. In August 2018, the Governmental Accounting Standards Board issued Statement No. 90 “Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61”. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

GASB No. 91. In May 2019, the Governmental Accounting Standards Board issued Statement No. 91, “Conduit Debt Obligations.” The requirements of this Statement are effective for reporting periods beginning after December 15, 2022.

GASB No. 92. In January 2020, the Governmental Accounting Standards Board issued Statement No. 92, “Omnibus 2020.” The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

New Accounting Pronouncements

Accounting Pronouncements that will be effective after FY20/21

GASB No. 93. In March 2020, the Governmental Accounting Standards Board issued Statement No. 93, “Replacement of Interbank Offered Rates.” The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB No. 94. In May 2020, the Governmental Accounting Standards Board issued Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements.” The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB No. 96. In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, “Subscription-Based Information Technology Arrangements.” The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

New Accounting Pronouncements

Accounting Pronouncements that will be effective after FY20/21

GASB No. 97. In June 2020, the Governmental Accounting Standards Board issued Statement No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan – an amendment of GASB Statements No. 14, 84, and a suppression of GASB Statement No. 32.” The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.



SAS 114 AUDITORS' REQUIRED COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE

Other Required Communication to Those Charged with Governance

- Management has primary responsibility for the accounting principles used, including their consistency, application, clarity and completeness.
- We are not aware of any consultations by management with other accountants about accounting or auditing matters.
- We did not encounter any difficulties with management while performing our audit procedures that require the attention of the Audit/Finance Committee and the Board.
- We encountered no disagreements with management on financial accounting and reporting matters as it relates to the current year financial statements.
- STA's significant accounting policies are appropriate, and that management has applied its policies consistently with prior periods in all material respects.

Other Required Communication to Those Charged with Governance (continued)

- No significant or unusual transactions or accounting policies in controversial or emerging areas for which there is lack of authoritative guidance or consensus were identified.
- No significant issues were discussed, or subject to correspondence, with management prior to retention.
- No significant deficiencies or material weaknesses were identified.
- No irregularities, fraud or illegal acts or that would cause a material misstatement of the financial statements, came to our attention as a result of our audit procedures.
- STA will provide us with a signed copy of the management representation letter prior to our issuance of the financial statements.

DISCUSSION AND QUESTIONS

**THANK YOU FOR YOUR TIME AND
ATTENTION**

Contact Information

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SunLine Transit Agency

DATE: October 27, 2021 **ACTION**

TO: Finance/Audit Committee
Board of Directors

FROM: Demetrius Genera, Deputy Chief Maintenance Officer

RE: Purchase of MCI Bus

Recommendation

Recommend that the Board of Directors delegate authority to the CEO/General Manager to negotiate and execute a contract with Motor Coach Industries (MCI), for one (1) over the road Compressed Natural Gas (CNG) bus in an amount not to exceed \$896,469.63 including taxes, upon approval as to form by General Counsel.

Background

In 2019, SunLine Transit Agency procured two (2) MCI 45-foot over the road CNG buses to provide regional support from Indio to San Bernardino and other destination connections, to include California State University, San Bernardino (CSUSB) campus. The spare bus is a requirement to provide continued, uninterrupted, and reliable transportation. If approved, the bus will allow us to support the needs of our passengers from the Coachella Valley to the Inland Empire.

Financial Impact

Board approved state and federal funds in FY22 Short Range Transit Plan will be utilized for this purchase.

SunLine Transit Agency

DATE: **October 27, 2021** **ACTION**

TO: **Finance/Audit Committee**
Board of Directors

FROM: **Michal Brock, Taxi Administrator**

RE: **SunRide Microtransit Pilot Program – Transportation Service Providers**

Recommendation

Recommend that the Board of Directors delegate authority to the CEO/General Manager to negotiate and execute two (2) 15-month contracts, with two (2) one-year option periods, to provide transportation services for SunLine's SunRide Microtransit Pilot Program. The total contract amount, not to exceed \$2,225,280, will be distributed between Coachella Valley Taxi and Yellow Cab of the Desert based on the assigned geo-fence zone(s) throughout the life of the contract(s), subject to review and approval by SunLine's General Counsel.

Background

Phase II of SunLine's Microtransit Pilot Program was launched on January 4, 2021. The objective of this phase of the pilot program was to introduce and test the microtransit concept in a public setting with goals of attracting new ridership through the convenience of app-based technology and increasing ridership to the fixed route bus network by bridging the gap between first mile/last mile challenges. Additionally, contracting this service out allows SunLine to continue testing the viability and sustainability of public/private partnerships while maintaining the high-quality safety standards valued by this Agency.

The current transportation service provider contracts are set to expire January 2, 2022. The Agency issued an RFP for transportation service providers to operate the future of phases of this pilot and received proposals from two out of the three local taxi businesses to perform these services.

A minimum of one (1) driver/vehicle dedicated to each of the four (4) existing geo-fence zones during the program operation hours is required. Each driver is required to arrive at the requested pickup location in the respective zone within an average of 10 minutes, and a maximum of no more than 15 minutes, from the time service is requested.

Financial Impact

The financial impact of \$2,225,280 over 39 months will utilize a combination of Congestion Mitigation and Air Quality grant funds, general operating funds reallocated in the FY22 operating budget, and included in the annual operating budget in subsequent fiscal years.

Attachment:

- [Item 11a](#) – Price Analysis
- [Item 11b](#) – Solicitation List



REQUEST FOR PROPOSAL
MICROTRANSIT TRANSPORTATION SERVICES
22-023

Price Analysis - Proposal 9/30/2021

	Yellow Cab		Coachella Valley Taxi
Hourly basis pricing*	\$26.95		\$26.97
*3 year average			
Final Combined Price and Technical Evaluation Scores			
Overall Total Score	276		265

It has been concluded the best value for the Agency is for a co-award of the contract, so two contractors are available to provide services. The service areas will be divided between both proposers with each being assigned areas that are closer to each prospective contractor's home base. This assignment provides for SunLine's goal of faster more reliable service and reduced emissions. By co-awarding the contract, the Agency effectively mitigates the possibility of service interruptions with the continued impacts of COVID-19.

Sara Parrish
10/15/2021

Solicitation List – RFP 22-023

Yellow Cab Company of the Desert
75150 Saint Charles Place
Palm Desert, CA 92211
760 340 3111
anna@yellowcabofthedesert.com

Coachella Valley Taxi LLC
576 William Rd
Palm Springs, CA 92264
760 424 6574
coachellavalleytaxi@gmail.com
larry.villalobosn1@gmail.com

Hallcon
386 317 1617
tlainhart@icloud.com

Transdev Services
Mindi.wollaston@transdev.com
Santa Barbara Transportation Corp
jlasky@ridemst.com

Via
10 Crosby, Floor 2
New York, NY 10013
Garrett.brinker@ridewithvia.com

Via
10 Crosby, Floor 2
New York, NY 10013
taylor@ridewithvia.com

Via
10 Crosby, Floor 2
New York, NY 10013
daniel.lee@ridewithvia.com

City Cab
admin@citycabride.com
rumiaya@citycabride.com

Uber
dmitriyv@uber.com

Bumble Bee Taxi
Bumblebeetaxi951@gmail.com

Servexo Protection Services
jpalmer@servexousa.com

Turbo Images Inc
proposal@turbo-images.com

IMS
ims_bids@construction.com

SevenOutsource
rfp@alerts@gmail.com

PWXPress
bids@pwxpress.com

North America Procurement Council
bids@napc.me

Bidnet
gbs@bidnet.com

Clean Energy
bids@cleanenergyfuels.com

Information Logistics
angie@ilogcorp.com

Heptagon Seven Consulting
bdonais@hept7.com

Onvia
sourcemgmt@onvia.net

Royal Taxi Cab Riverside
contact@royaltaxicabsriverside.com

SunLine Transit Agency

DATE: October 27, 2021 **ACTION**

TO: Finance/Audit Committee
Board of Directors

FROM: Michal Brock, Taxi Administrator

RE: Contract for Microtransit Service Planning and Software

Recommendation

Recommend that the Board of Directors delegate authority to the CEO/General Manager to negotiate and execute a one (1) year contract with two (2) one-year option periods for an amount not to exceed \$354,455 with RideCo, Inc. for new microtransit service planning and software, subject to review and approval by SunLine's General Counsel.

Background

SunLine has been operating phase II of the SunRide Microtransit Pilot Program since January 4, 2021. Over the last 10 months, staff has evaluated the current technology and determined that a software technology platform that offers a more user-friendly mobile app and additional functionality that will benefit riders, drivers and the Agency is desired.

The initial 12-month pilot technology contract expires on January 4, 2022. SunLine issued a Request for Proposals for microtransit planning and software on September 1, 2021. On September 27, 2021, the Agency received nine (9) proposals. A five (5) person evaluation committee was formed to review, critique and evaluate the submitted proposals. From the nine (9) submissions, four (4) companies were selected for software demonstrations and interviews.

Following an extensive review of the proposals, in-depth demonstrations and interviews, the Evaluation Committee members determined that RideCo, Inc.'s microtransit software platform and professional planning services provide the best value to the Agency. The final pricing provided by RideCo, Inc. was determined to be fair and reasonable based on technology functionality and adequate price competition.

Financial Impact

The estimated financial impact of \$354,455 over three (3) years will utilize a combination of reallocated Congestion Mitigation and Air Quality grant funds in this

fiscal year, and will be included in the annual operating budget in subsequent fiscal years.

Attachment:

- [Item 12a](#) – Price Analysis
- [Item 12b](#) – Solicitation List



REQUEST FOR PROPOSAL
MICROTRANSIT SERVICE PLANNING AND SOFTWARE
22-014

Price Analysis

	RideCo	Via	Uber	Spare Labs
BAFO October 13, 2021	\$136,800.00	\$84,880.00	\$96,580.00	\$182,700.00
Final Combined Price and Technical Evaluation Scores				
	RideCo	Via	Uber	Spare Labs
Overall Total Score	451.5	432	327	325.5

Based upon the evaluation of the firms technical and Best and Final Offer (BAFO) proposals, it has been determined RideCo will provide the best value to the Agency. This solicitation had adequate competition with a total of 9 firms responding. The above 4 firms were found to be in competitive range and selected for 1-1/2 hour interviews which included product demonstrations. After the interviews, the firms were invited to submit their Best and Final Offers which pricing is shown above.

Sara Parrish
10/15/2021

Solicitation List – RFP 22-014

Dynamic Ideas LLC – dba ALPHAROUTE
271 Waverley Oaks Rd., Suite 203
Waltham, MA 02485
dlousa@alpharoute.com

HBSS Connect Corp.
1075 Westford St., Suite 304
Lowell, MA 01851
hb@hbssonline.com

Spare Labs, Inc.
815 W Hastings St. Suite 810
Vancouver, BC V6C 1B4
rob@sparelabs.com

RideCo Inc.
279 Weber St. N, Unit 101
Waterloo, ON N2J 3H8 Canada
ben.brubaker@rideco.com

Via Mobility, LLC
10 Crosby, Floor 2
New York, NY 10013
erin@ridewithvia.com

Transit
5409081892
Katie.monroe@transit.app

Metropia
Danny.silva@metropia.com

Capital Government Contract Specialists
ttalarico@capqcs.com

Bidnet
gbs@bidnet.com

IMS
cawr@imsinfo.com

Ecolane USA, Inc.
940 West Valley Road, Suite 1400
Wayne, PA 19087
Spiro.gjorgjievski@ecolane.com

Modeshift Inc.
90 Canal Street
Boston, MA 02114
maxwell.mickey@modeshift.com

Transloc, Inc.
4505 Emperor Blvd., Ste 120
Durham, NC 27703
greg.jorgensen@transloc.com

Uber Technologies, Inc.
1515 3rd Street
San Francisco, CA 94158
dmitriyv@uber.com

Trapeze Group
647 271 8072
serge.jarlian@trapezegroup.com

Shotl Transportation
atresserras@shotl.com

Lyft
ekaing@lyft.com

Bid Ocean Inc
970 237 4411

CJIS Group
mariah@cjisgroup.com

PWXPress
bids@pwxpress.com

SunLine Transit Agency

DATE: October 27, 2021 **ACTION**

TO: Finance/Audit Committee
Board of Directors

FROM: Vanessa Mora, Chief Safety Officer

RE: Award of Contract Renewal for a Microsoft Enterprise Agreement

Recommendation

Recommend that the Board of Directors delegate authority to the CEO/General Manager to negotiate and execute a three (3) year Microsoft Enterprise Agreement (EA) with Insight, an approved Microsoft EA vendor, in an amount not to exceed \$381,832.44, subject to review and approval by SunLine's General Counsel. The Agreement includes a three (3) year product assurance contract and an allowance for additional product acquisitions at a fixed price.

Background

The current contract will expire on November 30, 2021. Renewing the contract ensures continuous service for the products the Agency uses. The EA renewal provides upgrade rights for any purchased product(s) during the term of the contract.

Though the EA agreement is between SunLine Transit Agency and Microsoft, the EA requires that product acquisition be done with an approved Microsoft EA vendor. Microsoft sets the pricing level that the vendor must honor in the EA agreement.

Financial Impact

The financial impact of \$381,832.44 has been budgeted in the operating budgets for FY22, and will be budgeted for FY23 and FY24.

Attachment:

- [Item 13a](#) – Price Analysis



PRICE ANALYSIS

	Insight	CDW-G	Crayon
Total	\$ 127,277.48	\$ 127,912.29	\$ 128,335.69
		Difference	Delta
Difference between Insight and CDW-G Total		\$ (634.81)	0.50%
		Difference	Delta
Difference between Insight and Crayon Total		\$ (1,058.21)	0.83%

SunLine received three quotes from awarded vendors under the cooperative agreement with Riverside County Microsoft Enterprise License Agreement #8084445.

Based on the findings, the prices submitted by the lowest bidder, Insight is 0.50% lower than the second bidder, and Insight is 0.83% lower than Crayon.

Based on the results, it is determined that the price submitted by Insight is considered fair and reasonable.

Prepared by:



Amy Gunderloy, Procurement Specialist

SunLine Transit Agency

DATE: October 27, 2021 **ACTION**

TO: Finance/Audit Committee
Board of Directors

FROM: Luis Garcia, Chief Financial Officer

RE: Formal Selection of Pension Committee Members

Recommendation

Recommend that the Board of Directors approve the following changes of Pension Committee members:

Addition:

1. Non-Union Pension Plan:
 - a. Vanessa Mora, Chief Safety Officer
2. Union Pension Plan:
 - a. Isabel Acosta, Deputy Chief Transportation Officer

Removal:

1. Non-Union Pension Plan:
 - a. Peter Gregor, Chief Safety Officer
2. Union Pension Plan:
 - a. Todd McDaniel, Chief Transportation Officer

Background

SunLine Transit Agency has two distinct self-administered pension plans for its Union and Non-Union employees. The pension plans each have a plan document providing guidance on retirement benefits and administration of the plan assets. Under both plan documents, the Board of Directors has the sole authority to appoint SunLine members to the pension committees. The proposed changes are required to account for recent vacancies.

Financial Impact

There is no financial impact.

Financial Impact

The \$2,500,000 in operating assistance allows the Agency to leverage emergency assistance and build its operating reserves in LTF.