



SunLine Transit Agency
January 22, 2020
10:15 a.m. – 11:00 a.m.

AGENDA

FINANCE/AUDIT COMMITTEE

Wellness Training Room
32-505 Harry Oliver Trail
Thousand Palms, CA 92276

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. ROLL CALL

3. PRESENTATIONS

4. FINALIZATION OF AGENDA

5. 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.

6. COMMITTEE MEMBER COMMENTS

RECEIVE COMMENTS

ITEM

RECOMMENDATION

7. 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.

- 7a) Checks \$1,000 and Over Report for October & November 2019 (PAGE 3-11)
- 7b) Credit Card Statement for October & November 2019 (PAGE 12-22)
- 7c) Monthly Budget Variance Report for October & November 2019 (PAGE 23-35)
- 7d) Contracts Signed in between \$25,000 and \$100,000 for November and December 2019 (PAGE 36-37)
- 7e) Union & Non-Union Pension Investment Asset Summary November 2019 (PAGE 38-41)
- 7f) Ridership Report for November & December 2019 (PAGE 42-47)
- 7g) SunDial Operational Notes for November & December 2019 (PAGE 48-54)
- 7h) Metrics for November & December 2019 (PAGE 55-77)
- 7i) Board Member Attendance for December 2019 (PAGE 78-79)
- 7j) Quarterly Capital Project Update for 4th Quarter 2019 (PAGE 80-82)

8. FISCAL YEAR 2019 AUDIT REPORTS

(Staff: Luis Garcia, Chief Financial Officer)

RECEIVE & FILE
(PAGE 83-167)

9. COLLEGE OF THE DESERT BARTER AGREEMENT

(Staff: Jenny Bellinger, Performance Project Assistant)

APPROVE
(PAGE 168-169)

10. COOPERATIVE AGREEMENT FOR THE DEMONSTRATION OF A HYDROGEN FUEL CELL ELECTRIC BUS

(Staff: Tommy Edwards, Chief Performance Officer)

APPROVE
(PAGE 170-171)

11. ADJOURN

SunLine Transit Agency
CONSENT CALENDAR

DATE: January 22, 2020 **RECEIVE & FILE**

TO: Finance/Audit Committee
Board of Directors

RE: Checks \$1,000 and Over Report for October & November 2019

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. Items identified in bold font represent "pass through" payments that were, or will be, reimbursed to SunLine under the provisions of specific grants or contracts. Items identified with underlines represent "shared" payments with SunLine and specific vendors/employees.

- For October, the largest payment issued was to BYD Coach & Bus LLC for payment of four Electric Buses. The buses are funded through the Transit and Intercity Rail Capital Program (TIRCP) funds and Prop 1B – PTMISEA.
- For November, the largest payment issued was to GP Strategies for progress payment for the construction of CNG Fueling Station.

Recommendation:

Receive and file.

**SunLine Transit Agency
Checks \$1,000 and Over
October 2019**

NOTE: 1). Bold check payments represent "pass through" Bold Italicized check payments represent "capital expenses" payments that were, or will be reimbursed to SunLine under the provisions of specific grants or contracts. 2). Underlined check payments represent "shared" payments with SunLine and specific vendors/employees.

Vendor Filed As Name	Description	Check #	Payment Date	Payment Amount
BYD COACH & BUS LLC	WIP - Tircp 4 Electric Buses	680592	10/04/2019	1,476,177.94
GP STRATEGIES	WIP- CNG Fueling Station	680681	10/11/2019	464,710.91
PERMA - INSURANCE	General Liability & Workers Comp Premium	680704	10/11/2019	158,536.66
BAY CITY ELECTRIC WORKS	WIP- CNG Fueling Station	680588	10/04/2019	158,489.17
<u>U.S. BANK INSTITUTIONAL TRUST-WESTERN</u>	<u>Pension Deposit</u>	<u>680832</u>	<u>10/25/2019</u>	<u>101,349.97</u>
<u>U.S. BANK INSTITUTIONAL TRUST-WESTERN</u>	<u>Pension Deposit</u>	<u>680641</u>	<u>10/04/2019</u>	<u>101,173.58</u>
CALSTART, INC.	WIP- Hydrogen FCB (5) Lo-No	680662	10/11/2019	76,000.00
ELEMENT MARKETS RENEWABLE ENERGY, LLC	Sept 2019 CNG/Hydrogen	680784	10/25/2019	48,239.51
IMPERIAL IRRIGATION DIST	Utilities	680683	10/11/2019	48,047.40
SO CAL GAS CO.	Utilities	680712	10/11/2019	39,891.00
<u>GUARDIAN LIFE INSURANCE COMPANY THE</u>	<u>Employee Benefits/ LTD/STD/LIFE Ins Prem</u>	<u>680798</u>	<u>10/25/2019</u>	<u>35,696.01</u>
EIDE BAILLY LLP	Financial Audit Services	680782	10/25/2019	31,000.00
ELDORADO NATIONAL (CALIFORNIA), INC.	Inventory Repair Parts	680674	10/11/2019	26,085.00
ZEN AND THE ART OF CLEAN ENERGY SOLUTIONS	Consulting Services	680839	10/25/2019	22,583.40
PRAXAIR, INC.	H2 Gas Deliveries	680706	10/11/2019	19,537.29
MURCHISON & CUMMING, LLP	Insurance Loss	680815	10/25/2019	17,442.54
KRAUTHAMER & ASSOCIATES LLC	Recruiting Employees	680689	10/11/2019	16,667.00
WSP USA INC.	TDM & Vanpool Program	680837	10/25/2019	15,882.68
TEC OF CALIFORNIA, INC.	Inventory Repair Parts	680829	10/25/2019	15,765.50
ENGINEERING PROCUREMENT & DOUG WALL CONSTRUCTION	WIP- Refurbished Hydrogen Fueling Station	680675	10/11/2019	14,640.67
PSOMAS	WIP-Electric and Lighting Facility Improvement	680853	10/31/2019	13,855.90
PSOMAS	WIP- CNG Station Construction Mgt	680821	10/25/2019	12,203.51
KATHLEEN KELLY CONSULTING	Consulting Services	680688	10/11/2019	11,828.82
ANTHONY CARTER	Consulting Services	680764	10/25/2019	11,056.00
VERIZON WIRELESS	Wireless Telephone Service	680722	10/11/2019	10,882.11
MANTICORE ADVOCACY, LLC	Center of Excellence	680685	10/11/2019	10,710.00
NFI PARTS	Inventory Repair Parts	680760	10/25/2019	10,704.03
PATRICK M. BRASSIL	Hydrogen Reformer Maints & Monitoring	680817	10/25/2019	9,920.00
PRAXAIR, INC.	H2 Gas Deliveries	680879	10/31/2019	9,633.78
TRANSIT PRODUCTS & SERVICES	Inventory Repair Parts	680888	10/31/2019	9,528.13
BRIGHT MOMENTS	H.R. Consulting Services	680789	10/25/2019	9,256.00
TK SERVICES, INC.	Inventory Repair Parts	680639	10/04/2019	8,930.38
AVAIL TECHNOLOGIES	Computer Network Software Agmt	680765	10/25/2019	8,500.90
BURKE, WILLIAMS & SORENSEN, LLP	Legal Services	680660	10/11/2019	7,989.84
LAWCX	Insurance Premium- WC	680738	10/18/2019	7,697.00
KELLERMEYER BERGENSONS SERVICES, LLC	Janitorial Services	680869	10/31/2019	7,240.00
PRUDENTIAL OVERALL SUPPLY	Uniforms	680708	10/11/2019	7,181.73
YELLOW CAB OF THE DESERT	Taxi Voucher Program	680838	10/25/2019	6,826.19
MURCHISON & CUMMING, LLP	Insurance Loss	680691	10/11/2019	6,813.38

**SunLine Transit Agency
Checks \$1,000 and Over
October 2019**

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Vendor Filed As Name	Description	Check #	Payment Date	Payment Amount
AMALGAMATED TRANSIT UNION	Union Dues	680762	10/25/2019	6,601.56
JANEK CORPORATION THE	Inventory Repair Parts	680868	10/31/2019	6,499.50
CREATIVE BUS SALES, INC,	Inventory Repair Parts	680775	10/25/2019	6,478.55
AMALGAMATED TRANSIT UNION	Union Dues	680582	10/04/2019	6,458.11
NFI PARTS	Inventory Repair Parts	680580	10/04/2019	6,344.95
ADMIRAL SECURITY SERVICES, INC.	Security Guard Services	680649	10/11/2019	6,332.64
NFI PARTS	Inventory Repair Parts	680650	10/11/2019	5,990.76
NFI PARTS	Inventory Repair Parts	680840	10/31/2019	5,934.39
HOME DEPOT CREDIT SERVICES	Facility Maintenance	680799	10/25/2019	5,932.85
IMPERIAL IRRIGATION DIST	Utilities	680865	10/31/2019	5,422.75
YELLOW CAB OF THE DESERT	Taxi Voucher Program	680724	10/11/2019	5,421.52
HD INDUSTRIES	Inventory Repair Parts	680862	10/31/2019	5,364.80
AMERICAN INSTITUTE OF CHEMICAL ENGINEERS	Membership & Subscription	680583	10/04/2019	5,000.00
TRANSIT PRODUCTS & SERVICES	Inventory Repair Parts	680717	10/11/2019	4,898.75
ATWORK FRANCHISE, INC.	Temporary Help	680792	10/25/2019	4,877.54
<u>PRINCIPAL LIFE INSURANCE COMPANY</u>	<u>PPO Dental Benefits Oct 2019</u>	<u>680819</u>	<u>10/25/2019</u>	<u>4,502.82</u>
PRUDENTIAL OVERALL SUPPLY	Uniforms	680751	10/18/2019	4,434.41
JESSE FRESCAS JR.	Consulting Services	680687	10/11/2019	4,400.00
ANDREA CARTER & ASSOCIATES	Marketing Services	680728	10/18/2019	4,300.00
CARQUEST AUTO PARTS STORES	Inventory Repair Parts	680664	10/11/2019	4,259.08
BILL & WAG'S, INC.	Center of Excellence	680858	10/31/2019	4,250.00
CALIFORNIA DENTAL NETWORK, INC.	Dental Benefits	680729	10/18/2019	4,073.27
SC FUELS	Lubricants Oil	680882	10/31/2019	3,966.56
TRAPEZE SOFTWARE GROUP INC.	Computer Network Software Agmt	680640	10/04/2019	3,595.00
VALLEY OFFICE EQUIPMENT, INC.	Office Equipment Maintenance	680721	10/11/2019	3,477.19
CREATIVE BUS SALES, INC,	Inventory Repair Parts	680851	10/31/2019	3,385.55
ACCOUNTEMPS	Temporary Help	680727	10/18/2019	3,346.20
VALLEY OFFICE EQUIPMENT, INC.	Office Equipment Maintenance	680755	10/18/2019	3,290.03
TIME WARNER CABLE	Utilities	680715	10/11/2019	3,237.12
TPX COMMUNICATIONS	Telephone Service	680831	10/25/2019	3,236.25
CPAC INC.COM	Computer Network Software Agmt (1YR Barracuda Support)	680850	10/31/2019	3,072.98
CTE	Membership & Subscription	680594	10/04/2019	3,000.00
JACKSON LEWIS P.C.	Insurance Loss	680806	10/25/2019	2,906.50
ACCOUNTEMPS	Temporary Help	680579	10/04/2019	2,806.73
ATWORK FRANCHISE, INC.	Temporary Help	680608	10/04/2019	2,733.54
PDC MACHINES, INC	Inventory Repair Parts SunFuels	680703	10/11/2019	2,598.78
GRAVES & KING LLP	Insurance Loss	680796	10/25/2019	2,594.39
OPW FUELING COMPONENTS	Inventory Repair Parts SunFuels	680697	10/11/2019	2,518.55
GRANITE CONSTRUCTION COMPANY	WIP-Utility Infrastructure Upgrades	680795	10/25/2019	2,493.75

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FIESTA FORD, INC.	Inventory Repair Parts	680857	10/31/2019	2,475.12
AMETZA ARIZONA, LLC.	Lubricants Oil	680585	10/04/2019	2,467.48
JOHN FRALA	Center of Excellence	680807	10/25/2019	2,462.22
ASPEN REFRIGERANTS, INC.	Freon & Coolant	680845	10/31/2019	2,451.98
CREATIVE BUS SALES, INC,	Inventory Repair Parts	680598	10/04/2019	2,401.70
ROMAINE ELECTRIC CORP.	Inventory Repair Parts	680710	10/11/2019	2,370.50
FIESTA FORD, INC.	Lubricants Oil	680604	10/04/2019	2,331.60
CO-AX VALVES, INC.	Repair Parts Hydrogen	680848	10/31/2019	2,293.93
PALM SPRINGS MOTORS, INC.	Inventory Repair Parts	680876	10/31/2019	2,187.92
DESERT AIR CONDITIONING, INC.	Contract Services - A/C	680670	10/11/2019	2,032.00
CALIFORNIA DEPARTMENT OF TAX & FEE	Use Sales Tax	680769	10/25/2019	1,996.00
AVAIL TECHNOLOGIES	Computer Network Software Agmt	680655	10/11/2019	1,960.00
ATWORK FRANCHISE, INC.	Temporary Help	680734	10/18/2019	1,865.76
PAUL ASSOCIATES	Printing Expense	680877	10/31/2019	1,837.36
CALIFORNIA HYDROGEN BUSINESS COUNCIL	Membership & Subscription	680730	10/18/2019	1,800.00
BURRTEC WASTE & RECYCLING SERVICES	Trash Service	680591	10/04/2019	1,771.04
DESERT URGENT CARE	Medical Exams	680684	10/11/2019	1,755.00
NAPA AUTO PARTS	Inventory Repair Parts	680743	10/18/2019	1,745.70
DESERT CITY CAB	Taxi Voucher Program	680852	10/31/2019	1,709.33
CALIFORNIA STATE DISBURSEMENT UNIT	Garnishments	680770	10/25/2019	1,677.41
CALIFORNIA STATE DISBURSEMENT UNIT	Garnishments	680593	10/04/2019	1,677.41
DESERT URGENT CARE	Medical Exams	680866	10/31/2019	1,645.00
IMPERIAL IRRIGATION DIST	Utilities	680804	10/25/2019	1,633.09
SMARTDRIVE SYSTEMS, INC.	General Services	680884	10/31/2019	1,580.00
SOCALGAS	Utilities	680713	10/11/2019	1,540.70
AMETZA ARIZONA, LLC.	Lubricants Oil	680763	10/25/2019	1,514.09
DESERT CITY CAB	Taxi Voucher Program	680671	10/11/2019	1,461.10
MILE3 WEB DEVELOPMENT	Contract Services	680740	10/18/2019	1,421.71
OFFICE DEPOT	Office Supplies	680621	10/04/2019	1,412.93
C V WATER DISTRICT	Utilities	680732	10/18/2019	1,393.35
ACCOUNTEMPS	Temporary Help	680648	10/11/2019	1,372.80
SAFETY-KLEEN CORPORATION	Contract Service-Hazardous Waste Removal	680711	10/11/2019	1,372.20
HEM DATA CORPORATION	Shop Supplies	680613	10/04/2019	1,359.00
ELDORADO NATIONAL (CALIFORNIA), INC.	Inventory Repair Parts	680783	10/25/2019	1,269.27
AMERICAN SEATING COMPANY	Inventory Repair Parts	680584	10/04/2019	1,222.24
MIGUEL ZAVALA	Outside Repair-Fixed Route	680617	10/04/2019	1,200.00
NORTON MEDICAL INDUSTRIES	Medical Exams	680873	10/31/2019	1,179.15
FENCEWORKS, INC.	Rental Equipment Expenses	680678	10/11/2019	1,125.00
DESERT HOSE & SUPPLY CORP.	Inventory Repair Parts	680778	10/25/2019	1,055.25

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DECALS BY DESIGN, INC.	Inventory Repair Parts	680669	10/11/2019	1,049.88
ROMAINE ELECTRIC CORP.	Inventory Repair Parts	680881	10/31/2019	1,034.40
<i>DESERT PARADISE CONSTRUCTION, LLC</i>	<i>WIP-Admin Bldg. Phase 2 Solar Carport</i>	<i>680672</i>	<i>10/11/2019</i>	<i>1,020.00</i>
SUN CHEMICAL	Cleaning Supplies-Vehicles	680880	10/31/2019	1,012.85
EDGAR PARTIDA	Mechanic Tools/Shoes Reimbursement	680600	10/04/2019	1,000.00
TOTALFUNDS	Postage Supplies	680754	10/18/2019	1,000.00
360 BUSINESS CONSULTING	Webhosting Services	680725	10/18/2019	1,000.00
Total Checks Over \$1,000	\$3,313,854.77			
Total Checks Under \$1,000	\$46,337.27			
Total Checks	\$3,360,192.04			

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Vendor Filed As Name	Description	Check #	Payment Date	Payment Amount
GP STRATEGIES	WIP-CNG Fueling Station	681164	11/29/2019	539,217.69
GP STRATEGIES	WIP-CNG Fueling Station	681108	11/22/2019	282,161.62
DOWNTOWN FORD SALES	WIP- Replacement of Support Vehicles (5 of 6)	681018	11/15/2019	193,934.70
PERMA - INSURANCE	General Liability & Workers Comp Premium	681036	11/15/2019	158,210.93
AVAIL TECHNOLOGIES	Annual Support Billing	681153	11/29/2019	130,479.00
<u>U.S. BANK INSTITUTIONAL TRUST-WESTERN</u>	<u>Pension Deposit</u>	<u>681204</u>	<u>11/29/2019</u>	<u>103,332.25</u>
<u>U.S. BANK INSTITUTIONAL TRUST-WESTERN</u>	<u>Pension Deposit</u>	<u>681075</u>	<u>11/18/2019</u>	<u>103,042.72</u>
<u>U.S. BANK INSTITUTIONAL TRUST-WESTERN</u>	<u>Pension Deposit</u>	<u>680913</u>	<u>11/01/2019</u>	<u>102,222.05</u>
DOWNTOWN FORD SALES	WIP- Safety Department Vehicles (2 of 2)	681159	11/29/2019	91,098.66
ELEMENT MARKETS RENEWABLE ENERGY, LLC	Oct 2019 CNG/Hydrogen	681160	11/29/2019	52,929.94
TYLER TECHNOLOGIES, INC.	Annual Software Data - Maintenance	681203	11/29/2019	52,462.52
SO CAL GAS CO.	Utilities	681071	11/18/2019	40,314.90
<u>GUARDIAN LIFE INSURANCE COMPANY THE</u>	<u>Employee Benefits/ LTD/STD/LIFE Ins Prem</u>	<u>681167</u>	<u>11/29/2019</u>	<u>35,380.21</u>
WSP USA INC.	TDM & Vanpool Program	681142	11/22/2019	31,081.73
KATHLEEN KELLY CONSULTING	Consulting Services	681027	11/15/2019	28,870.73
SUSAN HAFNER, MULTIMODAL SOLUTIONS	Consulting Services	681196	11/29/2019	26,908.65
IMPERIAL IRRIGATION DIST	Utilities	681060	11/18/2019	25,127.06
MICHELIN NORTH AMERICA, INC.	Tire Leasing Service	680959	11/08/2019	23,278.90
IMPERIAL IRRIGATION DIST	Utilities	680954	11/08/2019	22,656.15
THE LEFLORE GROUP LLC	Consulting Services	681129	11/22/2019	20,082.86
SHEILA HRUBY	Settlement	681144	11/27/2019	20,000.00
THE LEFLORE GROUP LLC	Consulting Services	680917	11/06/2019	16,866.57
MANTICORE ADVOCACY, LLC	Consulting Services	681063	11/18/2019	16,238.99
RUSH TRUCK CENTERS OF CALIFORNIA, INC.	Inventory Repair Parts	681130	11/22/2019	15,664.65
COUNTY OF RIVERSIDE	WIP- Operation Facility Supplement Deposit	681011	11/15/2019	15,300.00
NFI PARTS	Inventory Repair Parts	680921	11/08/2019	15,166.50
ZEN AND THE ART OF CLEAN ENERGY	Training for SunLine Center of Excellence	681212	11/29/2019	14,953.77
BURKE, WILLIAMS & SORENSEN, LLP	Legal Services	681154	11/29/2019	12,832.09
VERIZON WIRELESS	Wireless Telephone Service	680992	11/08/2019	11,225.55
BRIGHT MOMENTS	Consulting Services	681104	11/22/2019	10,980.00
SUNLINE REGULATORY ADMINI	Due to Due From Adjustments SRA	680985	11/08/2019	10,368.58
NFI PARTS	Inventory Repair Parts	681080	11/22/2019	10,281.20
NFI PARTS	Inventory Repair Parts	681146	11/29/2019	10,053.03
ANTHONY CARTER	Consulting Services	680928	11/08/2019	9,256.00
TK SERVICES, INC.	Inventory Repair Parts	680987	11/08/2019	9,069.44
ADEPTEC, INC.	WIP-Bus Vacuum System	681062	11/18/2019	9,000.00
MUNICIPAL RESOURCE GROUP LLC	Consulting Services	681030	11/15/2019	8,930.63
SOFTCHOICE CORP.	Annual Keystone Renewal	680982	11/08/2019	8,182.76

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Vendor Filed As Name	Description	Check #	Payment Date	Payment Amount
BAE SYSTEMS CONTROLS, INC.	Repair Parts Fuel Cell	680931	11/08/2019	7,227.26
YELLOW CAB OF THE DESERT	Taxi Voucher Program	681050	11/15/2019	6,953.91
AMALGAMATED TRANSIT UNION	Union Dues	681051	11/18/2019	6,728.82
ADMIRAL SECURITY SERVICES, INC.	Security Guard Services	680997	11/15/2019	6,694.96
AMALGAMATED TRANSIT UNION	Union Dues	680893	11/01/2019	6,630.25
CIMARRON GOLF COURSE	End of Year Event	681210	11/29/2019	6,544.40
JESSE FRESCAS JR.	Consulting Services	681026	11/15/2019	6,240.00
AMETZA ARIZONA, LLC.	Lubricants Oil	680926	11/08/2019	6,192.83
HD INDUSTRIES	Inventory Repair Parts	681025	11/15/2019	6,176.84
TEC OF CALIFORNIA, INC.	Inventory Repair Parts	681044	11/15/2019	6,111.06
CUMMINS SALES AND SERVICE	Inventory Repair Parts	681013	11/15/2019	6,076.77
CREATIVE BUS SALES, INC,	Inventory Repair Parts	680939	11/08/2019	5,745.31
GRAVES & KING LLP	Insurance Loss	681166	11/29/2019	5,326.55
SPROUT SOCIAL, INC.	Social Media Advertising	681043	11/15/2019	5,292.48
IMPERIAL IRRIGATION DIST	Utilities	681168	11/29/2019	5,120.57
HOME DEPOT CREDIT SERVICES	Facility Maintenance	681112	11/22/2019	4,897.56
CUMMINS SALES AND SERVICE	Inventory Repair Parts	681094	11/22/2019	4,845.44
DESERT URGENT CARE	Medical Exams	681061	11/18/2019	4,580.00
HD INDUSTRIES	Inventory Repair Parts	681110	11/22/2019	4,540.09
WORK ZONE CAM LLC	Construction Workzone Camera service	681078	11/18/2019	4,465.86
REVIEWSNAP	Annual Renewal	681001	11/15/2019	4,331.00
BATTERY SYSTEMS, INC.	Inventory Repair Parts	680932	11/08/2019	4,110.50
ANDREA CARTER & ASSOCIATES	Marketing Services	681086	11/22/2019	4,000.00
PACKET FUSION, INC.	WIP-Information Technology Projects	681183	11/29/2019	3,962.30
CALIFORNIA DENTAL NETWORK, INC.	Dental Benefits	681091	11/22/2019	3,939.99
CARQUEST AUTO PARTS STORES	Inventory Repair Parts	681006	11/15/2019	3,718.56
CREATIVE BUS SALES, INC,	Inventory Repair Parts	681012	11/15/2019	3,700.15
PRUDENTIAL OVERALL SUPPLY	Uniforms	681037	11/15/2019	3,653.00
GRAINGER	Fixed Assets-Facility Improvements	681109	11/22/2019	3,595.10
HD INDUSTRIES	Inventory Repair Parts	680953	11/08/2019	3,591.91
MURCHISON & CUMMING, LLP	Insurance Loss	681175	11/29/2019	3,588.97
VALLEY OFFICE EQUIPMENT, INC.	Office Equipment Maintenance	681138	11/22/2019	3,516.27
SOCALGAS	Utilities	681072	11/18/2019	3,402.84
BURRTEC WASTE & RECYCLING SERVICES	Trash Service	680933	11/08/2019	3,360.49
TIME WARNER CABLE	Utilities	681074	11/18/2019	3,237.22
TPX COMMUNICATIONS	Communication	681199	11/29/2019	3,212.65
AIR & LUBE SYSTEMS INC	Fixed Assets-Facility Improvements	680999	11/15/2019	3,150.37
<u>PRINCIPAL LIFE INSURANCE COMPANY</u>	<u>PPO Dental Benefits Nov 2019</u>	<u>681187</u>	<u>11/29/2019</u>	<u>3,144.41</u>
CALIFORNIA STATE DISBURSEMENT UNIT	Garnishments	680894	11/01/2019	3,127.84

**SunLine Transit Agency
Checks \$1,000 and Over
November 2019**

NOTE: 1). Bold check payments represent "pass through" Bold Italicized check payments represent "capital expenses" payments that were, or will be reimbursed to SunLine under the provisions of specific grants or contracts. 2). Underlined check payments represent "shared" payments with SunLine and specific vendors/employees

Vendor Filed As Name	Description	Check #	Payment Date	Payment Amount
ACCOUNTEMPS	Temporary Help	680919	11/08/2019	3,088.80
ATWORK FRANCHISE, INC.	Temporary Help	680951	11/08/2019	3,059.78
STANTEC ARCHITECTURE, INC.	WIP-Operation Facility	681194	11/29/2019	3,008.91
CALIFORNIA STATE DISBURSEMENT UNIT	Garnishments	681053	11/18/2019	2,943.23
CALIFORNIA STATE DISBURSEMENT UNIT	Garnishments	681155	11/29/2019	2,930.38
US BANK VOYAGER FLEET SYSTEMS	Fuel for Support Vehicles	681213	11/29/2019	2,821.66
PAUL ASSOCIATES	Office Supplies	680968	11/08/2019	2,752.13
ACCOUNTEMPS	Temporary Help	681079	11/22/2019	2,745.60
BURKE, WILLIAMS & SORENSEN, LLP	Legal Service- Labor	681052	11/18/2019	2,611.00
<u>U.S. BANK INSTITUTIONAL TRUST-WESTERN</u>	<u>Pension Deposit</u>	<u>681047</u>	<u>11/15/2019</u>	<u>2,608.77</u>
BROADLUX, INC.	Hydrogen Dispenser communications	681088	11/22/2019	2,525.11
ROMAINE ELECTRIC CORP.	Inventory Repair Parts	680976	11/08/2019	2,511.59
CALSTART, INC.	CA ZEB Coalition	680935	11/08/2019	2,500.00
DESERT AIR CONDITIONING, INC.	Semi-Annual Contract Service	680945	11/08/2019	2,354.00
PSOMAS	WIP- CNG Station Construction Mgt	680971	11/08/2019	2,277.80
ROBERT HALF TECHNOLOGY	Temporary Help	681128	11/22/2019	2,256.75
AMETZA ARIZONA, LLC.	Lubricants Oil	681085	11/22/2019	2,208.04
AIR & LUBE SYSTEMS INC	Small Tools & Equipment	680924	11/08/2019	2,068.85
AVAIL TECHNOLOGIES	Computer Network Software Agreement	680930	11/08/2019	1,960.00
DESERT CITY CAB	Taxi Voucher Program	681016	11/15/2019	1,955.92
FULTON DISTRIBUTING	Stops N Zones Supplies	681021	11/15/2019	1,929.17
ELDORADO NATIONAL (CALIFORNIA), INC.	Repair Parts Fixed Route	681102	11/22/2019	1,908.50
PDC MACHINES, INC	Inventory Repair Parts	681067	11/18/2019	1,806.35
CREATIVE BUS SALES, INC,	Inventory Repair Parts	681093	11/22/2019	1,778.75
ATWORK FRANCHISE, INC.	Temporary Help	681022	11/15/2019	1,766.54
ACCOUNTEMPS	Temporary Help	680996	11/15/2019	1,716.00
THE LEARNING & PERFORMANCE IMPROVEMENT	Consulting Services	681171	11/29/2019	1,711.50
HIRERIGHT, LLC	Employment Background Services	681059	11/18/2019	1,668.46
TRANSIT RESOURCES, INC.	Inventory Repair Parts	680989	11/08/2019	1,595.31
TK SERVICES, INC.	Inventory Repair Parts	681046	11/15/2019	1,584.18
RUSH TRUCK CENTERS OF CALIFORNIA, INC.	Inventory Repair Parts	681190	11/29/2019	1,583.92
SMARTDRIVE SYSTEMS, INC.	General Services	681132	11/22/2019	1,580.00
ATWORK FRANCHISE, INC.	Temporary Help	681162	11/29/2019	1,557.35
PALM SPRINGS MOTORS, INC.	Repair Parts Fixed Route	681126	11/22/2019	1,518.86
DECALS BY DESIGN, INC.	Inventory Repair Parts	680944	11/08/2019	1,459.82
LAUREN SKIVER	Staff Development Meetings	681173	11/29/2019	1,459.18
FRANKLIN TRUCK PARTS, INC	Inventory Repair Parts	681020	11/15/2019	1,447.30
DESERT PARADISE CONSTRUCTION, LLC	WIP-Operation Facility / Admin Bldg. Phase 2	681100	11/22/2019	1,440.00
NAPA AUTO PARTS	Inventory Repair Parts	681176	11/29/2019	1,428.58

**SunLine Transit Agency
Checks \$1,000 and Over
November 2019**

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Vendor Filed As Name	Description	Check #	Payment Date	Payment Amount
SWRCB ACCOUNTING OFFICE	Annual Operating Permits & Licenses	681197	11/29/2019	1,400.00
ALLEN FENCE CONSTRUCTION	Repairs to chain link gate at boneyard dirt lot.	680925	11/08/2019	1,370.00
CUMMINS-ALLISON CORP.	Annual Renewal Coin Room Machines	681014	11/15/2019	1,357.51
SLEC, INC.	Small Tools & Equipment	680908	11/01/2019	1,330.34
AUGER CONSULTING GROUP LLC	Consulting Services	681064	11/18/2019	1,320.00
ON THE GO DJ PRO	End of Year Event	681151	11/29/2019	1,295.00
AIRWAVE COMMUNICATIONS	Radio Maintenance	680892	11/01/2019	1,284.04
AMETZA ARIZONA, LLC.	Lubricants Oil	681150	11/29/2019	1,273.19
CPAC INC.COM	WIP-Information Technology Projects	680938	11/08/2019	1,271.02
MILE3 WEB DEVELOPMENT	Website Maintenance	680960	11/08/2019	1,267.01
KELLY PAPER COMPANY	Office Supplies - Paper for Office	681172	11/29/2019	1,266.87
C V WATER DISTRICT	Utilities	681092	11/22/2019	1,266.35
IMPERIAL IRRIGATION DIST	Utilities	681116	11/22/2019	1,248.05
DESERT POLYMER FLOORING, INC	Fixed Assets-Facility Improvements	681017	11/15/2019	1,225.10
GRAINGER	Shop Supplies	681023	11/15/2019	1,223.32
MITECH CONTROLS INC.	Hydrogen Regulator for FC8	681120	11/22/2019	1,207.89
ROBERT HALF TECHNOLOGY	Temporary Help	680974	11/08/2019	1,180.00
ROBERT HALF TECHNOLOGY	Temporary Help	681069	11/18/2019	1,180.00
ROBERT HALF TECHNOLOGY	Temporary Help	681189	11/29/2019	1,180.00
AMERICAN SEATING COMPANY	Inventory Repair Parts	681084	11/22/2019	1,166.98
TOMMY EDWARDS	CTA Annual Conf & Expo	681198	11/29/2019	1,141.41
BURRTEC WASTE & RECYCLING SERVICES	Trash Service	680934	11/08/2019	1,096.25
BRITTNEY B. SOWELL	CTA Annual Conference & Expo	681087	11/22/2019	1,091.61
CUMMINS SALES AND SERVICE	Inventory Repair Parts	680941	11/08/2019	1,049.00
PACKET FUSION, INC.	Annual Phone Support	680964	11/08/2019	1,025.75
360 BUSINESS CONSULTING	Webhosting Services	680918	11/08/2019	1,000.00
TOTALFUNDS	Postage Supplies	681134	11/22/2019	1,000.00
CSUSB PHILANTHROPIC FOUNDATION	Annual contribution to Dean's Innovation Fund	681157	11/29/2019	1,000.00
Total Checks Over \$1,000	\$2,598,742.34			
Total Checks Under \$1,000	\$45,834.56			
Total Checks	\$2,644,576.90			

SunLine Transit Agency

CONSENT CALENDAR

DATE: January 22, 2020

RECEIVE & FILE

TO: Finance/Audit Committee
Board of Directors

RE: Credit Card Statement for October & November 2019

Summary:

The attached report summarizes the Agency's credit card expenses for October and November 2019 with a statement closing date of November 3, 2019 and December 3, 2019, respectively.

Recommendation:

Receive and file.

SunLine Transit Agency Visa Credit Card Statement

Closing Date: 10/03/19

Name on Card: Lauren Skiver

	Trans. Date	Post Date	Reference	Detail - Description	Credits	Charges
1	9/4/2019	9/4/2019	DropBox	Dropbox Annual Membership Renewal; Performance Department		\$1,848.00
2	9/4/2019	9/4/2019	Juan Pollo Restaurants	Juan Pollo Catering Order; T-Now Meeting-Planning Department		\$188.56
3	9/5/2019	9/5/2019	Palm Springs Airport	Airport parking for 2 days (Palm Springs Airport); APTA Board Chair Selection-Lauren Skiver, CEO/General Manager		\$40.00
4	9/5/2019	9/5/2019	United Airlines	Change Fee; APTA Board Chair Selection-Lauren Skiver, CEO/General Manager		\$43.00
5	9/5/2019	9/5/2019	United Airlines	Change Fee; APTA Board Chair Selection-Lauren Skiver, CEO/General Manager		\$200.00
6	9/6/2019	9/6/2019	Residence Inn	Lodging for 2 Nights; ZEBRA OEM Roundtable-Tommy Edwards, Chief Performance Officer		\$277.10
7	9/6/2019	9/6/2019	Residence Inn	Lodging for 2 Nights; ZEBRA OEM Roundtable-Jenny Bellinger, Performance Project Assistant		\$277.10
8	9/9/2019	9/9/2019	Firehouse Subs	Fire House Subs Catering Order; Service extension / 700 bar station Meeting with Nel and ZEN *Reimbursed through the project's grant*		\$89.42
9	9/11/2019	9/11/2019	Southwest Airlines	Roundtrip flight from ONT to OAK on Southwest Airlines; 2019 International Zero Emissions Bus Conference-Tommy Edwards, Chief Performance Officer		\$266.96
10	9/12/2019	9/12/2019	Southwest Airlines	Southwest Airlines EarlyBird check in fee (departure); International ZE Bus Conference-Lauren Skiver, CEO/General Manager		\$15.00
11	9/12/2019	9/12/2019	Southwest Airlines	Roundtrip flight from ONT to SFO on Southwest Airlines; International ZE Bus Conference-Lauren Skiver, CEO/General Manager		\$274.96
12	9/12/2019	9/12/2019	Southwest Airlines	Southwest Airlines EarlyBird check in fee (return); International ZE Bus Conference-Lauren Skiver, CEO/General Manager		\$15.00
13	9/12/2019	9/12/2019	Southwest Airlines	Southwest Airlines EarlyBird check in fee (departure); International ZE Bus Conference-Tommy Edwards, Chief Performance Officer		\$15.00
14	9/12/2019	9/12/2019	Southwest Airlines	Southwest Airlines EarlyBird check in fee (return); International ZE Bus Conference-Tommy Edwards, Chief Performance Officer		\$15.00
15	9/12/2019	9/12/2019	Southwest Airlines	Southwest Airlines EarlyBird check in fee (departure); International ZE Bus Conference-Jenny Bellinger, Performance Project Assistant		\$15.00
16	9/12/2019	9/12/2019	Southwest Airlines	Southwest Airlines EarlyBird check in fee (return); International ZE Bus Conference-Jenny Bellinger, Performance Project Assistant		\$15.00
17	9/12/2019	9/12/2019	Southwest Airlines	Roundtrip flight from ONT to SFO on Southwest Airlines; International ZE Bus Conference -Tommy Edwards, Chief Performance Officer		\$274.96
18	9/12/2019	9/12/2019	Southwest Airlines	Roundtrip flight from ONT to SFO on Southwest Airlines; International ZE Bus Conference -Jenny Bellinger, Performance Project Assistant		\$274.96

	Trans. Date	Post Date	Reference	Detail - Description	Credits	Charges
19	9/12/2019	9/12/2019	Southwest Airlines	Roundtrip flight from ONT to OAK on Southwest Airlines; 2019 International Zero Emissions Bus Conference-Tommy Edwards, Chief Performance Officer (Credits)	\$266.96	
20	9/18/2019	9/18/2019	Expedia	Alaska Airlines flight from DCA to LAX; FTA Roundtable-Lauren Skiver, CEO/General Manager		\$379.30
21	9/18/2019	9/18/2019	Expedia	Alaska Airlines flight from LAX to DCA; FTA Roundtable-Lauren Skiver, CEO/General Manager		\$148.30
22	9/18/2019	9/18/2019	Expedia	Expedia Booking Fee; FTA Roundtable-Lauren Skiver, CEO/General Manager		\$4.64
23	9/18/2019	9/18/2019	Expedia	Lodging for 3 Nights; FTA Roundtable-Lauren Skiver, CEO/General Manager		\$1,077.07
24	9/20/2019	9/20/2019	APTA	Remaining Balance for Conference Registration; APTA's 2019 TRANSform Conference- Lauren Skiver, CEO/General Manager		\$165.00
25	9/20/2019	9/20/2019	APTA	Remaining Balance for Conference Registration; APTA's 2019 TRANSform Conference- Tommy Edwards, Chief Performance Officer		\$435.00
26	9/23/2019	9/23/2019	Southwest Airlines	Roundtrip flight from ONT to SJC on Southwest Airlines; West Coast Center of Excellence Training-Tommy Edwards, Chief Performance Officer *Reimbursed through the project's grant*		\$266.96
27	9/23/2019	9/23/2019	Southwest Airlines	Roundtrip flight from ONT to SJC on Southwest Airlines; West Coast Center of Excellence Training-Mary Johnson, Project Manager Assistant *Reimbursed through the project's grant*		\$266.96
28	9/24/2019	9/24/2019	American Airlines	American Airlines flight from PSP to DCA; FTA Roundtable-Lauren Skiver, CEO/General Manager		\$902.99
29	9/24/2019	9/24/2019	American Airlines	American Airlines Main Cabin Extra; flight from PSP to DCA on American Airlines -Lauren Skiver, CEO/General Manager		\$180.02
30	9/25/2019	9/25/2019	American Airlines	Roundtrip flight from ONT to LGA on American Airlines; APTA's 2019 TRANSform Conference-Tommy Edwards, Chief Performance Officer		\$530.10
31	9/25/2019	9/25/2019	American Airlines	American Airlines Main Cabin Extra; Roundtrip flight from ONT to LGA on American Airlines - Tommy Edwards, Chief Performance Officer		\$33.50
32	9/26/2019	9/26/2019	Le Meridien	Lodging for 2 Nights; International ZE Bus Conference -Lauren Skiver, CEO/General Manager		\$882.31
33	9/26/2019	9/26/2019	Le Meridien	Lodging for 2 Nights; International ZE Bus Conference-Tommy Edwards, Chief Performance Officer		\$882.99
34	9/26/2019	9/26/2019	Le Meridien	Lodging for 2 Nights; International ZE Bus Conference-Jenny Bellinger, Performance Project Assistant		\$976.19
35	9/27/2019	9/27/2019	Palliser Hotel	Lodging for 5 Nights; International Association of Transportation Regulators Training-Michal Brock, Taxi Administrator		\$1,534.00
36	9/27/2019	9/27/2019	National Car Rental	Car Rental for 2 Days; International ZE Bus Conference-Lauren Skiver, CEO/General Manager		\$468.99
37	9/27/2019	9/27/2019	ONT Airport Parking Lot	Airport parking for 3 days (Ontario Airport); International ZE Bus Conference-Lauren Skiver, CEO/General Manager		\$81.00

	Trans. Date	Post Date	Reference	Detail - Description	Credits	Charges
38	9/27/2019	9/27/2019	Luna Grill	Luna Grill Catering Order; September Board of Directors Meeting		\$392.32
39	9/30/2019	9/30/2019	Expedia	American Airlines flight from LGA to SMF; NorCal Clean Fleet Technology Conference & Expo-Lauren Skiver, CEO/General Manager		\$170.50
40	9/30/2019	9/30/2019	American Airlines	American Airlines flight from SMF to LAX; NorCal Clean Fleet Technology Conference & Expo-Lauren Skiver, CEO/General Manager		\$172.30
41	9/30/2019	9/30/2019	American Airlines	American Airlines flight from LAX to JFK; APTA's 2019 TRANSform Conference-Lauren Skiver, CEO/General Manager		\$248.30
42	9/30/2019	9/30/2019	American Airlines	American Airlines Main Cabin Extra; flight from LAX to JFK on American Airlines -Lauren Skiver, CEO/General Manager		\$33.19
43	9/30/2019	9/30/2019	Expedia	Lodging for 2 Nights; NorCal Clean Fleet Technology Conference & Expo-Lauren Skiver, CEO/General Manager		\$431.53
44	9/30/2019	9/30/2019	Expedia	Car Rental for 2 Days; NorCal Clean Fleet Technology Conference & Expo-Lauren Skiver, CEO/General Manager		\$138.72
45	10/1/2019	10/1/2019	GoDaddy.com	GoDaddy; 2-year SSL certificate for email and websites		\$739.98
46	10/2/2019	10/2/2019	Panera Bread	Panera Bread Catering Order; HDR meeting-Planning Department, Operations Department and HDR		\$151.83
Credits and Charges:					\$266.96	\$15,839.01
Total:					\$15,572.05	



CONSOLIDATED BILLING CONTROL ACCOUNT STATEMENT

Prepared For	SUNLINE TRANSIT LUIS GARCIA
Account Number	[REDACTED]
Statement Closing Date	10/03/19
Days in Billing Cycle	30
Next Statement Date	11/03/19

For 24-Hour Customer Service Call:
800-231-5511

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

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

Credit Line	\$40,000
Available Credit	\$23,098

Payment Information

New Balance	\$15,839.01
Current Payment Due (Minimum Payment)	\$792.00
Current Payment Due Date	10/28/19

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		\$3,627.94
Credits	-	\$266.96
Payments	-	\$3,360.98
Purchases & Other Charges	+	\$15,839.01
Cash Advances	+	\$0.00
Finance Charges	+	\$0.00
New Balance	=	\$15,839.01

Wells Fargo Elite Cash Back Advantage

Previous Balance		\$0.00
Cash Earned this Month		\$155.72
Trades From Other Company Cards		\$0.00
Bonus/Adjustments		\$50.00
Cash Back Balance	=	\$205.72
Cash Awarded this Period		\$0.00
Year to Date Cash Back Awarded		\$575.66

Cash Back Notice

Your next cash back reward is scheduled for 12/2019.

Congratulations! You've earned \$50 bonus cash back because your total company spend was at least \$10,000 in this billing period.

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	\$15,839.01
Total Amount Due (Minimum Payment)	\$792.00
Current Payment Due Date	10/28/19



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

61679

 MSP 319



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	13.240%	03627%	\$0.00	\$0.00	\$0.00	\$0.00
CASH ADVANCES	25.990%	07120%	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL				\$0.00	\$0.00	\$0.00

Important Information

\$0 - \$15,839.01 WILL BE DEDUCTED FROM YOUR ACCOUNT AND CREDITED AS YOUR AUTOMATIC PAYMENT ON 10/28/19. THE AUTOMATIC PAYMENT AMOUNT WILL BE REDUCED BY ALL PAYMENTS POSTED ON OR BEFORE THIS DATE.

2-1

Summary of Sub Account Usage

Name	Sub Account Number Ending In	Monthly Spending Cap	Spend This Period
LAURA SKIVER		40,000	\$15,572.05

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
09/27	09/27	F3268008E00CHGDDA	AUTOMATIC PAYMENT - THANK YOU TOTAL 4484610004265941 \$3,360.98-	3,360.98	

Transaction Summary For LAURA SKIVER
Sub Account Number Ending In 0263

09/04	09/04	24692167P2XLBA67M	DROPBOX*WMBJCNMK4FJG DROPBOX.COM CA		1,848.00
09/04	09/04	24755427R4E0EPP64	JUAN POLLO BEAUMONT 951-7698570 CA		188.56
09/05	09/05	24431067RBM6D8XPB	PALM SPRINGS AIRPORT PALM SPRINGS CA		40.00
09/05	09/05	24692167T2XMGVHFW	UNITED 0162471153142800-932-2732 TX		43.00
		09/05/19	SKIVER/LAURALEE		
		1 UA H	DENVER PALM SPRINGS		
09/05	09/05	24692167T2XMH3A2E	UNITED 0161532911181800-932-2732 TX		200.00
09/06	09/06	24692167T2XNMMXAV	RESIDENCE INNS LONG BE LONG BEACH CA		277.10
09/06	09/06	24692167T2XNMMXB3	RESIDENCE INNS LONG BE LONG BEACH CA		277.10
09/09	09/09	24137467XEJ69FH68	FIREHOUSE SUBS #1287 PALM DESERT CA		89.42
09/11	09/11	24692167Z2XF92JL9	SOUTHWES 5262119161077800-435-9792 TX		266.96
		09/25/19	EDWARDS/TOMMY		
		1 WN J	ONTARIO OAKLAND		
		2 WN S	OAKLAND ONTARIO		
09/12	09/12	2469216802Y1RE0AT	SWA*EARLYBRD5269849992427800-435-9792 TX		15.00
09/12	09/12	2469216802Y1RE0A7	SOUTHWES 5262119676085800-435-9792 TX		274.96
		09/25/19	EDWARDS/TOMMY DALE		
		1 WN E	ONTARIO SAN FRANCISCO		
		2 WN T	SAN FRANCISCO ONTARIO		
09/12	09/12	2469216802Y1RE0BH	SWA*EARLYBRD5269849992430800-435-9792 TX		15.00
09/12	09/12	2469216802Y1RE0BT	SWA*EARLYBRD5269849992431800-435-9792 TX		15.00
09/12	09/12	2469216802Y1RE0B1	SWA*EARLYBRD5269849992428800-435-9792 TX		15.00
09/12	09/12	2469216802Y1RE0B9	SWA*EARLYBRD5269849992429800-435-9792 TX		15.00
09/12	09/12	2469216802Y1RE0QA	SWA*EARLYBRD5269849992432800-435-9792 TX		15.00
09/12	09/12	2469216802Y1RE09P	SOUTHWES 5262119676083800-435-9792 TX		274.96
		09/25/19	BELLINGER/JENNIFER M		
		1 WN E	ONTARIO SAN FRANCISCO		
		2 WN T	SAN FRANCISCO ONTARIO		
09/12	09/12	2469216802Y1RE09Z	SOUTHWES 5262119676084800-435-9792 TX		274.96
		09/25/19	SKIVER/LAURA LEE		
		1 WN E	ONTARIO SAN FRANCISCO		
		2 WN T	SAN FRANCISCO ONTARIO		
09/12	09/12	7469216802Y1RMJZN	SOUTHWES 5262119161077800-435-9792 TX	266.96	
09/18	09/18	2443106889M3DNJWE	ALASKA AIR 0277423663106 SEATTLE WA		379.30
		10/11/19	SKIVER/LAURA LEE		
		1 AS H	WASHINGTON LOS ANGELES		
		11617270	EXPEDIA.COM TRAVEL		

NYC

Transaction Details

Trans	Post	Reference Number	Description	Credits	Charges
09/18	09/18	2443106869M3DNKKW 10/08/19	ALASKA AIR 0277423691424 SEATTLE WA SKIVER/LAURA LEE		148.30
		1 AS R	LOS ANGELES WASHINGTON		
		11617270	EXPEDIA.COM TRAVEL		
09/18	09/18	244450088HEW8BDDJ	EXPEDIA 7476004776739 EXPEDIA.COM NV		4.64
09/18	09/18	244450088HEW8BD88	EXPEDIA 7476001317156 EXPEDIA.COM NV		1,077.07
09/20	09/20	246392389S66DR6VW	APTA 202-4964800 DC		165.00
09/20	09/20	246392389S66DR6WE	APTA 202-4964800 DC		435.00
09/23	09/23	24692166B2XNFXNYT 10/06/19	SOUTHWES 5262123319222800-435-9792 TX JOHNSON/MARY ASHLEY		256.95
		1 WN S	ONTARIO SAN JOSE		
		2 WN J	SAN JOSE ONTARIO		
09/23	09/23	24692166B2XNFXNZ1 10/06/19	SOUTHWES 5262123319222800-435-9792 TX EDWARDS/TOMMY DALE		256.96
		1 WN S	ONTARIO SAN JOSE		
		2 WN J	SAN JOSE ONTARIO		
09/24	09/24	24431068QWESNQS13 10/08/19	AMERICAN AIR001237969070 FORT WORTH TX SKIVER/LAURA		902.99
		1 AA G	PALM SPRINGS FORT WORTH		
		2 AA G	FORT WORTH WASHINGTON		
		3 AA G	WASHINGTON CHICAGO		
		4 AA V	CHICAGO PALM SPRINGS		
09/24	09/24	24431068QWESPUNBS 09/24/19	AMERICAN AIR0010656922890 FORT WORTH TX SKIVER/LAURA		180.02
		1 AA Y	RVU FEE		
09/25	09/25	24431068DWESNFFYK 10/12/19	AMERICAN AIR0012379951528 FORT WORTH TX EDWARDS/TOMMY		580.10
		1 AA G	ONTARIO FORT WORTH		
		2 AA G	FORT WORTH NEW YORK		
		3 AA L	NEW YORK FORT WORTH		
		4 AA L	FORT WORTH ONTARIO		
09/25	09/25	24431068DWESPLBHE 09/25/19	AMERICAN AIR0010657005731 FORT WORTH TX EDWARDS/TOMMY		33.50
		1 AA Y	RVU FEE		
09/26	09/26	24755428D7LLVFLGH	LE MERIDIEN SAN FRANCISCO SAN FRANCISCO CA		882.31
09/26	09/26	24755428D7LLVFLGT	LE MERIDIEN SAN FRANCISCO415-2962900 CA		882.99
09/26	09/26	24755428D7LLVFGM1	LE MERIDIEN SAN FRANCISCO415-2962900 CA		976.19
09/27	09/27	74064498FPVHAKK8 09/27	PALLISER HOTEL CALGARY CD CA DOLLAR		1,534.00
		09/27	---2026.46 X 0.75898508		
09/27	09/27	24164078E1R1ETZJX	NATIONAL CAR RENTAL SAN FRANCISCO CA		458.99
09/27	09/27	24323038F05JZSEBN	ONT AIRPT PRKING LOT 4 ONTARIO CA		81.00
09/27	09/27	24431068EL4F8LG5V	LUNA GRILL 046 PALM DESERT CA		392.32
09/30	09/30	24431068JA16SD7NJ 10/16/19	AMERICAN AIR0017425255990 FORT WORTH TX SKIVER/LAURA LEE		170.50
		1 AA N	NEW YORK CHARLOTTE		
		2 AA N	CHARLOTTE SACRAMENTO		
		11578626	EXPEDIA.COM		
09/30	09/30	24431068JWESNQPVF 10/18/19	AMERICAN AIR0012380846897 FORT WORTH TX SKIVER/LAURA		172.30
		1 AA G	SACRAMENTO LOS ANGELES		
09/30	09/30	24431068JWESN4N3J 10/11/19	AMERICAN AIR0012380839568 FORT WORTH TX SKIVER/LAURA		248.30
		1 AA G	LOS ANGELES NEW YORK		
09/30	09/30	24431068JWESPHH5M 09/30/19	AMERICAN AIR0010657306087 FORT WORTH TX SKIVER/LAURA		33.19
		1 AA Y	RVU FEE		
09/30	09/30	24445008JHEWRLQ74	EXPEDIA 7480310241943 EXPEDIA.COM NV		431.53
09/30	09/30	24445008JHEWRLQ9D	EXPEDIA 7480312927657 EXPEDIA.COM NV		138.72
10/01	10/01	24905418J2AXPKLSR	DNH*GODADDY.COM 480-8058855 AZ		739.98
10/02	10/02	24231688K2DKYBFSJ	PANERA BREAD #801771 PALM DESERT CA		151.83
			TOTAL \$15,572.05		
			LAURA SKIVER / Sub Acct Ending In 0283		

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- No foreign transaction fees on your purchases
- Enhanced security with chip card technology

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SunLine Transit Agency Visa Credit Card Statement

Closing Date: 11/03/19

Name on Card: Lauren Skiver

	Trans. Date	Post Date	Reference	Detail - Description	Credits	Charges
1	10/2/2019	10/4/2019	American Airlines	American Airlines flight from SMF to PSP; NorCal Clean Fleet Technology Conference & Expo-Lauren Skiver, CEO/General Manager		\$356.70
2	10/3/2019	10/4/2019	Marriott	Lodging for 2 Nights; APTA's 2019 TRANSform Conference-Lauren Skiver, CEO/General Manager		\$612.64
3	10/4/2019	10/6/2019	Zachary's Restaurant	Catering Order-Zachary's Restaurant; Center of Excellence Beta Training *Reimbursed through the project's grant*		\$426.00
4	10/4/2019	10/6/2019	DRI Cisco Systems	Annual Renewal for WebEx		\$468.00
5	10/4/2019	10/6/2019	Holy Smokes	Catering Order-Holy Smokes; Center of Excellence Beta Training *Reimbursed through the project's grant*		\$1,245.45
6	10/5/2019	10/6/2019	The Buttery	Catering Order-The Buttery; Center of Excellence Beta Training *Reimbursed through the project's grant*		\$530.25
7	10/4/2019	10/7/2019	Hulas Island Grill	Catering Order-Hulas Island Grill; Center of Excellence Beta Training *Reimbursed through the project's grant*		\$634.26
8	10/5/2019	10/7/2019	American Airlines	American Airlines Main Cabin Extra; flight from PSP to DCA on American Airlines-Lauren Skiver, CEO/General Manager (Credits)	\$73.92	
9	10/7/2019	10/8/2019	INIST Inc.	Registration; Podcar City-Harmanjit Singh, Project Manager		\$450.00
10	10/7/2019	10/9/2019	Southwest Airlines	Roundtrip flight from ONT to SJC on Southwest Airlines; Podcar City-Harmanjit Singh, Project Manager		\$191.96
11	10/8/2019	10/9/2019	Marriott	Lodging for 1 Night; APTA's 2019 TRANSform Conference-Lauren Skiver, CEO/General Manager		\$426.93
12	10/9/2019	10/11/2019	Hotel Paradox	Lodging for 3 Nights; Center of Excellence Beta Training-Tommy Edwards, Chief Performance Officer *Reimbursed through the project's grant*		\$443.64
13	10/9/2019	10/11/2019	Hotel Paradox	Lodging for 3 Nights; Center of Excellence Beta Training-Mary Johnson, Project Manager Assistant *Reimbursed through the project's grant*		\$443.64
14	10/12/2019	10/13/2019	Marriott	Lodging for 4 Nights; APTA's 2019 TRANSform Conference-Tommy Edwards, Chief Performance Officer		\$1,384.00
15	10/13/2019	10/14/2019	Marriott	Lodging for 1 Night; APTA's 2019 TRANSform Conference-Lauren Skiver, CEO/General Manager		\$93.94
16	10/17/2019	10/18/2019	Marriott	Lodging for 4 Nights; APTA's 2019 TRANSform Conference-Lauren Skiver, CEO General Manager		\$1,384.05
17	10/17/2019	10/20/2019	Southwest Airlines	Roundtrip flight from ONT to SMF on Southwest Airlines; CARB Board Hearing-Tommy Edwards, Chief Performance Officer		\$467.96

	Trans. Date	Post Date	Reference	Detail - Description	Credits	Charges
18	10/18/2019	10/20/2019	Alamo Rent-A-Car	Car Rental for 2 Days; NorCal Clean Fleet Technology Conference & Expo-Lauren Skiver, CEO/General Manager		\$170.63
19	10/23/2019	10/24/2019	The Office Express	Guacamoles Catering Order; October Board of Directors Meeting		\$322.18
20	10/24/2019	10/25/2019	Sterling Hotel	Lodging for 1 Night; CARB Board Hearing -Tommy Edwards, Chief Performance Officer		\$263.35
21	10/24/2019	10/27/2019	Firehouse Subs	Firehouse Subs Catering Order; Redesign Workshop - Planning Department, Operations Department and HDR		\$175.61
22	10/25/2019	10/27/2019	American Airlines	American Airlines flight from JFK to LAX; APTA's 2019 TRANSform Conference-Lauren Skiver, CEO/General Manager		\$183.30
23	10/25/2019	10/27/2019	American Airlines	Roundtrip flight on American Airlines flight from PSP to DCA; FTA Roundtable-Lauren Skiver, CEO/General Manager		\$252.00
24	10/30/2019	10/31/2019	CALACT	Registration for 1 Person; CALACT Autumn Conference & Expo 2019 -Lauren Skiver, CEO/General Manager		\$535.00
25	10/31/2019	11/1/2019	Expedia	Expedia Booking Fee; FTA Roundtable-Lauren Skiver, CEO/General Manager (Credits)	\$4.64	
26	11/1/2019	11/3/2019	Expedia	Roundtrip flight from PSP to MRY on United Airlines; CTA 54th Annual Fall Conference & Expo-Lauren Skiver, CEO/General Manager		\$767.00
27	11/1/2019	11/3/2019	Hyatt	Lodging for 3 Nights; CALACT Autumn Conference & Expo 2019 -Luis Garcia, Deputy Chief Financial Officer		\$644.70
28	11/1/2019	11/3/2019	Hyatt	Lodging for 3 Nights; CALACT Autumn Conference & Expo 2019 -Lauren Skiver, CEO/General Manager		\$644.70
Credits and Charges:					\$78.56	\$13,517.89
Total:					\$13,439.33	

SUB ACCOUNT MEMO STATEMENT

Prepared For	SUNLINE TRANSIT LAURA SKIVER
Sub Account Number	[REDACTED]
Statement Closing Date	11/03/19
Next Statement Date	12/03/19

For 24-Hour Customer Service Call:
800-231-5511

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

Monthly Spending Limit*	\$40,000
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*Available funds are subject to the monthly spending limit and the available credit on the control account.

Sub Account Summary

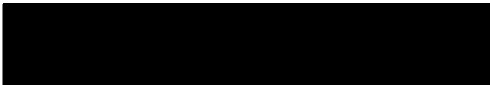
Purchases and Other Charges	+	\$13,517.89
Cash Advances	+	\$0.00
Credits	-	\$78.56
Statement Total		\$13,439.33

The transactions detailed reflect activity on this card number only. The company control account has been billed for all transactions. Please refer payment inquiries to your company card administrator or owner.

Sub Account Transactions

Trans	Post	Reference Number	Description	Credits	Charges
10/02	10/04	24431068LWESNW342 10/18/19	AMERICAN AIR0012381295713FORT WORTH TX SKIVER/LAURA		356.70
		1 AA M	SACRAMENTO PHOENIX		
		2 AA M	PHOENIX PALM SPRINGS		
10/03	10/04	24692168L2XQB4R01	MARRIOTT GASLAMP QUART SAN DIEGO CA		612.64
10/04	10/06	24013398N00HYYSRF	Zacharys Restaurant SANTA CRUZ CA		426.00
10/04	10/06	24430998NBM5DVXLJ	DRI*CISCO SYSTEMS 952-908-4089 MN		468.00
10/04	10/06	24492158MRVGXQ20B	SQ *HOLY SMOKES COU SANTA CRUZ CA		1,245.45
10/05	10/06	24137468NEJRNVNFM	TST* THE BUTTERY SANTA CRUZ CA		530.25
10/04	10/07	24275398PS66G3F3V	HULASISLANDGRILL SANTACRUZ CA		634.26
10/05	10/07	74431068PWESNWEGN	AMERICAN AIR0010656922690FORT WORTH TX	73.92	
10/07	10/08	24492158TRTJHP25E	PAYPAL *INIST INC 402-935-7733 CA		450.00
10/07	10/09	24692168T2XKQHYZT 11/04/19	SOUTHWES 5262128619744800-435-9792 TX SINGH/HARMANJIT		191.96
		1 WN U	ONTARIO SAN JOSE		
		2 WN J	SAN JOSE ONTARIO		
10/08	10/09	24692168T2XG5GZV4	MARRIOTT NY MARQUIS 866-435-7627 NY		426.93
10/09	10/11	24431068VM10DXRBL	HOTEL PARADOX 8314257100 CA		443.64
10/09	10/11	24431068VM10DY96G	HOTEL PARADOX 8314257100 CA		443.64
10/12	10/13	24692168X2XZTDDVX	MARRIOTT NY MARQUIS 866-435-7627 NY		1,384.00
10/13	10/14	24692168Y2XKE90MZ	MARRIOTT NY MARQUIS 866-435-7627 NY		93.94
10/17	10/18	2469216922Y17AYTQ	MARRIOTT NY MARQUIS 866-435-7627 NY		1,384.05
10/17	10/20	2469216932XTNJSJP 10/23/19	SOUTHWES 5262132041115800-435-9792 TX EDWARDS/TOMMY		467.96
		1 WN Y	ONTARIO SACRAMENTO		
		2 WN M	SACRAMENTO ONTARIO		
10/18	10/20	2416407931R2NWSFE	ALAMO RENT-A-CAR SACRAMENTO CA		170.63
10/23	10/24	2475542993VSZ45XQ	THE OFFICE EXPRESS 800-3675402 CA		322.18
10/24	10/25	24431069AMFR90LZ	STERLING HOTEL SACRAMENTO CA		263.35
10/24	10/27	24137469AEJG1K885	FIREHOUSE SUBS #1287 PALM DESERT CA		175.61

See reverse side for important information.



Sub Account Transactions

Trans	Post	Reference Number	Description	Credits	Charges
10/25	10/27	24431069BWESN612P 12/11/19	AMERICAN AIR0012385499907FORT WORTH TX SKIVER/LAURA		183.30
		1 AA Q	NEW YORK LOS ANGELES		
10/25	10/27	24431069BWESN63JL 12/05/19	AMERICAN AIR0012385500894FORT WORTH TX SKIVER/LAURA		252.00
		1 AA N	PALM SPRINGS FORT WORTH		
		2 AA N	FORT WORTH WASHINGTON		
10/30	10/31	24493989F8B0MQKQA	CALACT SACRAMENTO CA		535.00
10/31	11/01	74445009HHEWEF869	EXPEDIA 7476004776739 EXPEDIA.COM NV	4.64	
11/01	11/03	24692169J2X5E78QS 11/11/19	UNITED 0167472036787800-932-2732 TX SKIVER/LAURA LEE		767.00
		1 UA M	PALM SPRINGS SAN FRANCISCO		
		2 UA M	SAN FRANCISCO MONTEREY		
		3 UA Q	MONTEREY SAN FRANCISCO		
		4 AU Q	SAN FRANCISCO PALM SPRINGS		
		11617270	EXPEDIA.COM TRAVEL		
11/01	11/03	24755429JJNWSYEB4	HYATT HOTELS SANTA BARBARACA		644.70
11/01	11/03	24755429JJNWSYE5N	HYATT HOTELS SANTA BARBARACA		644.70
11/03	11/03	000000000000COMPC	TOTAL PURCHASES	\$13,517.89	
			TOTAL RETURNS	\$78.56	
			TOTAL	\$13,439.33	

2-0

All transactions detailed above have been billed to the company control account.

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- No foreign transaction fees on your purchases
- Enhanced security with chip card technology

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SunLine Transit Agency
CONSENT CALENDAR

DATE: January 22, 2020 **RECEIVE & FILE**

TO: Finance/Audit Committee
Board of Directors

RE: Monthly Budget Variance Report for October & November 2019

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 year to date (YTD) values. Most of the current monthly budget values are calculated by taking 1/12th of the annual budget and the YTD budget values are calculated by dividing the yearly budget by the number of months progressed through the fiscal year. The exception of the straight-line budgeting method is the passenger revenue which is budgeted using historical monthly trends.

For October:

- As of October 31, 2019, the organization's revenues net of subsidies are \$13,966 under budget or 0.9% under the YTD budget. Expenditures are \$1,370,420 under budget or 10.1% below the YTD budget.

For November:

- As of November 30, 2019, the organization's revenues net of subsidies are \$51,651 under budget or 2.1% under the YTD budget. Expenditures are \$1,987,091 under budget or 11.7% below the YTD budget.

Recommendation:

Receive and file.

SunLine Transit Agency
Budget Variance Report
October 2019

Description	FY20 Total Budget	Current Month			Year to Date			
		Actual	Budget	Favorable (Unfavorable)	YTD Actual	FY20 YTD Budget	Favorable (Unfavorable)	Percentage Remaining
Operating Revenues:								
Passenger Revenue	2,799,649	256,505	279,965	(23,460)	928,038	923,884	4,154	66.9%
Other Revenue	1,773,184	177,457	147,765	29,692	572,942	591,061	(18,120)	67.7%
Total Operating Revenue	4,572,833	433,963	427,730	6,232	1,500,980	1,514,946	(13,966)	67.2%
Operating Expenses:								
Operator & Mechanic Salaries & Wages	10,276,452	824,351	856,371	32,020	3,192,217	3,425,484	233,267	68.9%
Operator & Mechanic Overtime	1,071,700	105,705	89,308	(16,397)	509,323	357,233	(152,090)	52.5%
Administration Salaries & Wages	6,320,690	454,257	526,724	72,467	1,873,149	2,106,897	233,748	70.4%
Administration Overtime	79,284	8,138	6,607	(1,531)	22,200	26,428	4,228	72.0%
Fringe Benefits	10,775,692	692,645	897,974	205,329	2,857,858	3,591,897	734,039	73.5%
Communications	226,000	18,730	18,833	104	78,862	75,333	(3,529)	65.1%
Legal Services	525,000	15,346	43,750	28,404	50,597	175,000	124,403	90.4%
Computer/Network Software Agreement	626,053	49,638	52,171	2,534	179,661	208,684	29,023	71.3%
Uniforms	118,706	2,763	9,892	7,130	22,854	39,569	16,715	80.7%
Contracted Services	462,568	41,597	38,547	(3,050)	162,169	154,189	(7,980)	64.9%
Equipment Repairs	11,750	0	979	979	3,221	3,917	695	72.6%
Security Services	117,337	6,990	9,778	2,788	27,187	39,112	11,926	76.8%
Fuel - CNG	1,601,295	112,709	133,441	20,732	481,002	533,765	52,763	70.0%
Fuel - Hydrogen	350,000	22,570	29,167	6,597	126,844	116,667	(10,177)	63.8%
Tires	291,800	14,913	24,317	9,404	63,715	97,267	33,551	78.2%
Office Supplies	75,028	3,697	6,252	2,555	20,368	25,009	4,641	72.9%
Travel/Training	150,100	14,180	12,508	(1,672)	27,934	50,033	22,100	81.4%
Repair Parts	1,407,128	150,732	117,261	(33,472)	519,341	469,043	(50,298)	63.1%
Facility Maintenance	45,750	2,636	3,813	1,177	15,006	15,250	244	67.2%
Electricity - CNG & Hydrogen	283,000	12,440	23,583	11,143	52,029	94,333	42,304	81.6%
Natural Gas	1,345,000	96,648	112,083	15,436	387,536	448,333	60,797	71.2%
Water and Gas	6,500	274	542	268	1,177	2,167	990	81.9%
Insurance Losses	1,312,523	107,425	109,377	1,952	646,645	437,508	(209,138)	50.7%
Insurance Premium - Property	18,626	1,517	1,552	35	6,067	6,209	141	67.4%
Repair Claims	100,000	676	8,333	7,657	676	33,333	32,657	99.3%
Fuel Taxes	116,500	5,434	9,708	4,274	22,859	38,833	15,975	80.4%
Other Expenses	4,896,450	428,797	408,038	(20,760)	1,424,910	1,632,150	207,240	70.9%
Self Consumed Fuel	(1,770,782)	(125,646)	(147,565)	21,919	(532,446)	(590,261)	57,814	69.9%
Total Operating Expenses (Before Depreciation)	40,840,150	3,069,161	3,403,346	334,185	12,242,963	13,613,383	1,370,420	70.0%
Operating Expenses in Excess of Operating Revenue		\$ (2,635,199)			\$ (10,741,983)			
Subsidies:								
Local - Measure A, Buzz Service, Haul Pass	7,226,030	525,046	602,169	77,123	2,140,271	2,408,677	268,405	70.4%
State - LTF, LCTOP	21,191,641	1,539,794	1,765,970	226,176	6,276,733	7,063,880	787,148	70.4%
Federal - CMAQ, 5307, 5309,5310, 5311, 5311(f)	7,849,646	570,359	654,137	83,779	2,324,979	2,616,549	291,569	70.4%
Total Subsidies	36,267,317	2,635,199	3,022,276	387,078	10,741,983	12,089,106	1,347,122	70.4%
Net Operating Gain (Loss) After Subsidies	\$ -	\$ -			\$ -			

SunLine Transit Agency
Budget Variance Report
October 2019

Description	FY20 Total Budget	Current Month			Year to Date			
		Actual	Budget	Favorable (Unfavorable)	YTD Actual	FY20 YTD Budget	Favorable (Unfavorable)	Percentage Remaining
Operating Expenses:								
Wages & Benefits	28,523,818	2,085,096	2,376,985	291,888	8,454,747	9,507,939	1,053,192	70.4%
Services	4,139,526	292,189	344,961	52,772	1,003,214	1,379,842	376,628	75.8%
Fuels & Lubricants	2,140,724	146,433	178,394	31,961	659,680	713,575	53,895	69.2%
Tires	291,800	14,913	24,317	9,404	63,715	97,267	33,551	78.2%
Materials and Supplies	1,778,028	175,748	148,169	(27,579)	633,747	592,676	(41,071)	64.4%
Utilities	1,912,500	133,456	159,375	25,919	538,167	637,500	99,333	71.9%
Casualty & Liability	2,201,631	176,924	183,469	6,545	926,816	733,877	(192,939)	57.9%
Taxes and Fees	116,500	5,434	9,708	4,274	22,859	38,833	15,975	80.4%
Miscellaneous Expenses	1,506,405	164,614	125,534	(39,080)	472,464	502,135	29,671	68.6%
Self Consumed Fuel	(1,770,782)	(125,646)	(147,565)	21,919	(532,446)	(590,261)	57,814	69.9%
Total Operating Expenses (Before Depreciation)	40,840,150	3,069,161	3,403,346	334,185	12,242,963	13,613,383	1,370,420	70.0%
Revenues:								
Passenger Revenue	2,799,649	256,505	279,965	(23,460)	928,038	923,884	4,154	66.9%
Other Revenue	1,773,184	177,457	147,765	29,692	572,942	591,061	(18,120)	67.7%
Total Operating Revenue	4,572,833	433,963	427,730	6,232	1,500,980	1,514,946	(13,966)	67.2%
Net Operating Gain (Loss)		\$ (2,635,199)			\$ (10,741,983)			
Subsidies:								
Local - Measure A, Buzz Service	7,226,030	525,046	602,169	77,123	2,140,271	2,408,677	268,405	70.4%
State - LTF, SGR, LCTOP	21,191,641	1,539,794	1,765,970	226,176	6,276,733	7,063,880	787,148	70.4%
Federal - CMAQ, 5307, 5309,5310, 5311, 5311(f)	7,849,646	570,359	654,137	83,779	2,324,979	2,616,549	291,569	70.4%
Total Subsidies	36,267,317	2,635,199	3,022,276	387,078	10,741,983	12,089,106	1,347,122	70.4%
Net Operating Gain (Loss) After Subsidies	\$ -	\$ -			\$ -			

Budget Variance Analysis - SunLine Transit Agency

Passenger Revenue - Favorable

- The ridership demand follows a seasonal pattern. Ridership is higher in October through April.
- For October ridership is at 1.4% above FY19 YTD totals.
- Total system ridership is 18,811 trips above FY19 YTD amounts.

Ridership

	FY19-Oct	FY20-Oct	Variance	%Δ
Fixed Route	382,722	384,795	2,073	0.54%
Paratransit	14,579	13,924	(655)	-4.5%
SolVan	2,218	1,369	(849)	-38.3%
System Total	399,519	400,088	569	0.1%

Ridership

	YTD-FY19	YTD-FY20	Variance	%Δ
Fixed Route	1,294,204	1,316,102	21,898	1.7%
Paratransit	53,210	52,766	(444)	-0.8%
SolVan	8,064	5,421	(2,643)	-32.8%
System Total	1,355,478	1,374,289	18,811	1.4%

Other Revenue - Unfavorable

- The unfavorable balance is mainly attributed to lower emission credit revenue.
- Emissions credit revenue has a negative variance due to a decrease in the number of emission credits generated and sold.

Operator & Mechanic Salaries & Wages - Favorable

- The favorable balance is primarily attributed to vacant operator positions.
- Other factors include operators and mechanics using vacation time, sick time, short-term disability, and long-term disability.

Operator & Mechanic Overtime - Unfavorable

- Contributing factors for overtime usage include operators using vacation time, sick time, short-term disability and long-term disability. Also, there are some vacant positions. To cover actual workload, the active employees have to work extended hours.
- Budget is on a 1/12 straight line allocation, overtime expenditures follow a seasonal pattern and therefore some months will have larger variances than others.

October

	Monthly Budget	OT Expense	Variance
Fixed Route	\$ 55,833.33	\$ 74,222.89	\$ (18,389.56)
Paratransit	\$ 22,500.00	\$ 23,431.74	\$ (931.74)
Mechanics	\$ 10,000.00	\$ 7,638.38	\$ 2,361.62
Stops and Zones	\$ 641.66	\$ -	\$ 641.66

YTD-October

	YTD Budget	YTD OT Expense	Variance
Fixed Route	\$ 223,333.33	\$ 363,754.64	\$ (140,421.31)
Paratransit	\$ 90,000.00	\$ 96,016.57	\$ (6,016.57)
Mechanics	\$ 40,000.00	\$ 45,185.19	\$ (5,185.19)
Stops and Zones	\$ 2,566.67	\$ 3,658.65	\$ (1,091.98)

Administration Salaries & Wages - Favorable

- The favorable variance in administrative salaries and wages is attributed to vacant positions across the agency (e.g., Maintenance Supervisor, Human Resources Manager, ZEB Project Administrator).

Administration Overtime - Favorable

- Administrative overtime is within an acceptable range of the budgeted amount.

Fringe Benefits - Favorable

- Part of fringe benefit savings are attributed to vacant positions across the agency and variable fringe benefit expenditures.
- Some fringe benefit expenditures are variable and occur at different times of the year (e.g., unemployment taxes, sick sell backs, 457 match contribution, health plan increase).

Communications - Unfavorable

- The unfavorable variance is due to a former telephone service contract. The new contract and upgrade was implemented 10/01/19 and a new billing rate established.

Legal Services - Favorable

- Legal service fees are a variable cost that change depending on usage; the amount spent differs from month-to-month.

Computer/Network Software Agreement - Favorable

- Budget is twelve-period allocation, but some expenses are yet to be incurred (i.e., software programs).
- The following programs will be incurred in the latter part of the year:
 Barracuda - provides web filters, spam filters, and email archive
 Keystone - support for SYSCO devices
 Cummins Software - utilize to run diagnostics on Cummins engines
 Lansweeper - network management tool

Uniforms - Favorable

- At the beginning of the fiscal year, operators are given a \$300 credit toward uniform expenses.
- The favorable balance is due to operators not yet using their annual credit. The costs will vary throughout the year depending on when the operator uses his or her uniform credit.

Contracted Services - Unfavorable

- The unfavorable variance is attributed to emergency repair services in August for the CNG station. Additionally, there were towing services charged, a semiannual A/C inspection and repair fee.
- Contracted service expenses vary throughout the year (e.g., SVC Towing and Freight in department 22 are utilized on an as needed basis, web hosting costs, hazardous waste disposal fees, contracted services AC).

Equipment Repairs - Favorable

- Equipment repair cost vary depending on the needs of the agency (i.e., Shop Equipment, Farebox).

Security Services - Favorable

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

Fuel - CNG - Favorable

- Internal consumption has decreased by 26,673 GGE's below FY19 YTD amounts.
 The lower internal consumption is primarily attributed the hydrogen station being down earlier in the year. Fuel had to be purchased from an outside vendor and therefore lowered inhouse production.

Internal GGE Usage

	GGE Usage	Variance FY19 vs. FY20	Variance Previous Month	%Δ FY19 vs FY20	%Δ Previous Month
Oct FY19	122,930				
Oct FY20	115,601	(7,330)	(2,842)	-5.96%	-2.40%
Sept FY20	118,442				
YTD Oct FY19	504,347				
YTD Oct FY20	477,674	(26,673)		-5.29%	

Fuel - Hydrogen - Unfavorable

- The unfavorable variance is due to hydrogen fuel that had to be purchased through an outside vendor when the hydrogen station was down for repairs.

Tires - Favorable

- The lower tire expenditures are primarily attributed to redesign route projects not yet commenced.

Office Supplies - Favorable

- Office supplies are a variable expense; costs change throughout the year as supplies are needed.

Travel/Training - Favorable

- Travel & training savings can be attributed to different times at which training sessions are attended.

Repair Parts - Unfavorable

- Aging fleet has led to the unpredictability of component failures and therefore have increased the number of repairs.
- In October, fixed route had costs of \$124,146 for repair parts (e.g., preventative maintenance services, engine rebuilds, radiator replacement, core replacement)
- In October, paratransit had expenses of \$11,154 for repair parts (e.g., preventative maintenance, engine replacement, transmission replacement)
- In October, support vehicle repair parts had a cost of \$2,191 for repair parts (e.g., preventative maintenance, tire replacement, battery replacement)

Facility Maintenance - Favorable

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

Electricity - CNG & Hydrogen - Favorable

- In FY20 the budget was increased to cover the projected increase in expenses due to the installation of the electrolyzer. Once the electrolyzer is in commission, it will reduce the positive variance.

Natural Gas - Favorable

- In October, there was an increase of 4,275 GGE's used for outside fueling sales compared to the previous month.
- GGE outside usage has decreased 50,107 GGE's below FY19 YTD amounts.
- The decrease in GGE usage is due to a decrease in CNG sales. In August 2018, Burrtec completed their CNG station and no longer uses the SunLine CNG station as its primary fueling source.

Outside GGE Usage

	GGE Usage	Variance FY19 vs. FY20	Variance Previous Month	%Δ FY19 vs FY20	%Δ Previous Month
Oct FY19	10,354				
Oct FY20	16,964	6,610	4,275	63.84%	33.69%
Sept FY20	12,689				
YTD Oct FY19	109,155				
YTD Oct FY20	59,048	(50,107)		-45.90%	

Water and Gas - Favorable

- Water and gas utility expenses are within an acceptable range of the budgeted amount.
- Gas expenditures follow a seasonal pattern. Expenses are higher during the winter months.

Insurance Losses - Unfavorable

- The unfavorable variance is mainly attributed to large reconciliations to deposits held by PERMA.
- Deposit premiums are intended to cover claim expenses and settlements. Annual deposit premiums are based on actuarially-determined rates for each coverage layer (pool), based on estimates of the probable losses.
- Insurance losses can vary widely from month to month.

Insurance Premium - Property - Favorable

- Insurance premium expenses are within an acceptable range of the budget.

Repair Claims - Favorable

- Repair claims can vary significantly from month to month.
- The savings in repair claim expenses are attributed to collisions being minor in scale (e.g., collisions with gates, mirror to mirror contacts or collisions with trash bin).

Fuel Taxes - Favorable

- Outside fueling sales are currently \$114,619 below FY19 YTD amounts.
- For October, sales have increased by \$21,451 from the previous month.
- The favorable variance in fuel taxes is due to lower fuel sales and internal fuel consumption.

Outside Fueling Revenue

	Revenue	Variance FY19 vs. FY20	Variance Previous Month	%Δ FY19 vs FY20	%Δ Previous Month
Oct FY19	\$ 25,393				
Oct FY20	\$ 55,288	\$ 29,895	\$ 21,451	117.73%	63.39%
Sept FY20	\$ 33,837				
YTD Oct FY19	\$ 282,866				
YTD Oct FY20	\$ 168,248	\$ (114,619)		-40.52%	

Other Expenses - Favorable

- Costs vary from month to month depending on the needs of the agency or when programs are active (e.g., medical exams and testing, consulting fees, recruiting employees, printing services, temporary help services, SunRide Rideshare, Vanpool).

Self Consumed Fuel - Favorable

- The lower internal consumption is primarily attributed to service redesign projects not yet initiated. The redesign will include streamlined routes and increased frequency to better meet the needs of the Coachella Valley residents.

Mileage

	Oct FY19	Oct FY20	Variance	%Δ
Fixed Route	325,860	331,018	5,158	1.6%
Paratransit	110,945	109,770	(1,175)	-1.1%
System Total	436,805	440,788	3,983	0.9%

Mileage YTD-October

	YTD-FY19	YTD-FY20	Variance	%Δ
Fixed Route	1,262,778	1,286,471	23,694	1.9%
Paratransit	404,872	412,878	8,006	2.0%
System Total	1,667,650	1,699,349	31,700	1.9%

SunLine Transit Agency
Budget Variance Report
November 2019

Description	FY20 Total Budget	Current Month			Year to Date			
		Actual	Budget	Favorable (Unfavorable)	YTD Actual	FY20 YTD Budget	Favorable (Unfavorable)	Percentage Remaining
Operating Revenues:								
Passenger Revenue	2,799,649	269,981	251,968	18,012	1,197,324	1,175,853	21,471	57.2%
Other Revenue	1,773,184	113,260	147,765	(34,505)	665,704	738,827	(73,122)	62.5%
Total Operating Revenue	4,572,833	383,240	399,734	(16,493)	1,863,028	1,914,679	(51,651)	59.3%
Operating Expenses:								
Operator & Mechanic Salaries & Wages	10,276,452	859,363	856,371	(2,992)	4,051,579	4,281,855	230,276	60.6%
Operator & Mechanic Overtime	1,071,700	71,385	89,308	17,923	580,708	446,542	(134,167)	45.8%
Administration Salaries & Wages	6,311,657	444,681	525,971	81,291	2,317,830	2,629,857	312,027	63.3%
Administration Overtime	79,284	6,989	6,607	(382)	29,189	33,035	3,846	63.2%
Fringe Benefits	10,763,317	628,953	896,943	267,990	3,486,811	4,484,715	997,905	67.6%
Communications	226,000	17,974	18,833	860	96,836	94,167	(2,669)	57.2%
Legal Services	525,000	12,705	43,750	31,045	63,302	218,750	155,448	87.9%
Computer/Network Software Agreement	626,053	39,529	52,171	12,642	219,191	260,855	41,665	65.0%
Uniforms	118,706	10,965	9,892	(1,073)	33,819	49,461	15,642	71.5%
Contracted Services	462,568	42,540	38,547	(3,992)	204,709	192,737	(11,972)	55.7%
Equipment Repairs	11,750	40	979	940	3,261	4,896	1,635	72.2%
Security Services	117,337	5,722	9,778	4,056	32,909	48,890	15,982	72.0%
Fuel - CNG	1,551,295	111,594	129,275	17,680	592,597	646,373	53,776	61.8%
Fuel - Hydrogen	350,000	14,612	29,167	14,555	141,456	145,833	4,378	59.6%
Tires	291,800	16,431	24,317	7,885	80,147	121,583	41,436	72.5%
Office Supplies	75,028	4,744	6,252	1,508	25,112	31,262	6,149	66.5%
Travel/Training	150,100	17,560	12,508	(5,052)	45,494	62,542	17,048	69.7%
Repair Parts	1,407,128	97,501	117,261	19,759	616,842	586,303	(30,539)	56.2%
Facility Maintenance	45,750	3,939	3,813	(127)	18,945	19,063	117	58.6%
Electricity - CNG & Hydrogen	283,000	11,986	23,583	11,597	64,015	117,917	53,901	77.4%
Natural Gas	1,345,000	111,587	112,083	496	499,124	560,417	61,293	62.9%
Water and Gas	6,500	273	542	269	1,450	2,708	1,259	77.7%
Insurance Losses	1,312,523	90,245	109,377	19,132	736,890	546,885	(190,005)	43.9%
Insurance Premium - Property	18,626	1,517	1,552	35	7,584	7,761	177	59.3%
Repair Claims	53,488	0	4,457	4,457	676	22,287	21,610	98.7%
Fuel Taxes	116,500	6,122	9,708	3,586	28,981	48,542	19,561	75.1%
Other Expenses	5,014,370	280,154	417,864	137,710	1,708,814	2,089,321	380,506	65.9%
Self Consumed Fuel	(1,770,782)	(126,186)	(147,565)	21,380	(658,632)	(737,826)	79,194	62.8%
Total Operating Expenses (Before Depreciation)	40,840,150	2,782,925	3,403,346	620,421	15,029,638	17,016,729	1,987,091	63.2%
Operating Expenses in Excess of Operating Revenue		\$ (2,399,685)			\$ (13,166,610)			
Subsidies:								
Local - Measure A, Buzz Service, Haul Pass	7,226,030	478,122	602,169	124,047	2,623,363	3,010,846	387,483	63.7%
State - LTF, LCTOP	21,191,641	1,402,179	1,765,970	363,791	7,693,486	8,829,850	1,136,365	63.7%
Federal - CMAQ, 5307, 5309, 5310, 5311, 5311(f)	7,849,646	519,384	654,137	134,753	2,849,762	3,270,686	420,924	63.7%
Total Subsidies	36,267,317	2,399,685	3,022,276	622,592	13,166,610	15,111,382	1,944,772	63.7%
Net Operating Gain (Loss) After Subsidies	\$ -	\$ -			\$ -			

SunLine Transit Agency
Budget Variance Report
November 2019

Description	FY20 Total Budget	Current Month			Year to Date			
		Actual	Budget	Favorable (Unfavorable)	YTD Actual	FY20 YTD Budget	Favorable (Unfavorable)	Percentage Remaining
Operating Expenses:								
Wages & Benefits	28,502,410	2,011,370	2,375,201	363,831	10,466,117	11,876,004	1,409,887	63.3%
Services	4,122,526	226,606	343,544	116,938	1,229,820	1,717,719	487,900	70.2%
Fuels & Lubricants	2,140,724	140,373	178,394	38,021	803,802	891,968	88,166	62.5%
Tires	291,800	16,431	24,317	7,885	80,147	121,583	41,436	72.5%
Materials and Supplies	1,778,028	117,950	148,169	30,219	751,696	740,845	(10,851)	57.7%
Utilities	1,912,500	144,616	159,375	14,759	682,783	796,875	114,092	64.3%
Casualty & Liability	2,155,119	158,989	179,593	20,604	1,085,806	897,966	(187,839)	49.6%
Taxes and Fees	116,500	6,122	9,708	3,586	28,981	48,542	19,561	75.1%
Miscellaneous Expenses	1,591,325	86,654	132,610	45,956	559,118	663,052	103,934	64.9%
Self Consumed Fuel	(1,770,782)	(126,186)	(147,565)	21,380	(658,632)	(737,826)	79,194	62.8%
Total Operating Expenses (Before Depreciation)	40,840,150	2,782,925	3,403,346	620,421	15,029,638	17,016,729	1,987,091	63.2%
Revenues:								
Passenger Revenue	2,799,649	269,981	251,968	18,012	1,197,324	1,175,853	21,471	57.2%
Other Revenue	1,773,184	113,260	147,765	(34,505)	665,704	738,827	(73,122)	62.5%
Total Operating Revenue	4,572,833	383,240	399,734	(16,493)	1,863,028	1,914,679	(51,651)	59.3%
Net Operating Gain (Loss)		\$ (2,399,685)			\$ (13,166,610)			
Subsidies:								
Local - Measure A, Buzz Service	7,226,030	478,122	602,169	124,047	2,623,363	3,010,846	387,483	63.7%
State - LTF, SGR, LCTOP	21,191,641	1,402,179	1,765,970	363,791	7,693,486	8,829,850	1,136,365	63.7%
Federal - CMAQ, 5307, 5309, 5310, 5311, 5311(f)	7,849,646	519,384	654,137	134,753	2,849,762	3,270,686	420,924	63.7%
Total Subsidies	36,267,317	2,399,685	3,022,276	622,592	13,166,610	15,111,382	1,944,772	63.7%
Net Operating Gain (Loss) After Subsidies	\$ -	\$ -			\$ -			

Budget Variance Analysis - SunLine Transit Agency

Passenger Revenue - Favorable

- For November ridership is at 0.4% above FY19 YTD totals.
- Total system ridership is 6,879 trips above FY19 YTD amounts.

Ridership				
	FY19-Nov	FY20-Nov	Variance	%Δ
Fixed Route	349,347	338,532	(10,815)	-3.1%
Paratransit	12,849	12,298	(551)	-4.3%
SolVan	1,798	1,232	(566)	-31.5%
System Total	363,994	352,062	(11,932)	-3.3%

Ridership				
	YTD-FY19	YTD-FY20	Variance	%Δ
Fixed Route	1,643,551	1,654,634	11,083	0.7%
Paratransit	66,059	65,064	(995)	-1.5%
SolVan	9,862	6,653	(3,209)	-32.5%
System Total	1,719,472	1,726,351	6,879	0.4%

Other Revenue - Unfavorable

- The unfavorable balance is mainly attributed to lower emission credit revenue.
- Emissions credit revenue has a negative variance due to a decrease in the number of emission credits generated and sold.

Operator & Mechanic Salaries & Wages - Favorable

- The favorable balance is primarily attributed to vacant operator positions.
- Other factors include operators and mechanics using vacation time, sick time, short-term disability, and long-term disability.

Operator & Mechanic Overtime - Unfavorable

- Contributing factors for overtime usage include operators using vacation time, sick time, short-term disability and long-term disability. Also, there are some vacant positions. To cover actual workload, the active employees have to work extended hours.
- Budget is on a 1/12 straight line allocation, overtime expenditures follow a seasonal pattern and therefore some months will have larger variances than others.

November			
	Monthly Budget	OT Expense	Variance
Fixed Route	\$ 55,833.33	\$ 44,617.29	\$ 11,216.04
Paratransit	\$ 22,500.00	\$ 16,796.20	\$ 5,703.80
Mechanics	\$ 10,000.00	\$ 9,956.89	\$ 43.11
Stops and Zones	\$ 641.66	\$ 17.93	\$ 623.73

YTD-November			
	YTD Budget	YTD OT Expense	Variance
Fixed Route	\$ 279,166.67	\$ 408,371.93	\$ (129,205.26)
Paratransit	\$ 112,500.00	\$ 112,812.77	\$ (312.77)
Mechanics	\$ 50,000.00	\$ 55,142.08	\$ (5,142.08)
Stops and Zones	\$ 3,208.33	\$ 3,676.58	\$ (468.25)

Administration Salaries & Wages - Favorable

- The favorable variance in administrative salaries and wages is attributed to vacant positions across the agency (e.g., Maintenance Supervisor, Human Resources Manager, ZEB Project Administrator).

Administration Overtime - Favorable

- Administrative overtime is within an acceptable range of the budgeted amount.

Fringe Benefits - Favorable

- Part of fringe benefit savings are attributed to vacant positions across the agency and variable fringe benefit expenditures.
- Some fringe benefit expenditures are variable and occur at different times of the year (e.g., unemployment taxes, sick sell backs, 457 match contribution, health plan increase).

Communications - Unfavorable

- The unfavorable variance is due to a former telephone service contract. The new contract and upgrade was implemented 10/01/19 and a new billing rate established.

Legal Services - Favorable

- Legal service fees are a variable cost that change depending on usage; expenditures vary from month-to-month.

Computer/Network Software Agreement - Favorable

- Budget is twelve-period allocation, but some expenses are yet to be incurred (i.e., software programs).
- The following programs will be incurred in the latter part of the year:
 - Barracuda - provides web filters, spam filters, and email archive
 - Keystone - support for SYSCO devices
 - Cummins Software - utilize to run diagnostics on Cummins engines
 - Lansweeper - network management tool

Uniforms - Favorable

- At the beginning of the fiscal year, operators are given a \$300 credit toward uniform expenses.
- The favorable balance is due to operators not yet using their annual credit. The costs will vary throughout the year depending on when the operator uses his or her uniform credit.

Contracted Services - Unfavorable

- The unfavorable variance is attributed to expenditures for the hydrogen reformer maintenance and monitoring. Additionally, in November there were six (6) towing services charged, a hazardous waste removal fee, and a technical consulting service fee.
- Contracted service expenses vary throughout the year (e.g., SVC Towing and Freight in department 22 are utilized on an as needed basis, web hosting costs, hazardous waste disposal fees, contracted services AC).

Equipment Repairs - Favorable

- Equipment repair cost vary depending on the needs of the agency (i.e., Shop Equipment, Farebox).

Security Services - Favorable

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

Fuel - CNG - Favorable

- Internal consumption has decreased by 40,328 GGE's below FY19 YTD amounts. The lower internal consumption is primarily attributed the hydrogen station being down earlier in the year. Fuel had to be purchased from an outside vendor and therefore lowered inhouse production.

Internal GGE Usage

	GGE Usage	Variance FY19 vs. FY20	Variance Previous Month	%Δ FY19 vs FY20	%Δ Previous Month
Nov FY19	113,150				
Nov FY20	99,495	(13,655)	(16,106)	-12.07%	-13.93%
Oct FY20	115,601				
YTD Nov FY19	617,497				
YTD Nov FY20	577,169	(40,328)		-6.53%	

Fuel - Hydrogen - Favorable

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

Tires - Favorable

- The lower tire expenditures are primarily attributed to redesign route projects not yet commenced.

Office Supplies - Favorable

- Office supplies are a variable expense; costs change throughout the year as supplies are needed.

Travel/Training - Favorable

- Travel & training savings can be attributed to different times at which training sessions are attended.

Repair Parts - Unfavorable

- Aging fleet has led to the unpredictability of component failures and therefore have increased the number of repairs.
- In November, fixed route had costs of \$78,867 for repair parts (e.g., preventative maintenance services, engine rebuilds, radiator replacement, core replacement)
- In November, paratransit had expenses of \$9,144 for repair parts (e.g., preventative maintenance, engine replacement, transmission replacement)
- In November, support vehicle repair parts had a cost of \$4,179 for repair parts (e.g., preventative maintenance, tire replacement, battery replacement)

Facility Maintenance - Favorable

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

Electricity - CNG & Hydrogen - Favorable

- In FY20 the budget was increased to cover the projected increase in expenses due to the installation of the electrolyzer. Once the electrolyzer is in commission, it will reduce the positive variance.

Natural Gas - Favorable

- In November, there was an increase of 7,239 GGE's used for outside fueling sales compared to the previous month.
- GGE outside usage has decreased 36,583 GGE's below FY19 YTD amounts.
- The decrease in GGE usage is due to a decrease in CNG sales. In August 2018, Burrtec completed their CNG station and no longer uses the SunLine CNG station as its primary fueling source.

Outside GGE Usage

	GGE Usage	Variance FY19 vs. FY20	Variance Previous Month	%Δ FY19 vs FY20	%Δ Previous Month
Nov FY19	10,679				
Nov FY20	24,203	13,524	7,239	126.63%	42.67%
Oct FY20	16,964				
YTD Nov FY19	119,834				
YTD Nov FY20	83,251	(36,583)		-30.53%	

Water and Gas - Favorable

- Water and gas utility expenses are within an acceptable range of the budgeted amount.
- Gas expenditures follow a seasonal pattern. Expenses are higher during the winter months.

Insurance Losses - Unfavorable

- The unfavorable variance is mainly attributed to large reconciliations to deposits held by PERMA.
- Deposit premiums are intended to cover claim expenses and settlements. Annual deposit premiums are based on actuarially-determined rates for each coverage layer (pool), based on estimates of the probable losses.
- Insurance losses can vary widely from month to month.

Insurance Premium - Property - Favorable

- Insurance premium expenses are within an acceptable range of the budget.

Repair Claims - Favorable

- Repair claims can vary significantly from month to month.
- The savings in repair claim expenses are attributed to collisions being minor in scale (e.g., collisions with gates, mirror to mirror contacts or collisions with trash bin).

Fuel Taxes - Favorable

- Outside fueling sales are currently \$86,521 below FY19 YTD amounts.
- For November, sales have increased by \$21,106 from the previous month.
- The favorable variance in fuel taxes is due to lower fuel sales and internal fuel consumption.

Outside Fueling Revenue

	Revenue	Variance FY19 vs. FY20	Variance Previous Month	%Δ FY19 vs FY20	%Δ Previous Month
Nov FY19	\$ 27,715				
Nov FY20	\$ 66,104	\$ 38,388	\$ 21,106	138.51%	46.91%
Oct FY20	\$ 44,997				
YTD Nov FY19	\$ 310,581				
YTD Nov FY20	\$ 224,060	\$ (86,521)		-27.86%	

Other Expenses - Favorable

- Costs vary from month to month depending on the needs of the agency or when programs are active (e.g., medical exams and testing, consulting fees, recruiting employees, printing services, temporary help services, SunRide Rideshare, Vanpool).

Self Consumed Fuel - Favorable

- The lower internal consumption is primarily attributed to service redesign projects not yet initiated. The redesign will include streamlined routes and increased frequency to better meet the needs of the Coachella Valley residents.

Mileage

	Nov FY19	Nov FY20	Variance	%Δ
Fixed Route	302,447	302,912	465	0.2%
Paratransit	113,874	110,182	(3,692)	-3.2%
System Total	416,321	413,094	(3,227)	-0.8%

Mileage YTD-November

	YTD-FY19	YTD-FY20	Variance	%Δ
Fixed Route	1,565,225	1,589,383	24,159	1.5%
Paratransit	518,746	579,066	60,320	11.6%
System Total	2,083,971	2,168,449	84,479	4.1%

SunLine Transit Agency
CONSENT CALENDAR

DATE: January 22, 2020 **RECEIVE & FILE**

TO: Finance/Audit Committee
Board of Directors

RE: Contracts Signed in between \$25,000 and \$100,000 for November and December 2019

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 November 2019, there were two (2) purchase orders, and one (1) contract executed between \$25,000 and \$100,000.
- For the month of December 2019, there were zero (0) purchase orders or contracts executed between \$25,000 and \$100,000.

VENDOR	PURPOSE
Tyler Technologies	Tyler Data Maintenance
CPAC Inc.	Veeam Premium Support
Old Green House LLC	Professional Consulting Services

Recommendation:

Receive and file.

Contracts Signed in Excess of \$25,000

November 2019

Vendor	Product/Service	Need	Budgeted	Budgeted Amount	Cost	Type
Tyler Technologies	Tyler Data Maintenance	Tyler data maintenance suites.	FY20 Operating Budget	\$ 55,000.00	\$ 52,462.52	Executed Purchase Order
CPAC Inc.	Veeam Premium Support	Veeam availability suite maintenance renewal.	FY20 Operating Budget FY21 Operating Budget FY22 Operating Budget	\$ 45,790.80	\$ 45,790.80	Executed Purchase Order
Old Green House LLC	Professional Consulting Services	Consulting services to the Performance and Planning team for SunLine Transit Agency.	FY20 Operating Budget	\$ 65,000.00	\$ 65,000.00	Executed Agreement

SunLine Transit Agency
CONSENT CALENDAR

DATE: January 22, 2020

RECEIVE & FILETO: Finance/Audit Committee
Board of Directors

RE: Union & Non-Union Pension Investment Asset Summary November 2019

Summary:

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

	Target	Range
Equities	60%	35 – 75%
Fixed Income	40%	25 – 64%
Cash & Equivalent	0%	0 – 10%

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

Union

	Actual	Range
Equities	64.91%	35 – 75%
Fixed Income	34.31%	25 – 64%
Cash & Equivalent	0.78%	0 – 10%

Non-Union

	Actual	Range
Equities	64.90%	35 – 75%
Fixed Income	34.36%	25 – 64%
Cash & Equivalent	0.74%	0 – 10%

- For the month of November, the market value of assets increased by \$650,185 and \$640,311 for the union and non-union plans, respectively.

Month to Month Asset Comparison

Month	Market Value - Union	Market Value – Non-Union
October 2019	\$29,479,830	\$29,791,565
November 2019	\$30,130,015	\$30,431,876
Increase (Decrease)	\$650,185	\$640,311

Recommendation:

Receive and file.

00285601
 20- -01-B -61 -339-01
 100 -13-02869-01



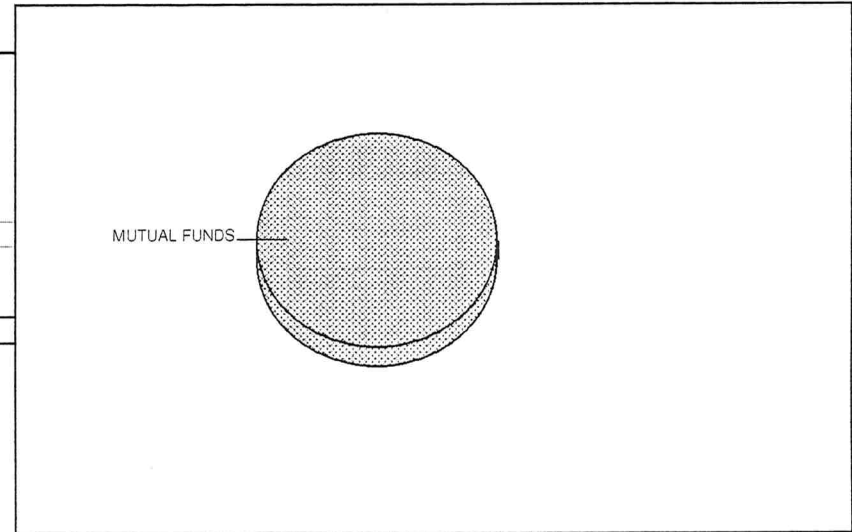
SUNLINE TRANSIT AGENCY - UNION
 ACCOUNT 6746032000

Page 7 of 24
 Period from November 1, 2019 to November 30, 2019

ASSET SUMMARY

ASSETS	11/30/2019 MARKET	11/30/2019 BOOK VALUE	% OF MARKET
Cash And Equivalents	236,142.85	236,142.85	0.78
Mutual Funds-Equity	19,555,789.56	16,956,646.52	64.91
Mutual Funds-Fixed Income	10,337,823.96	10,031,312.21	34.31
Total Assets	30,129,756.37	27,224,101.58	100.00
Accrued Income	259.05	259.05	0.00
Grand Total	30,130,015.42	27,224,360.63	100.00

Estimated Annual Income 678,077.87



ASSET SUMMARY MESSAGES

Estimated Annual Income is an estimate provided for informational purposes only and should not be relied on for making investment, trading, or tax decisions. The estimates may not represent the actual value earned by your investments and they provide no guarantee of what your investments may earn in the future.

00285601
 20- -01-B -61 -339-01
 100 -13-02869-01



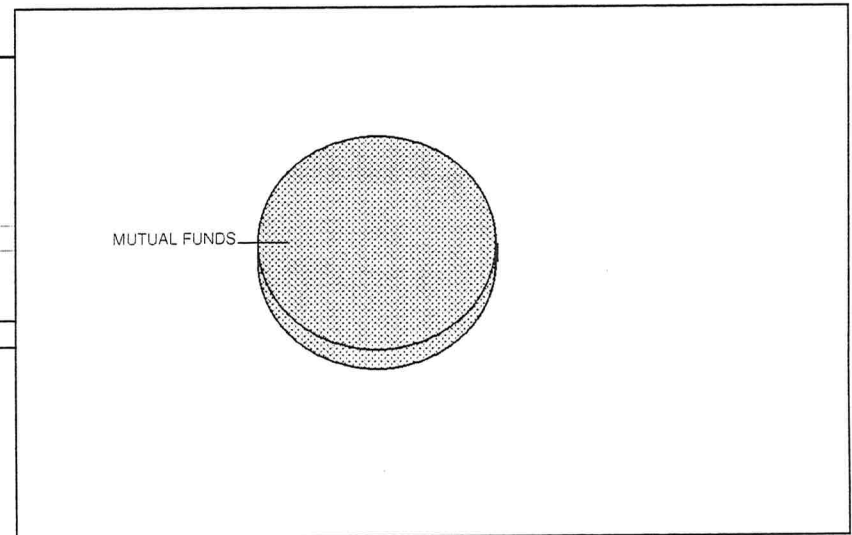
SUNLINE TRANSIT AGENCY - NON-UNION
 ACCOUNT 6746032100

Page 7 of 24
 Period from November 1, 2019 to November 30, 2019

ASSET SUMMARY

ASSETS	11/30/2019 MARKET	11/30/2019 BOOK VALUE	% OF MARKET
Cash And Equivalents	224,414.86	224,414.86	0.74
Mutual Funds-Equity	19,752,061.92	17,128,397.36	64.90
Mutual Funds-Fixed Income	10,455,154.92	10,147,739.03	34.36
Total Assets	30,431,631.70	27,500,551.25	100.00
Accrued Income	244.13	244.13	0.00
Grand Total	30,431,875.83	27,500,795.38	100.00

Estimated Annual Income 684,970.98



ASSET SUMMARY MESSAGES

Estimated Annual Income is an estimate provided for informational purposes only and should not be relied on for making investment, trading, or tax decisions. The estimates may not represent the actual value earned by your investments and they provide no guarantee of what your investments may earn in the future.

SunLine Transit Agency
CONSENT CALENDAR

DATE: January 22, 2019

RECEIVE & FILE

TO: Finance/Audit Committee
Board of Directors

RE: Ridership Report for November & December 2019

Summary:

System-wide ridership in November decreased 3.3% versus November of 2018.

Monthly Ridership		
	Nov 2018	Nov 2019
Fixed Route	349,347	338,532
SolVan	1,798	1,232
Sundial	12,849	12,298
System Total	363,994	352,062

November Comparison:

- One less weekday in November of 2019 in comparison to November of 2018

System-wide ridership in December decreased 0.5% versus December of 2018.

Monthly Ridership		
	Dec 2018	Dec 2019
Fixed Route	323,562	321,860
SolVan	1,750	1,322
Sundial	11,717	12,055
System Total	337,029	335,237

December Comparison:

- 10 out of 16 fixed routes and one commuter route has seen a decrease in ridership
- Route 80 is up 10.7% in ridership and continues to rise since the implementation of a 30 minute frequency in May of 2018

Year-to-date system ridership as of December 2019 has increased 0.2% compared to the previous fiscal year.

YTD Ridership	
	Dec 2019
Fiscal Year 2019	2,056,501
Fiscal Year 2020	2,061,588
Ridership Increase	5,087

Recommendation:

Receive and file.



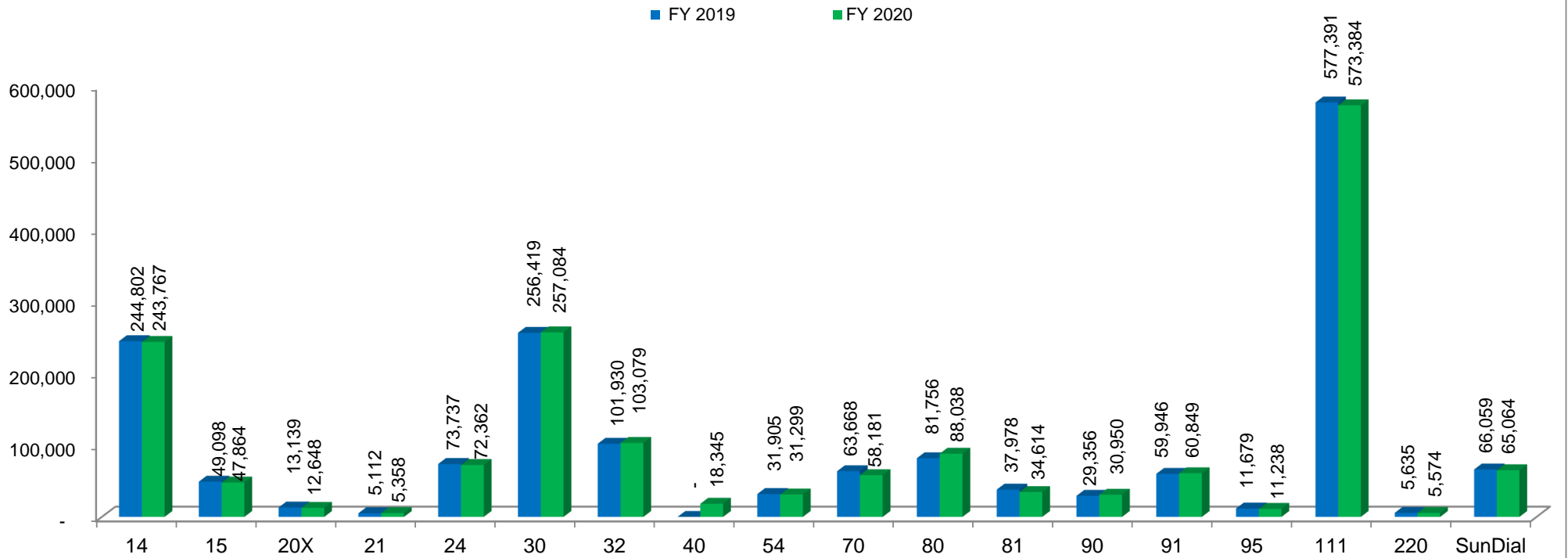
SunLine Transit Agency Monthly Ridership Report November 2019

		FY 2020 & 2019												
Route	Fixed Route Description	Nov 2019	Nov 2018	Oct 2019	FY 2020 Month Var.	% Var.	FY 2020 YTD	FY 2019 YTD	YTD Var.	% Var.	Bikes		Wheelchairs	
											Monthly	YTD	Monthly	YTD
14	DHS/PS	48,163	50,377	53,684	(2,214)	-4.4%	243,767	244,802	(1,035)	-0.4%	1,650	8,069	380	1,940
15	DHS	9,356	9,947	11,263	(591)	-5.9%	47,864	49,098	(1,234)	-2.5%	157	869	182	763
20X	DHS/PD	2,668	3,017	3,440	(349)	-11.6%	12,648	13,139	(491)	-3.7%	47	283	3	21
21	PD	1,256	1,304	1,646	(48)	-3.7%	5,358	5,112	246	4.8%	20	132	9	58
24	PS	14,517	15,152	17,103	(635)	-4.2%	72,362	73,737	(1,375)	-1.9%	534	2,429	152	761
30	CC/PS	51,011	53,252	58,119	(2,241)	-4.2%	257,084	256,419	665	0.3%	1,802	9,173	503	2,290
32	PD/RM/TP/CC/PS	21,016	21,673	23,869	(657)	-3.0%	103,079	101,930	1,149	1.1%	813	4,325	142	913
40	PS/BUZZ	4,346	-	4,809	4,346	100.0%	18,345	-	18,345	100.0%	-	-	-	-
54	Indio/LQ/IW/PD	6,444	8,021	8,692	(1,577)	-24.5%	31,299	31,905	(606)	-1.9%	219	1,013	42	205
70	LQ/BD	12,078	14,636	15,168	(2,558)	-21.2%	58,181	63,668	(5,487)	-8.6%	514	2,481	16	155
80	Indio	19,751	17,644	22,890	2,107	10.7%	88,038	81,756	6,282	7.7%	214	1,712	242	1,161
81	Indio	6,924	7,959	9,444	(1,035)	-14.9%	34,614	37,978	(3,364)	-8.9%	42	380	21	148
90	Coachella/Indio	5,677	5,711	6,647	(34)	-0.6%	30,950	29,356	1,594	5.4%	81	449	75	481
91	I/Cch/Th/Mec/Oas	12,989	13,617	14,442	(628)	-4.8%	60,849	59,946	903	1.5%	205	1,087	42	270
95	I/Cch/Th/Mec/NS	2,228	2,569	2,330	(341)	-15.3%	11,238	11,679	(441)	-3.8%	57	174	2	55
111	PS to Indio	119,090	123,217	129,980	(4,127)	-3.5%	573,384	577,391	(4,007)	-0.7%	4,696	23,555	951	4,996
220	PD to Riverside	1,018	1,251	1,269	(233)	-22.9%	5,574	5,635	(61)	-1.1%	35	172	4	61
Fixed Route Total		338,532	349,347	384,795	(10,815)	-3.1%	1,654,634	1,643,551	11,083	0.7%	11,086	56,303	2,766	14,278
SolVan		1,232	1,798	1,369	(566)	-31.5%	6,653	9,862	(3,209)	-32.5%				
Demand Response														
SunDial		12,298	12,849	13,924	(551)	-4.3%	65,064	66,059	(995)	-1.5%				
System Total		352,062	363,994	400,088	(11,932)	-3.3%	1,726,351	1,719,472	6,879	0.4%				
		Nov-19	Nov-18	Oct-19										
Weekdays:		* 20	* 21	23										
Saturdays:		5	4	4										
Sundays:		4	4	4										
Total Days:		29	29	31										

*COD Haul Pass Ridership was 23,971 from 1,346 unique riders. Mobile Ticketing Ridership was 13,827 from 495 unique riders.

**SunLine Transit Agency
Monthly Ridership Report
November - 2019**

Year-to-Date System Ridership





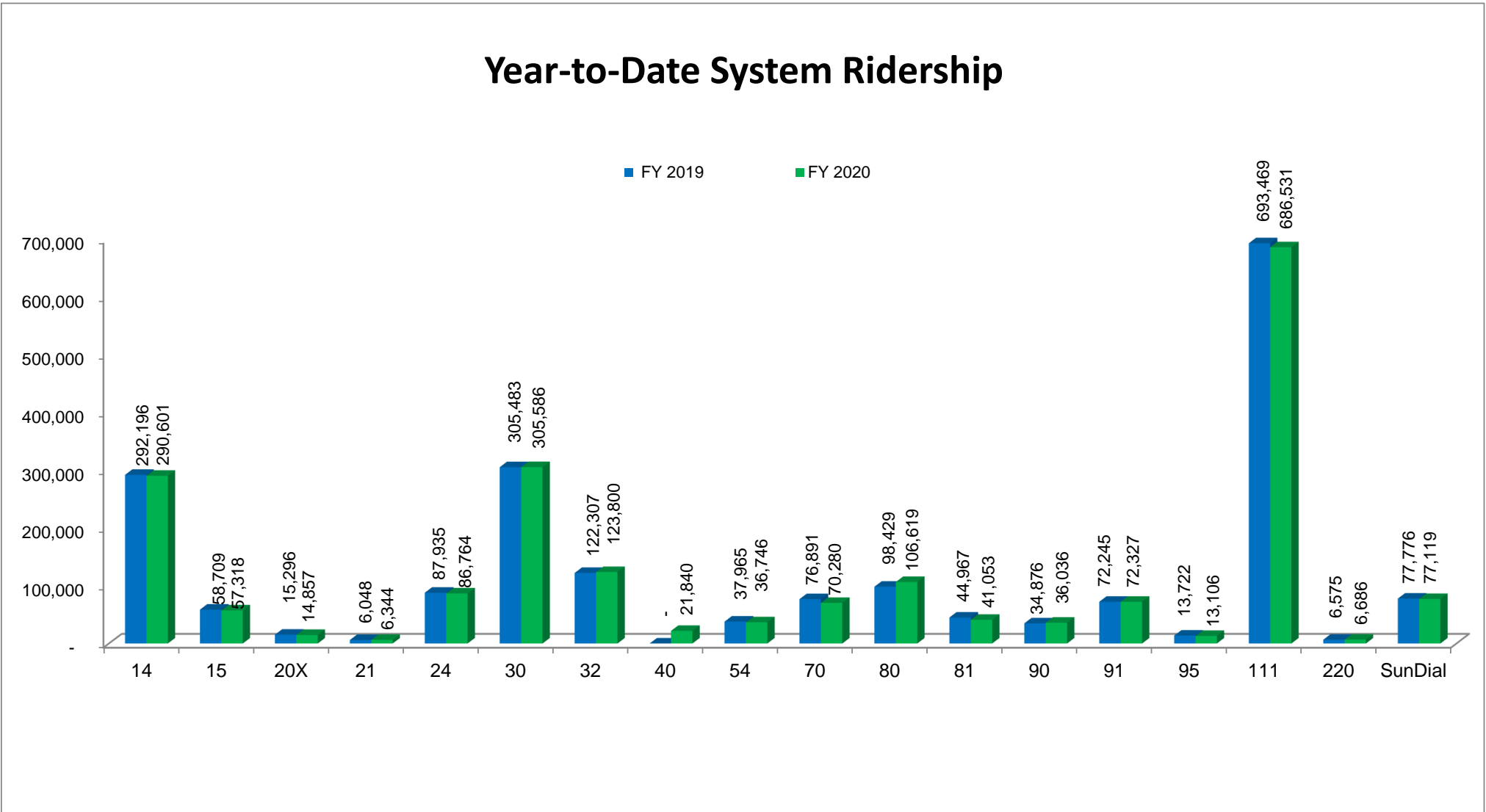
SunLine Transit Agency Monthly Ridership Report December 2019

		FY 2020 & 2019												
		Dec 2019	Dec 2018	Nov 2019	Month Var.	% Var.	FY 2020 YTD	FY 2019 YTD	YTD Var.	% Var.	Bikes		Wheelchairs	
Route	Fixed Route Description										Monthly	YTD	Monthly	YTD
14	DHS/PS	46,834	47,394	48,163	(560)	-1.2%	290,601	292,196	(1,595)	-0.5%	1,680	9,749	411	2,351
15	DHS	9,454	9,611	9,356	(157)	-1.6%	57,318	58,709	(1,391)	-2.4%	163	1,032	163	926
20X	DHS/PD	2,209	2,157	2,668	52	2.4%	14,857	15,296	(439)	-2.9%	52	335	4	25
21	PD	986	936	1,256	50	5.3%	6,344	6,048	296	4.9%	28	160	13	71
24	PS	14,402	14,198	14,517	204	1.4%	86,764	87,935	(1,171)	-1.3%	566	2,995	209	970
30	CC/PS	48,502	49,064	51,011	(562)	-1.1%	305,586	305,483	103	0.0%	1,841	11,014	504	2,794
32	PD/RM/TP/CC/PS	20,721	20,377	21,016	344	1.7%	123,800	122,307	1,493	1.2%	991	5,316	183	1,096
40	PS/BUZZ	3,495	-	4,346	3,495	100.0%	21,840	-	21,840	100.0%	-	-	-	-
54	Indio/LQ/IW/PD	5,447	6,060	6,444	(613)	-11.3%	36,746	37,965	(1,219)	-3.2%	158	1,171	58	263
70	LQ/BD	12,099	13,223	12,078	(1,124)	-9.3%	70,280	76,891	(6,611)	-8.6%	669	3,150	34	189
80	Indio	18,581	16,673	19,751	1,908	10.3%	106,619	98,429	8,190	8.3%	271	1,983	170	1,331
81	Indio	6,439	6,989	6,924	(550)	-8.5%	41,053	44,967	(3,914)	-8.7%	64	444	17	165
90	Coachella/Indio	5,086	5,520	5,677	(434)	-8.5%	36,036	34,876	1,160	3.3%	73	522	76	557
91	I/Cch/Th/Mec/Oas	11,478	12,299	12,989	(821)	-7.2%	72,327	72,245	82	0.1%	157	1,244	29	299
95	I/Cch/Th/Mec/NS	1,868	2,043	2,228	(175)	-9.4%	13,106	13,722	(616)	-4.5%	37	211	9	64
111	PS to Indio	113,147	116,078	119,090	(2,931)	-2.6%	686,531	693,469	(6,938)	-1.0%	4,483	28,038	989	5,985
220	PD to Riverside	1,112	940	1,018	172	15.5%	6,686	6,575	111	1.7%	43	215	12	73
Fixed Route Total		321,860	323,562	338,532	(1,702)	-0.5%	1,976,494	1,967,113	9,381	0.5%	11,276	67,579	2,881	17,159
SolVan		1,322	1,750	1,232	(428)	-24.5%	7,975	11,612	(3,637)	-31.3%				
Demand Response														
SunDial		12,055	11,717	12,298	338	2.9%	77,119	77,776	(657)	-0.8%				
System Total		335,237	337,029	352,062	(1,792)	-0.5%	2,061,588	2,056,501	5,087	0.2%				
		Dec-19	Dec-18	Nov-19										
Weekdays:		* 21	* 20	* 20										
Saturdays:		4	5	5										
Sundays:		5	5	4										
Total Days:		30	30	29										

*COD Haul Pass Ridership was 16,040 from 1,196 unique riders. Mobile Ticketing Ridership was 14,381 from 544 unique riders.

SunLine Transit Agency
 Monthly Ridership Report
 December - 2019

Year-to-Date System Ridership



SunLine Transit Agency
CONSENT CALENDAR

DATE: January 23, 2020

RECEIVE & FILE

TO: Finance/Audit Committee
Board of Directors

RE: SunDial Operational Notes for November & December 2019

Summary :

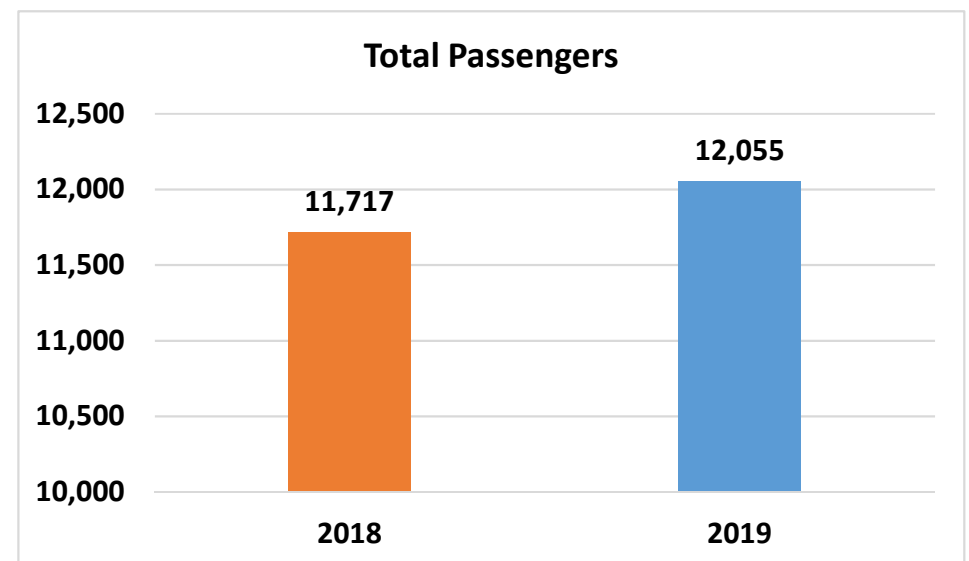
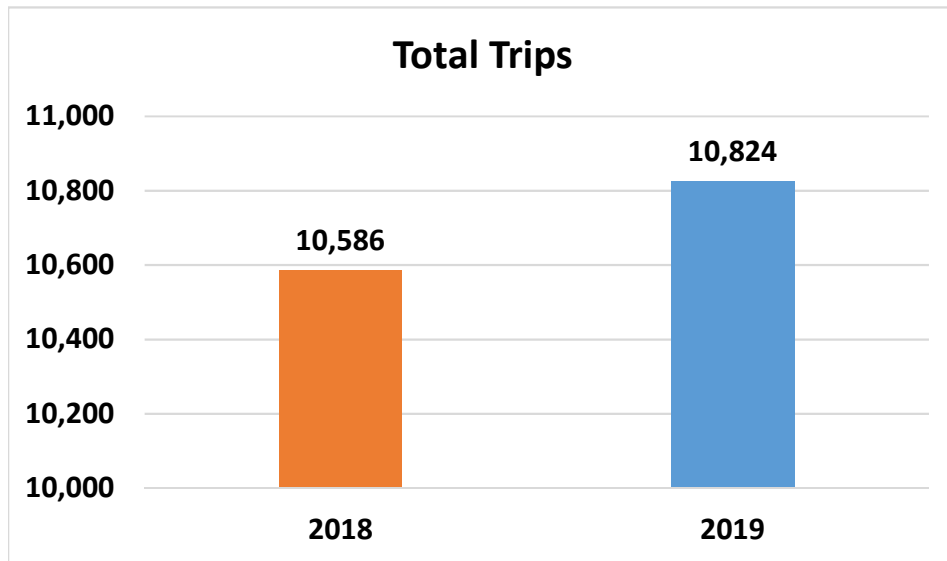
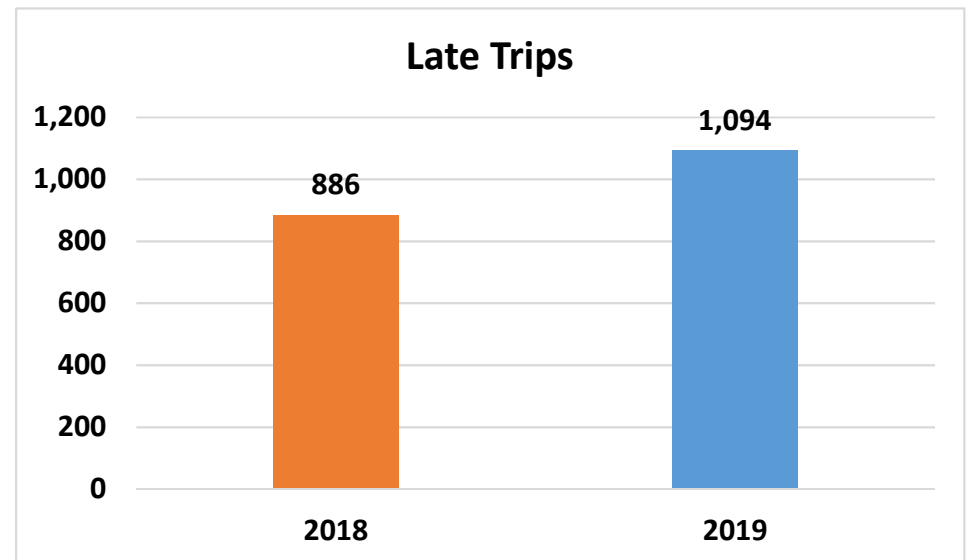
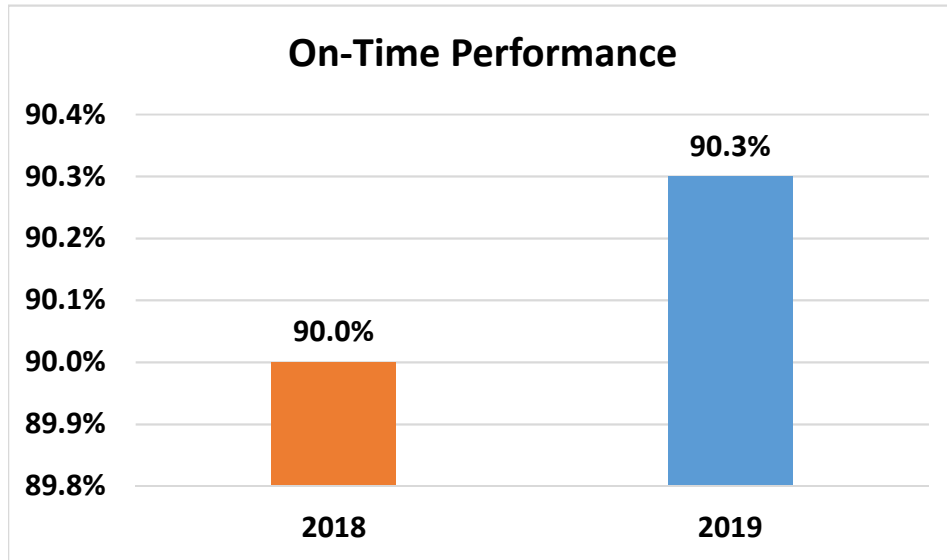
The attached report summarizes SunDial's operation for November and December 2019. This report identifies that the on-time performance for November has met the Agency's internal 90.0% goal. There was a 21.2% decrease in late trips as well as a 6.2% decrease in total trips and a 4.2% decrease in total passengers. For December, the on-time performance has met the Agency's internal 90.0% goal. There was an increase of 208 late trips over last year as well as a 2.2% increase in total trips and a 2.8% increase in total passengers. Mobility device boarding's increased 6.7%. Road supervision continues to focus on ride along evaluations, onboard inspections and safety evaluations.

Recommendation:

Receive and file.

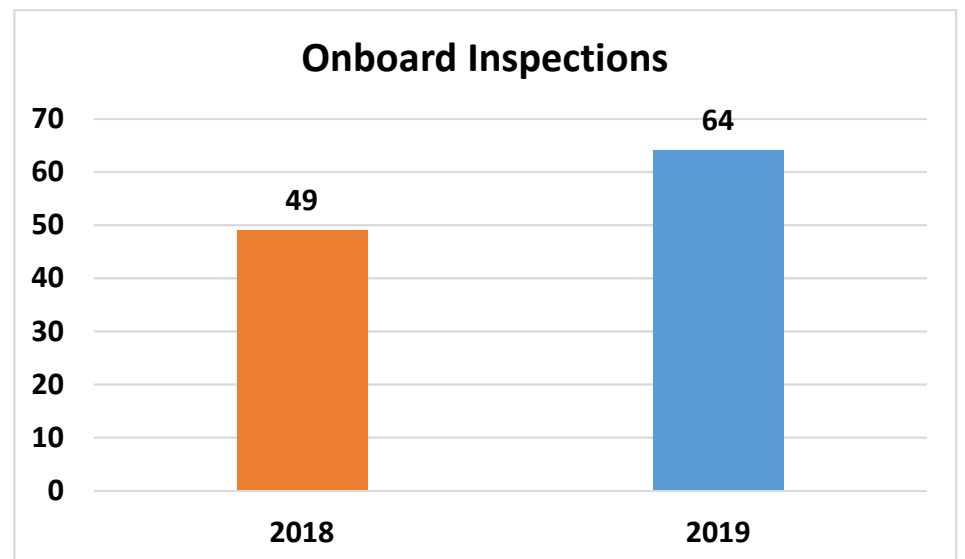
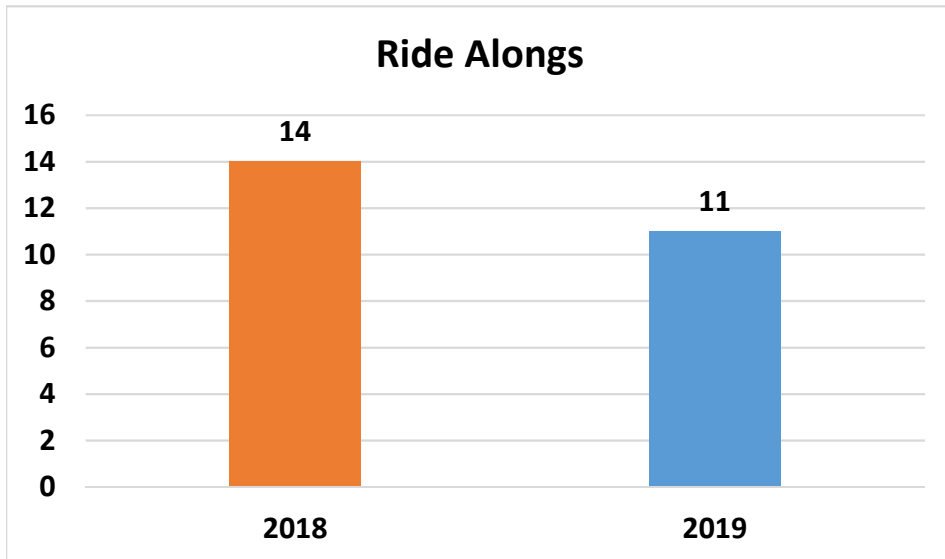
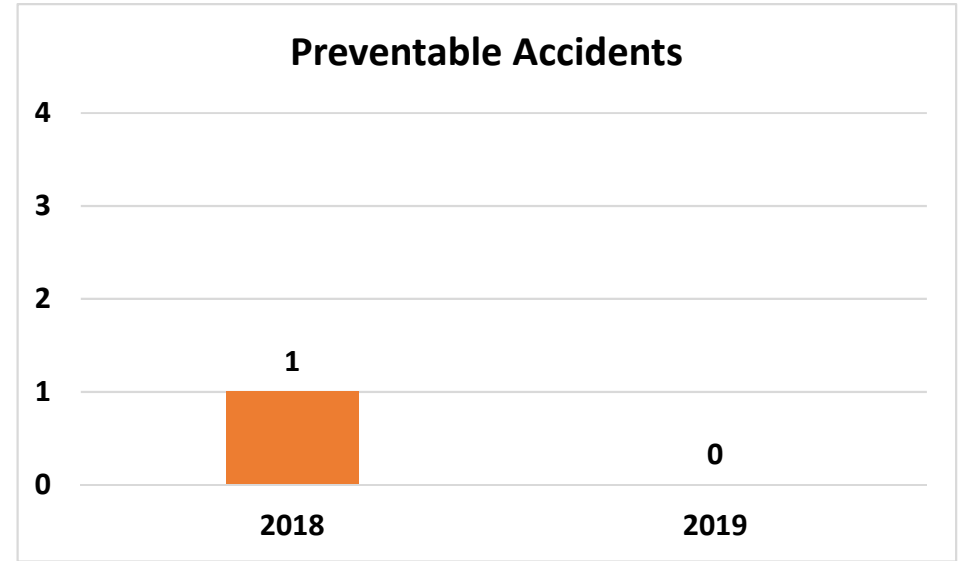
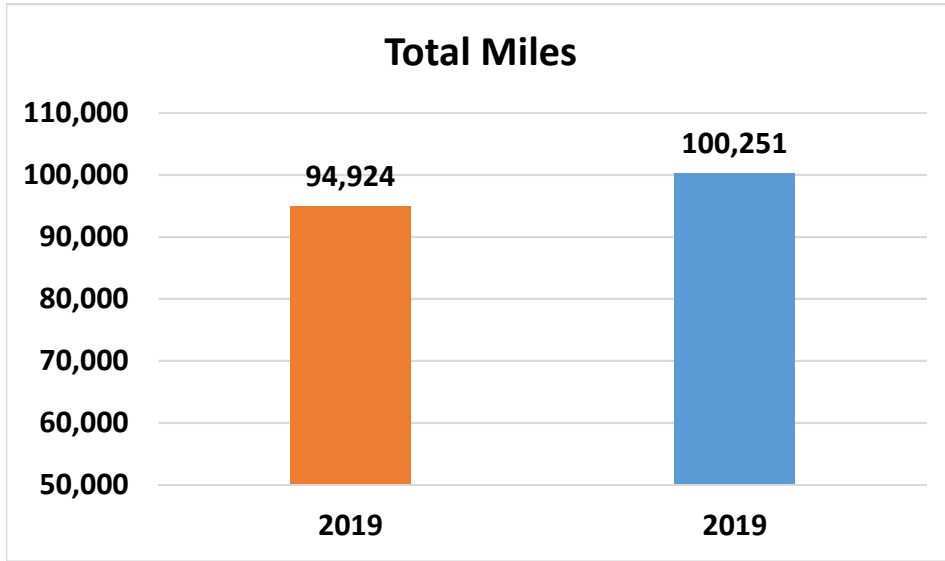
SunDial Operational Notes

DECEMBER 2018/2019



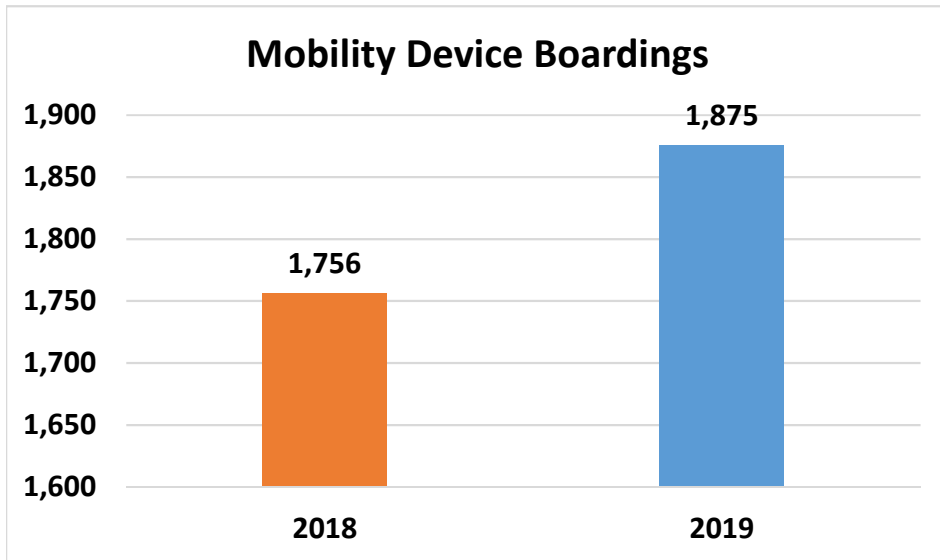
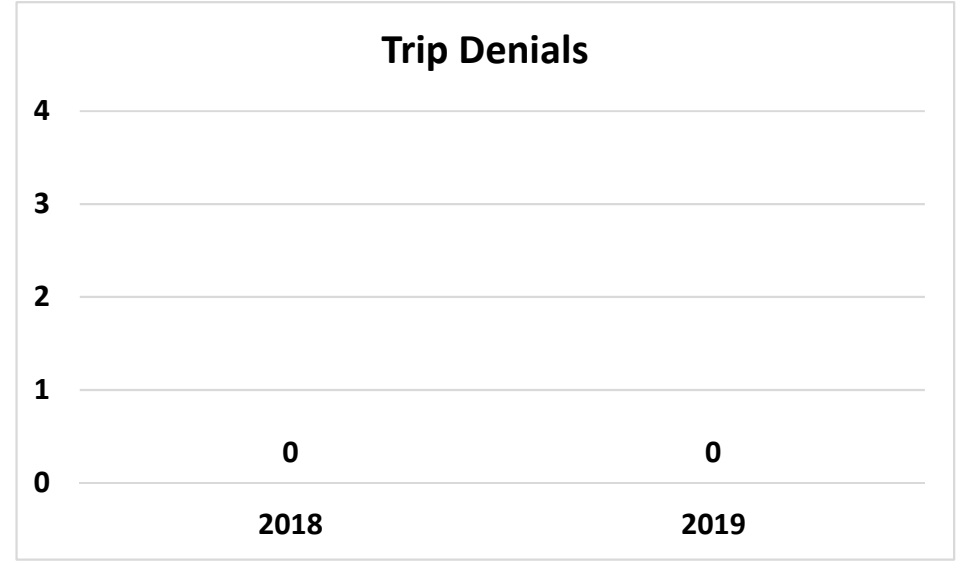
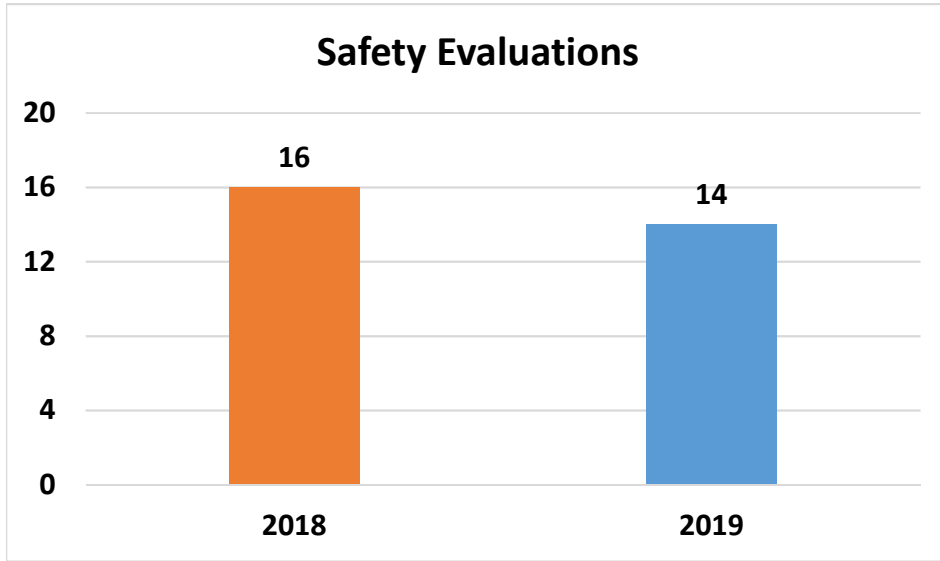
SunDial Operational Notes

DECEMBER 2018/2019



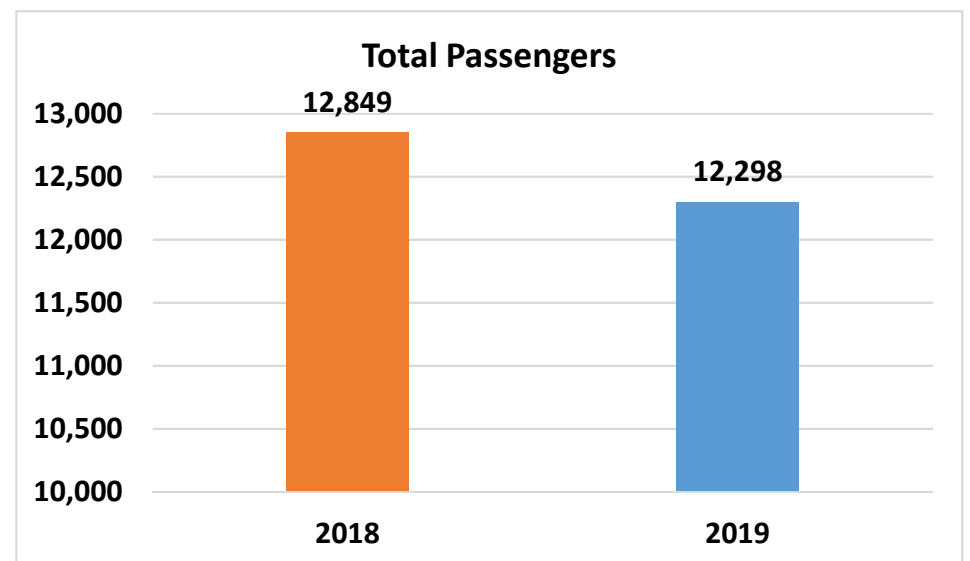
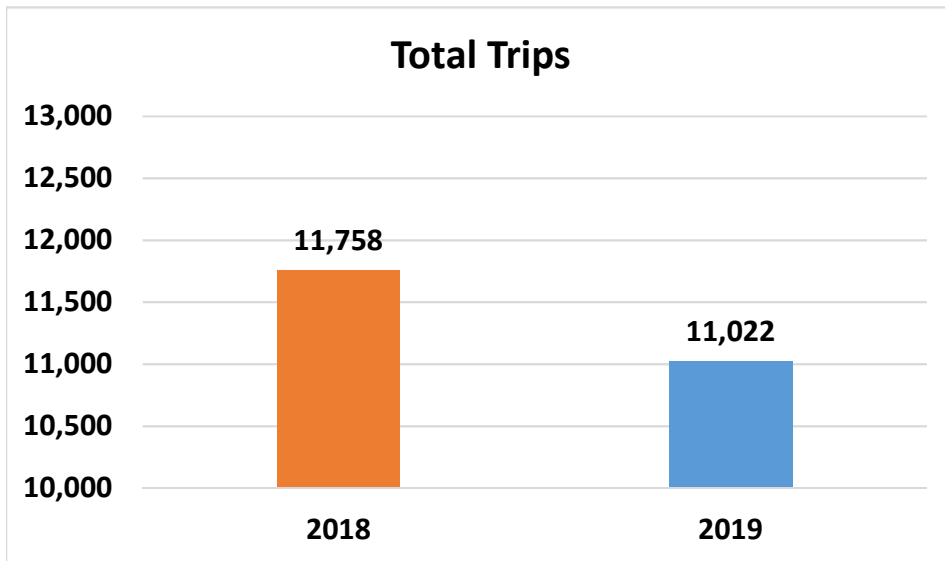
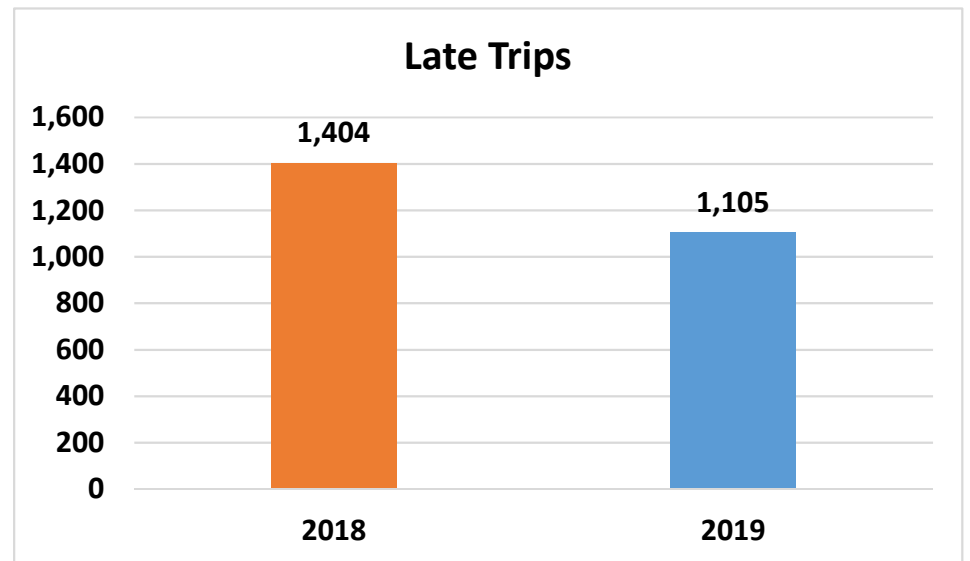
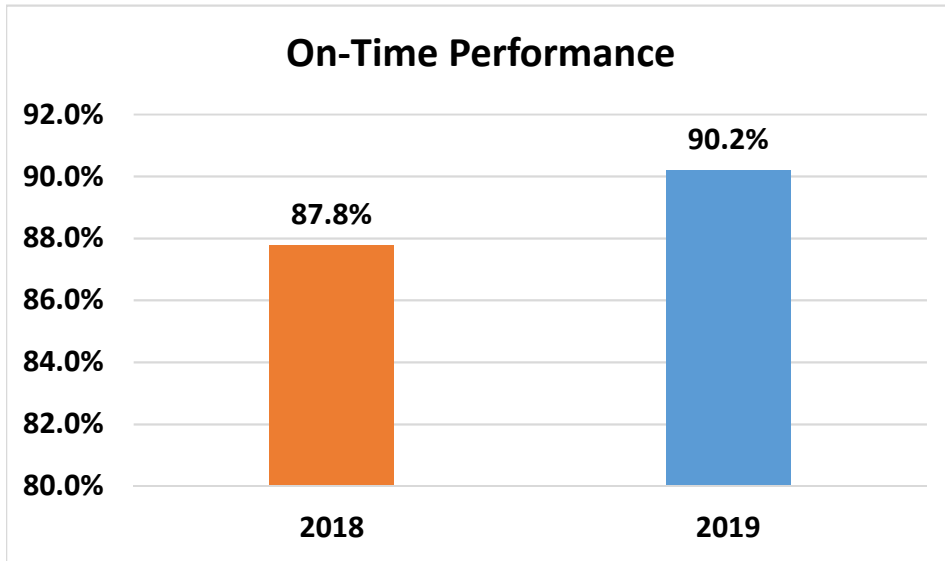
SunDial Operational Notes

DECEMBER 2018/2019



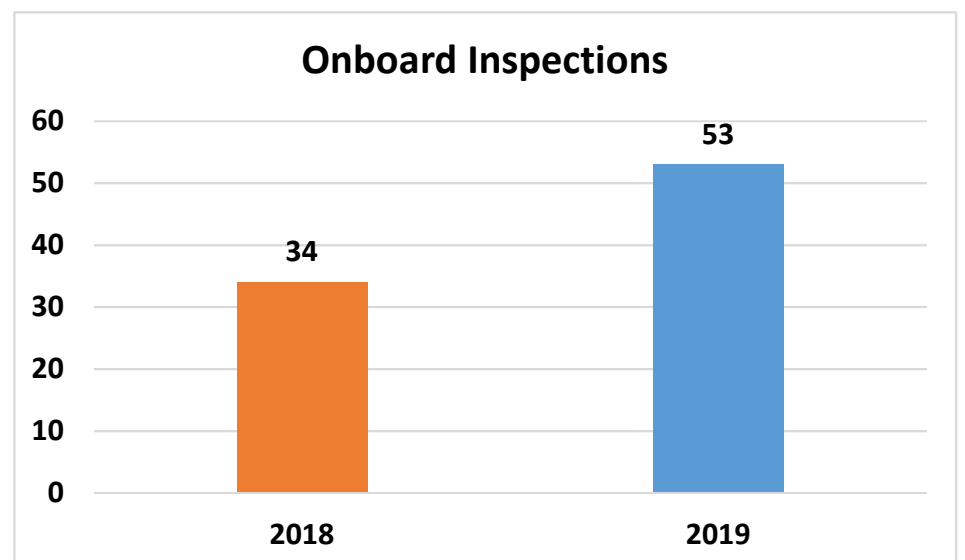
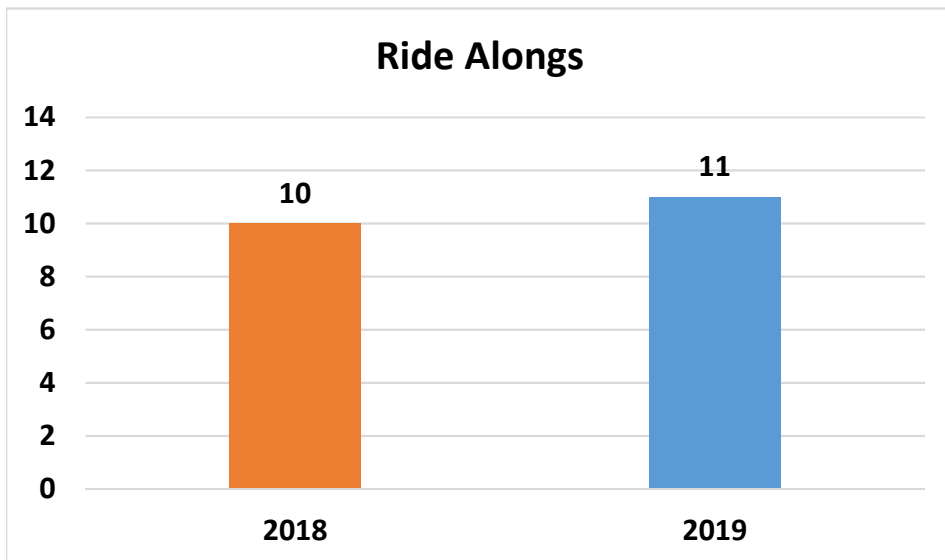
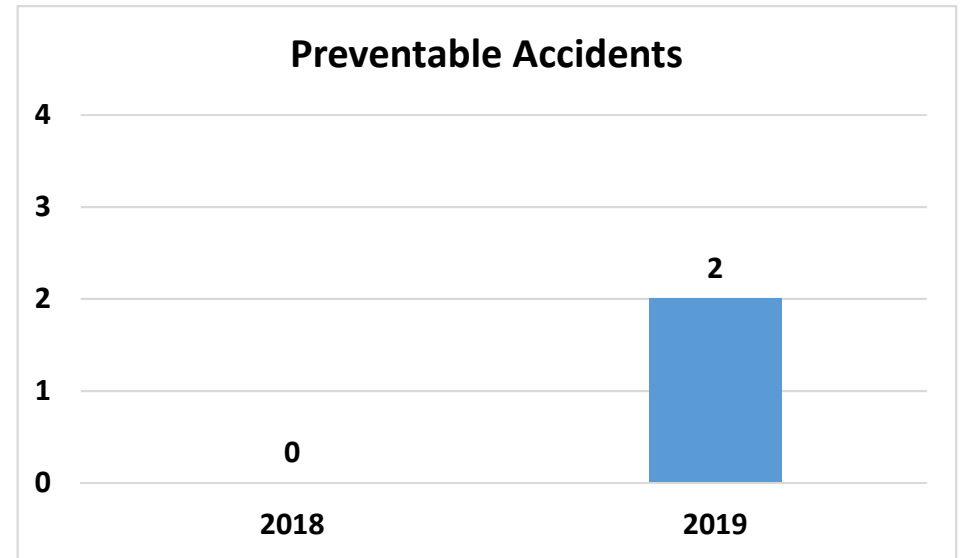
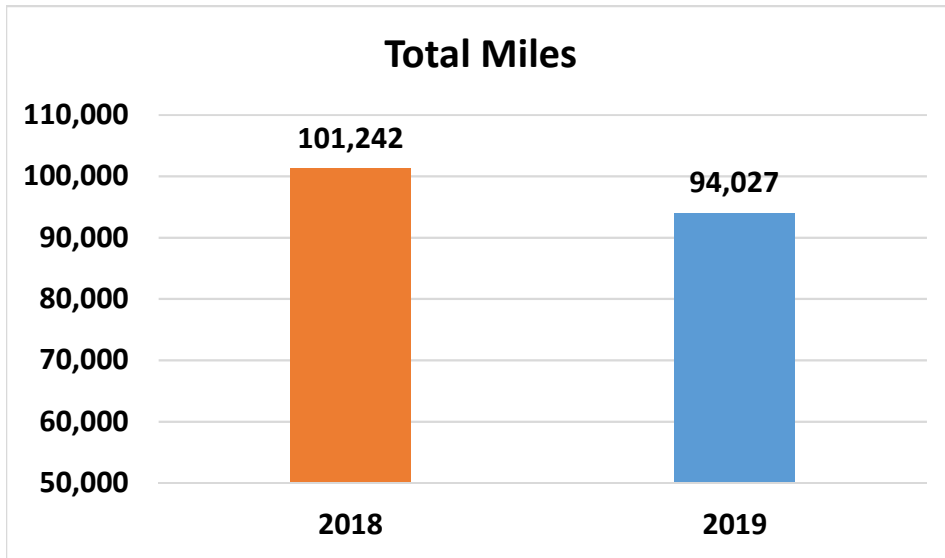
SunDial Operational Notes

NOVEMBER 2018/2019



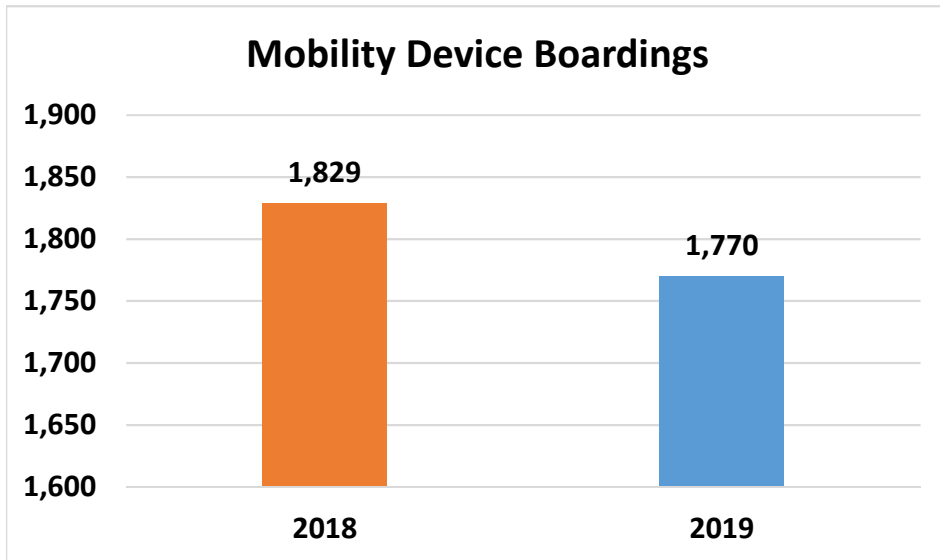
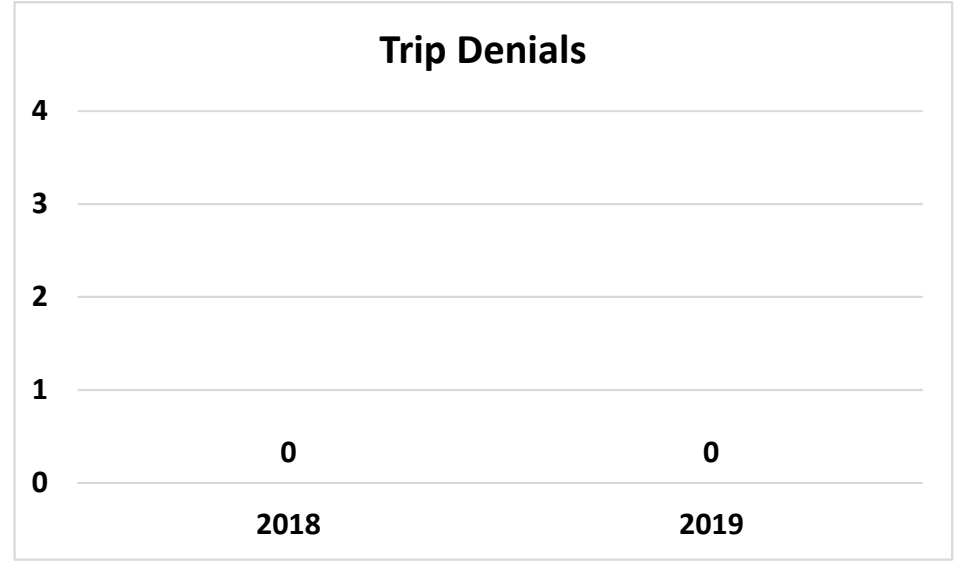
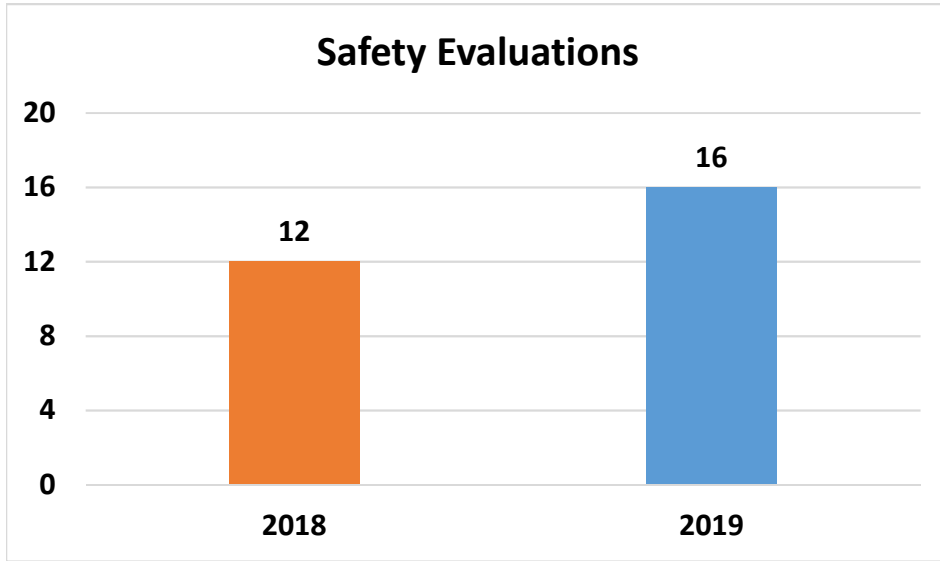
SunDial Operational Notes

NOVEMBER 2018/2019



SunDial Operational Notes

NOVEMBER 2018/2019



SunLine Transit Agency

CONSENT CALENDAR

DATE: January 22, 2020

RECEIVE & FILE

TO: Finance/Audit Committee
Board of Directors

RE: Metrics for December 2019 and January 2020

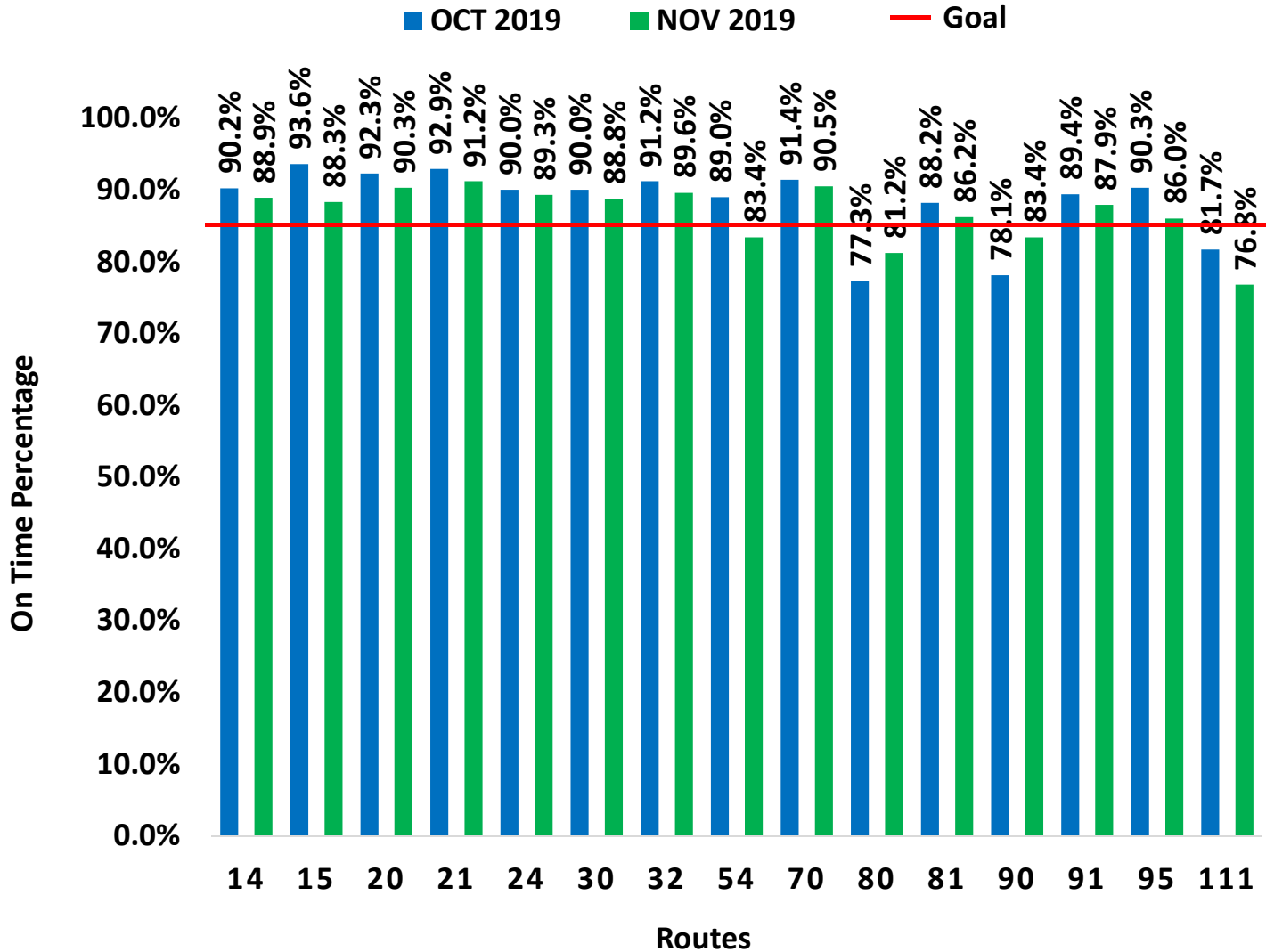
Summary:

The metrics packet includes data highlighting on-time performance, early departures, late departures, late cancellations, driver absence, advertising revenue, fixed route customer comments, paratransit customer comments, and system performance.

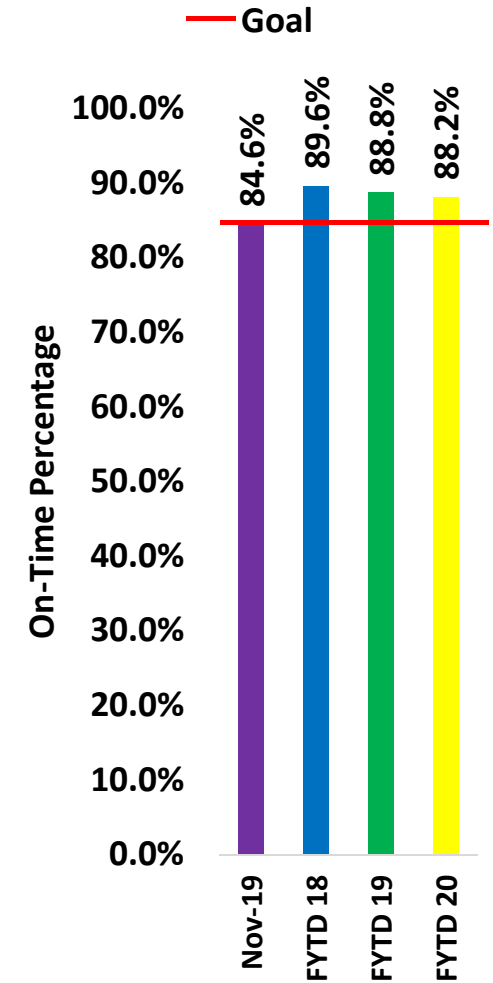
Recommendation:

Receive and file.

On-Time Performance Percent by Route

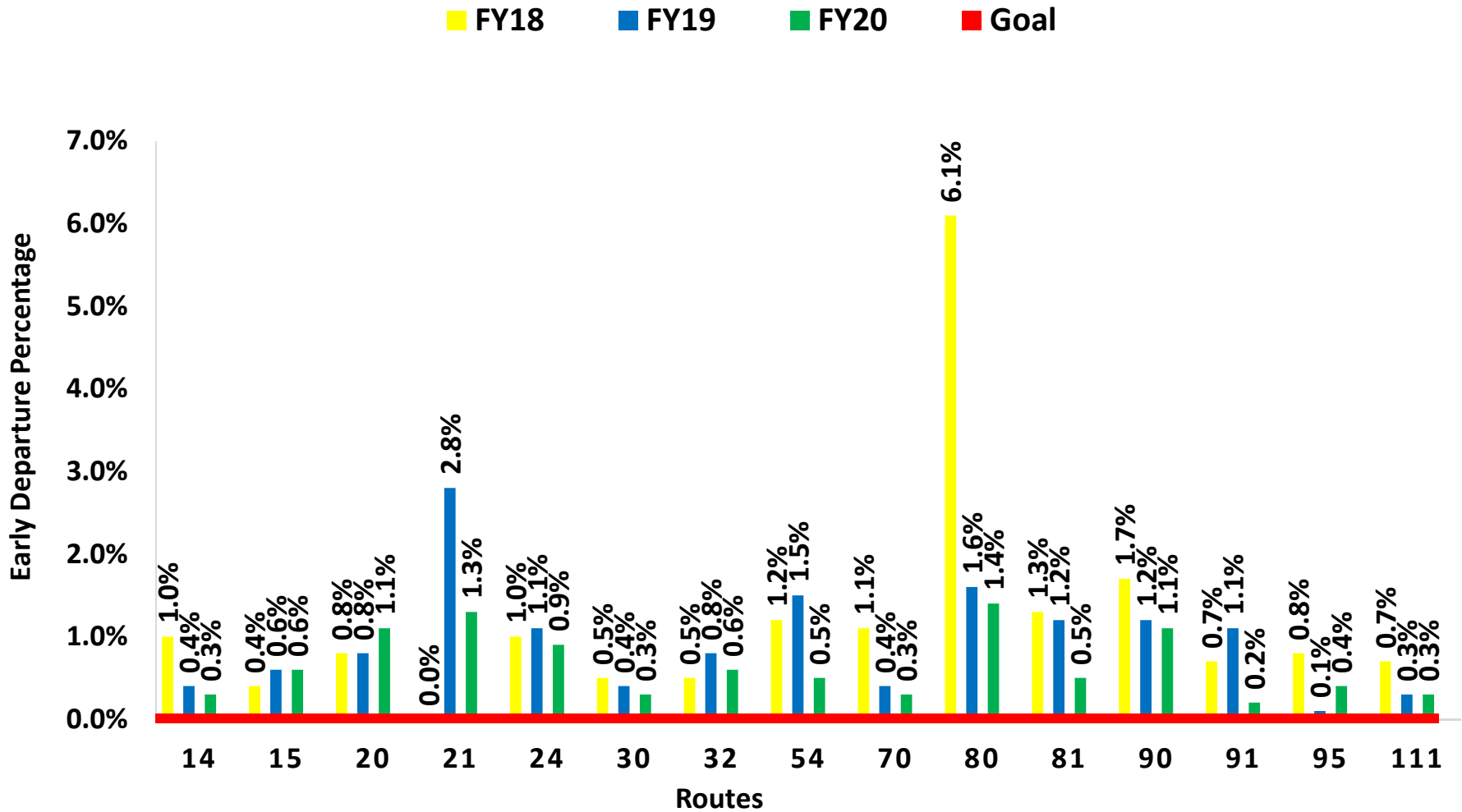


On Time Performance System Wide



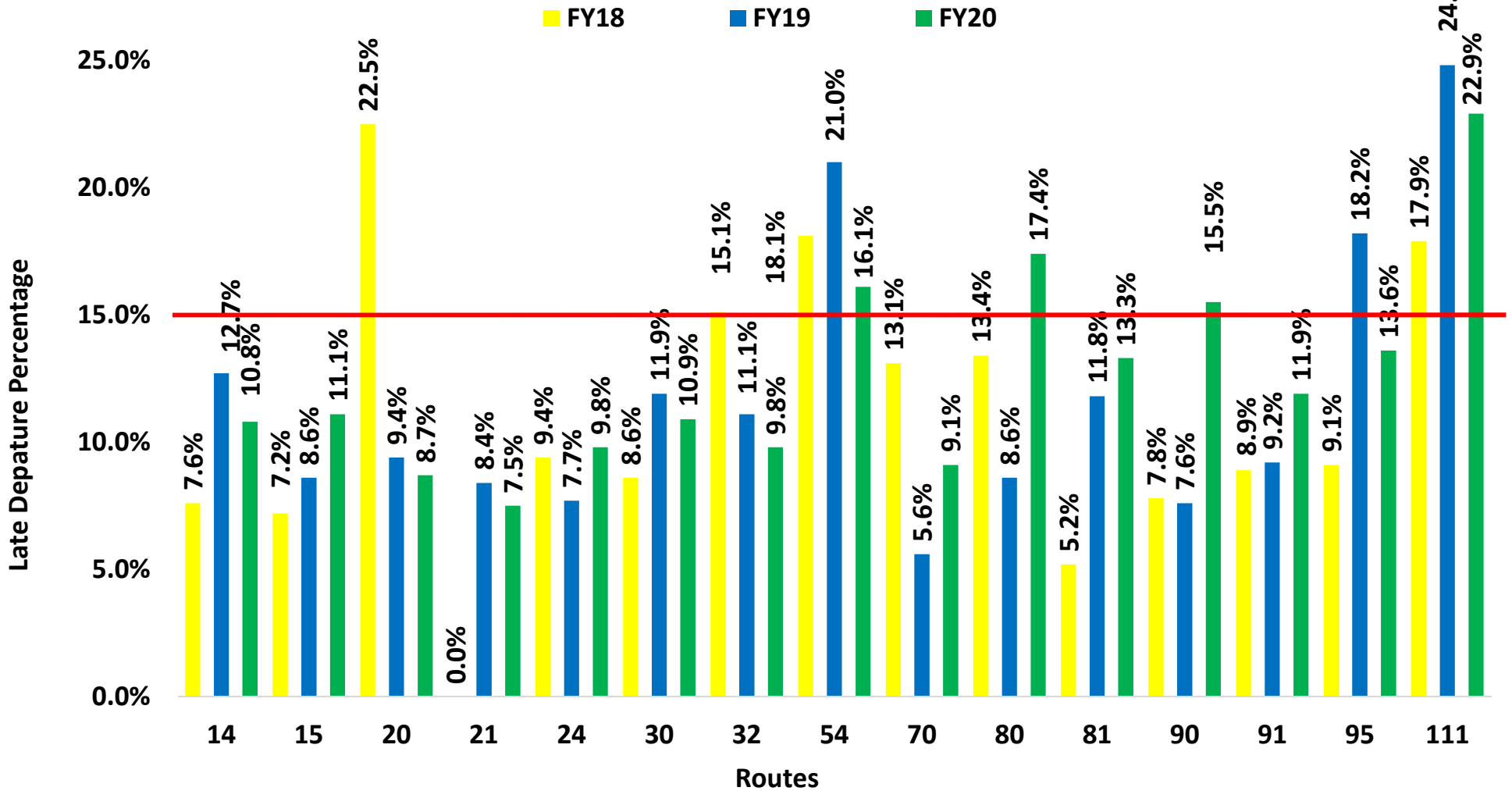
Definition: "On-Time" - when a trip departs a time point within range of zero minutes early to five minutes late.
 Goal: Minimum target for On-Time performance is 85%.
 Exceptions: Detours, train stuck on tracks, passenger problems, Information Technology System issues.

Early Departures by Route FYTD



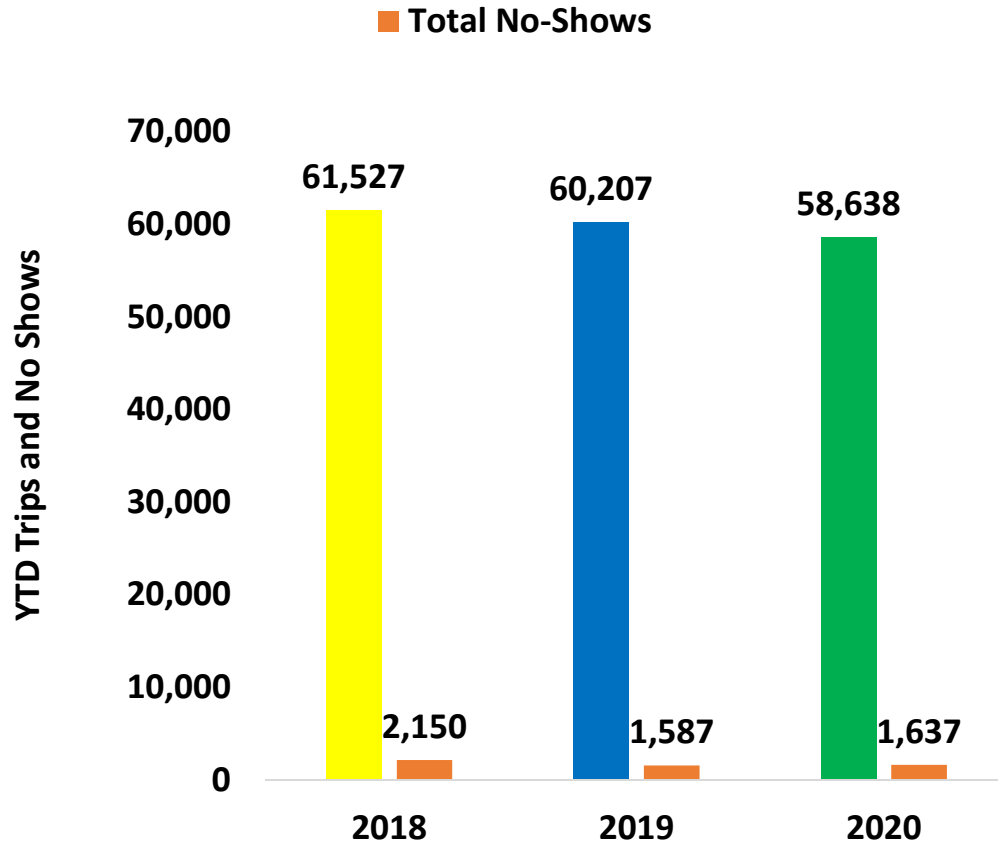
Definition: When a bus leaves a time point, ahead of the scheduled departure time.
 Goal: To reduce early departures to 0% for each route.

Late Departure Percent by Route November

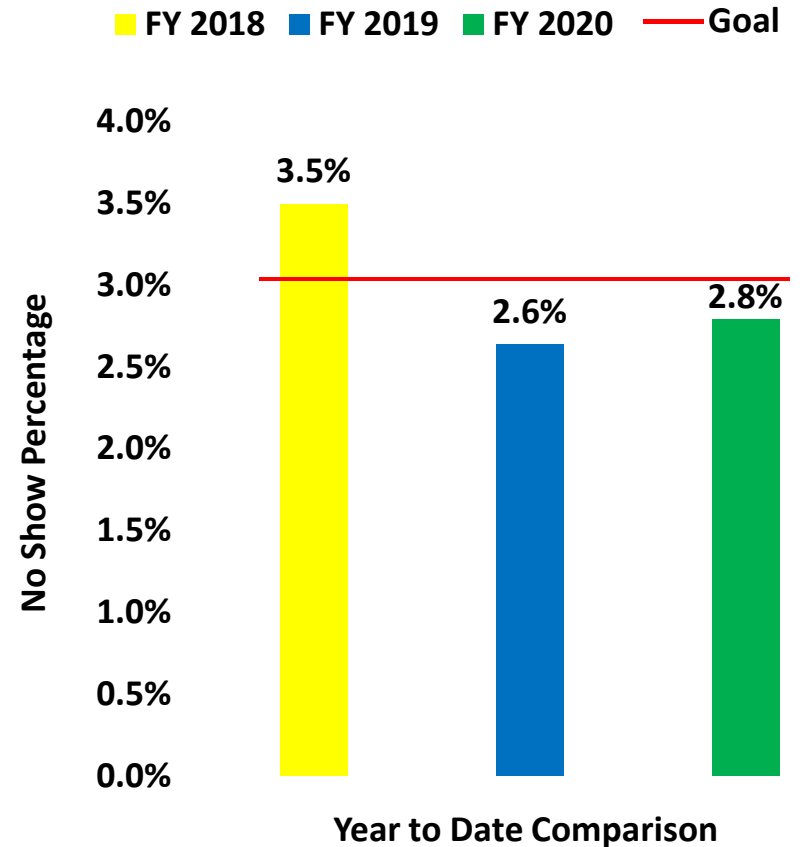


Late Definition: When a bus leaves a time point after the scheduled departure time.
 The line is running late with a departure greater than 5 minutes.
 Goal: To reduce late departures to 15%

Total Trips vs. No-Shows FYTD



No-Show Percentage FYTD

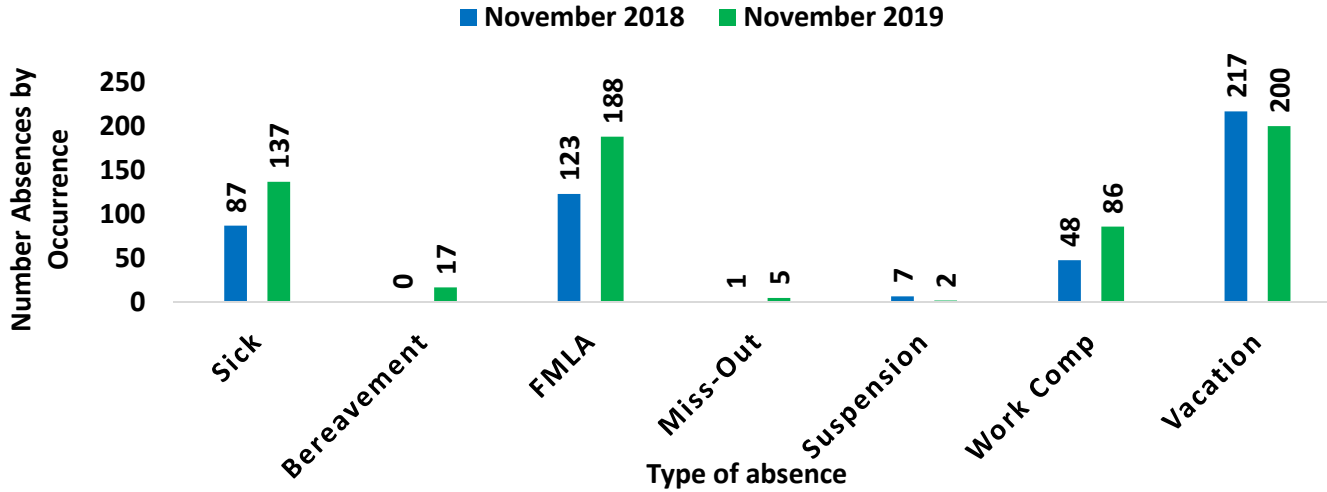


Trip: A one-way ride booked by the client. A round trip is counted as two trips.

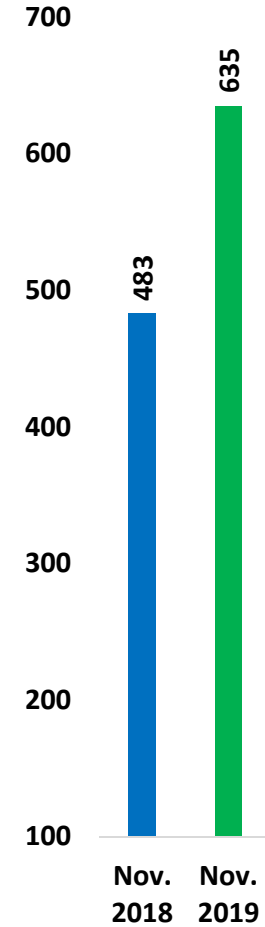
No-Show: A ride where an authorized ADA paratransit service vehicle arrives at the designated pick-up location, waits the required five minute period while the passenger is not present to board the vehicle.

Goal for no-shows: 3% or below.

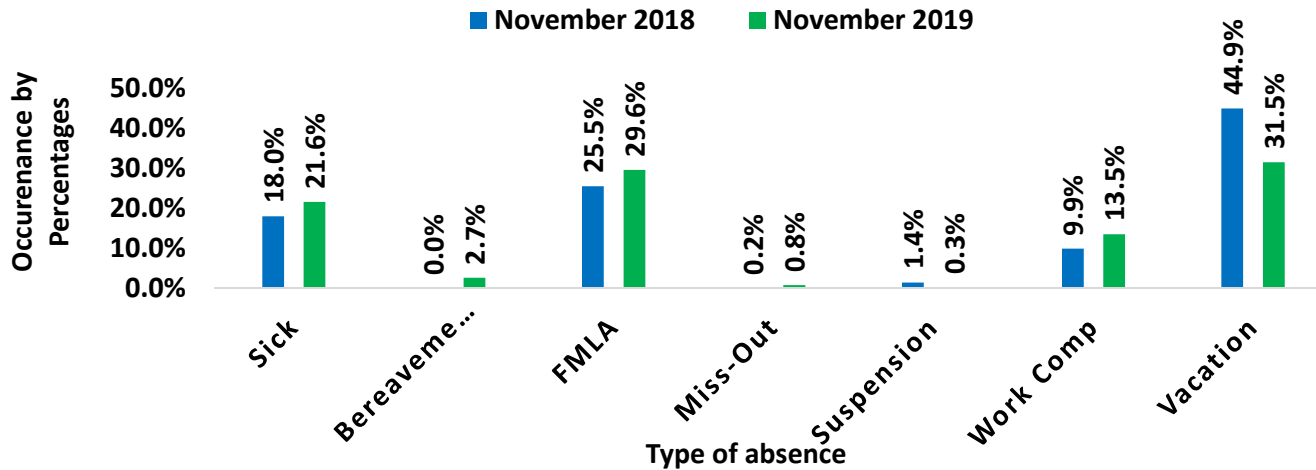
Driver Absence Occurrences



Total Absence Occurrences

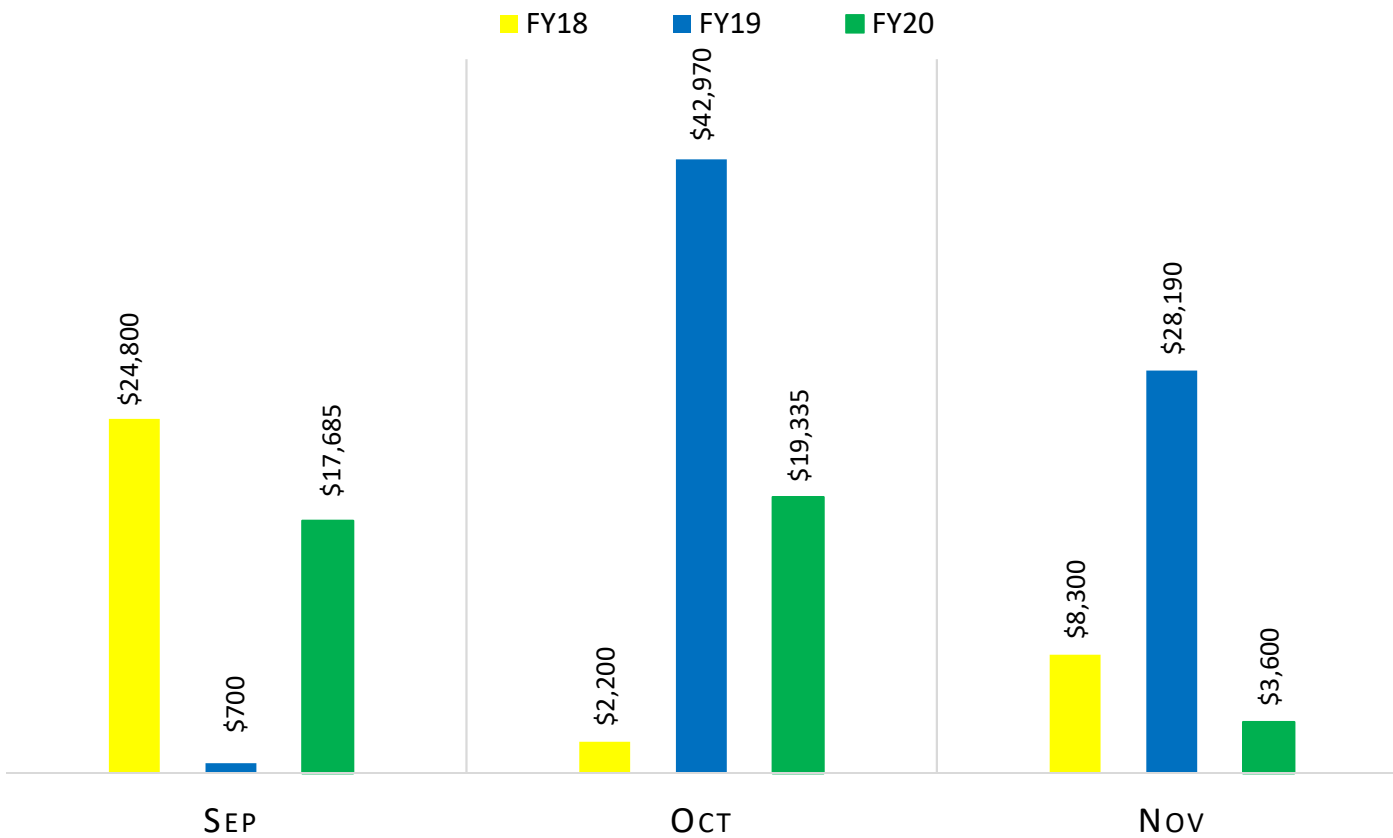


Driver Absence Occurrences by Percentages

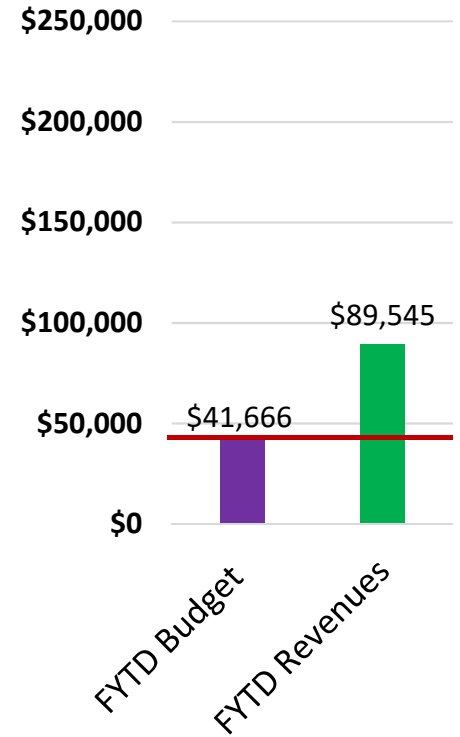


Goal: Reduce by 2% from previous year - By enforcing attendance policy regularly and monitor trending – Absences include unscheduled for Fixed Route drivers.

Advertising Revenue - FYTD20

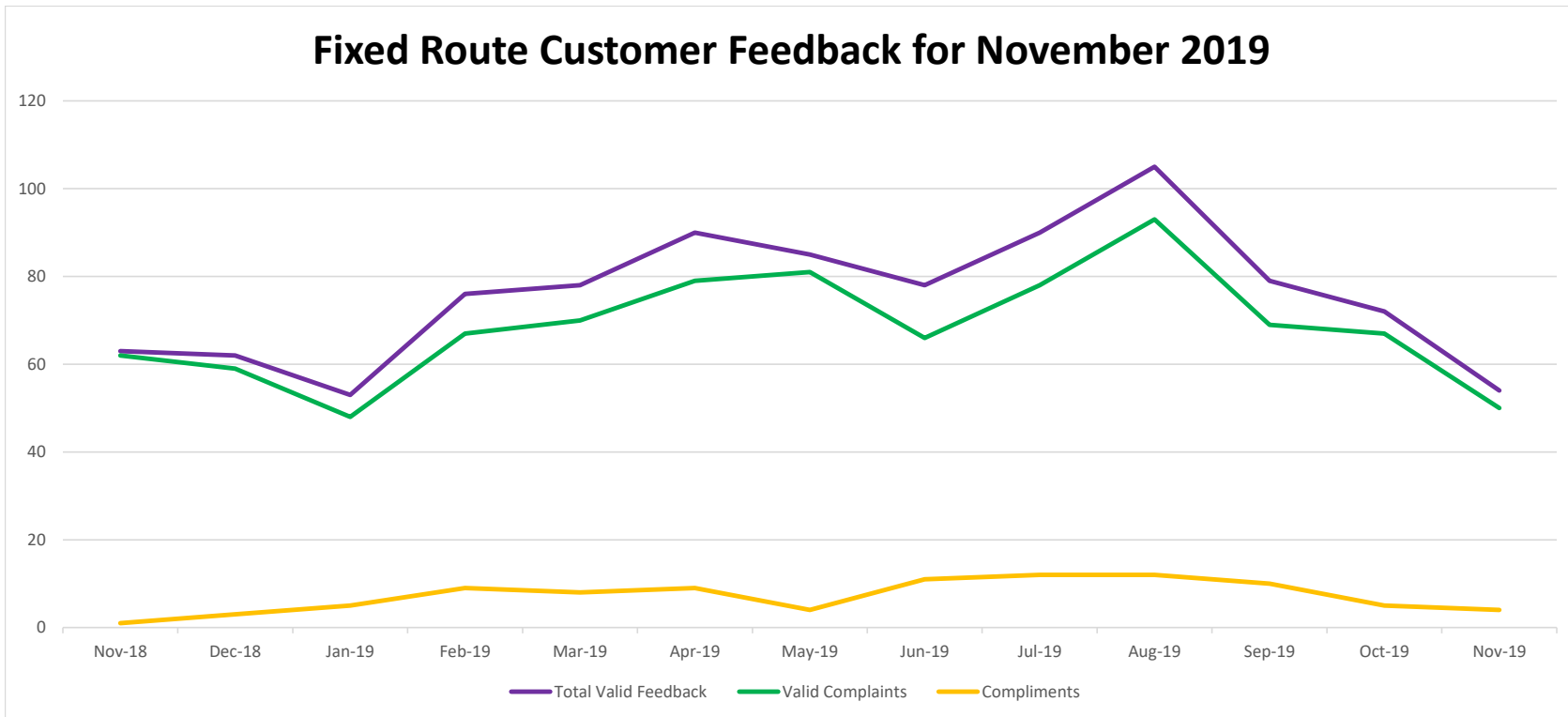


FYTD Budget vs FYTD Agency Revenue - November 2019



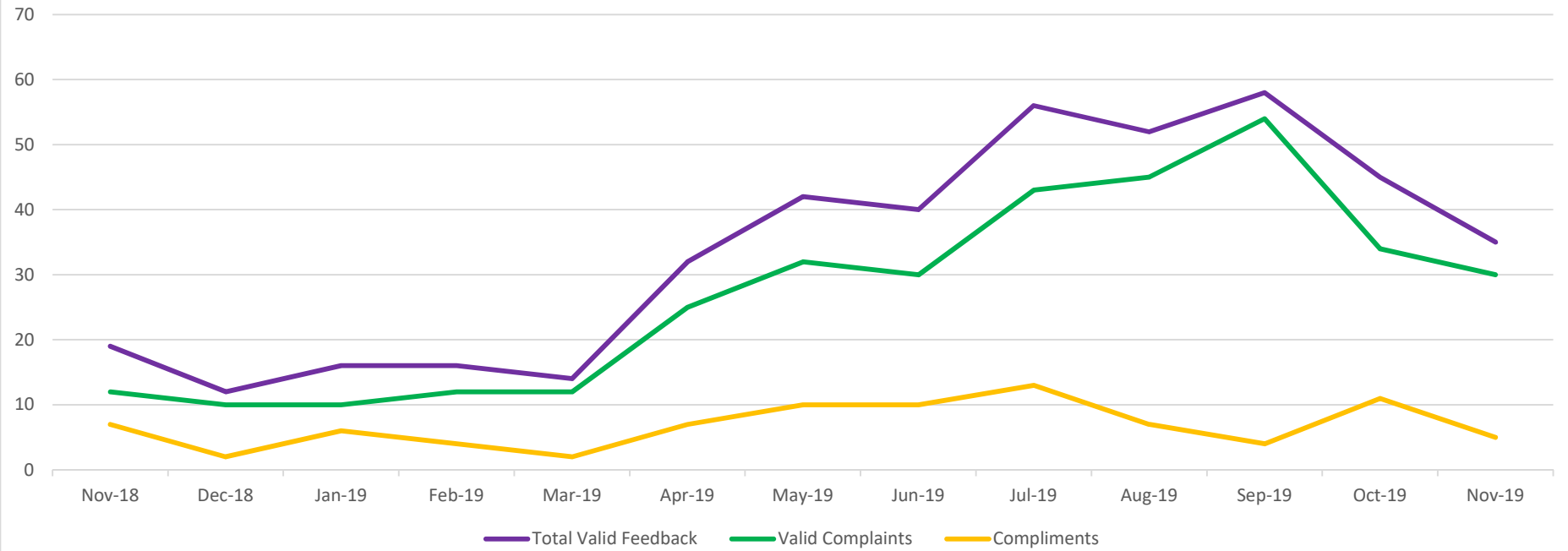
Advertising tracks dollar amount of invoiced contracts for shelter and exterior bus advertising. This section of the chart compares the FYTD20 against FYTD18 and FYTD19 total. The graph tracks YTD revenue accrued vs the YTD budget. The annual budgeted amount for FY20 is \$100,000.

Fixed Route Customer Feedback for November 2019



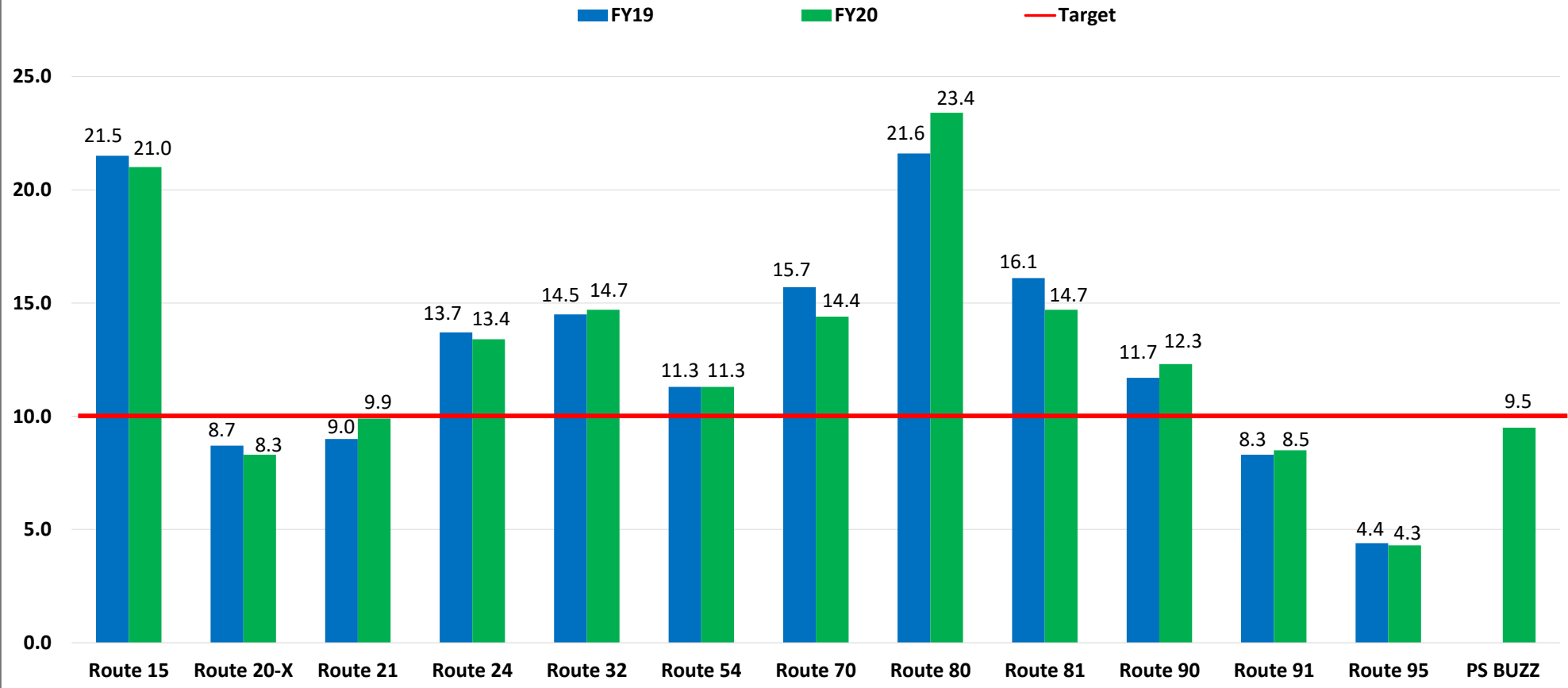
Valid fixed route feedback comprised of compliments and complaints for November 2019

Paratransit Customer Feedback for November 2019



Valid paratransit feedback comprised of compliments and complaints for November 2019

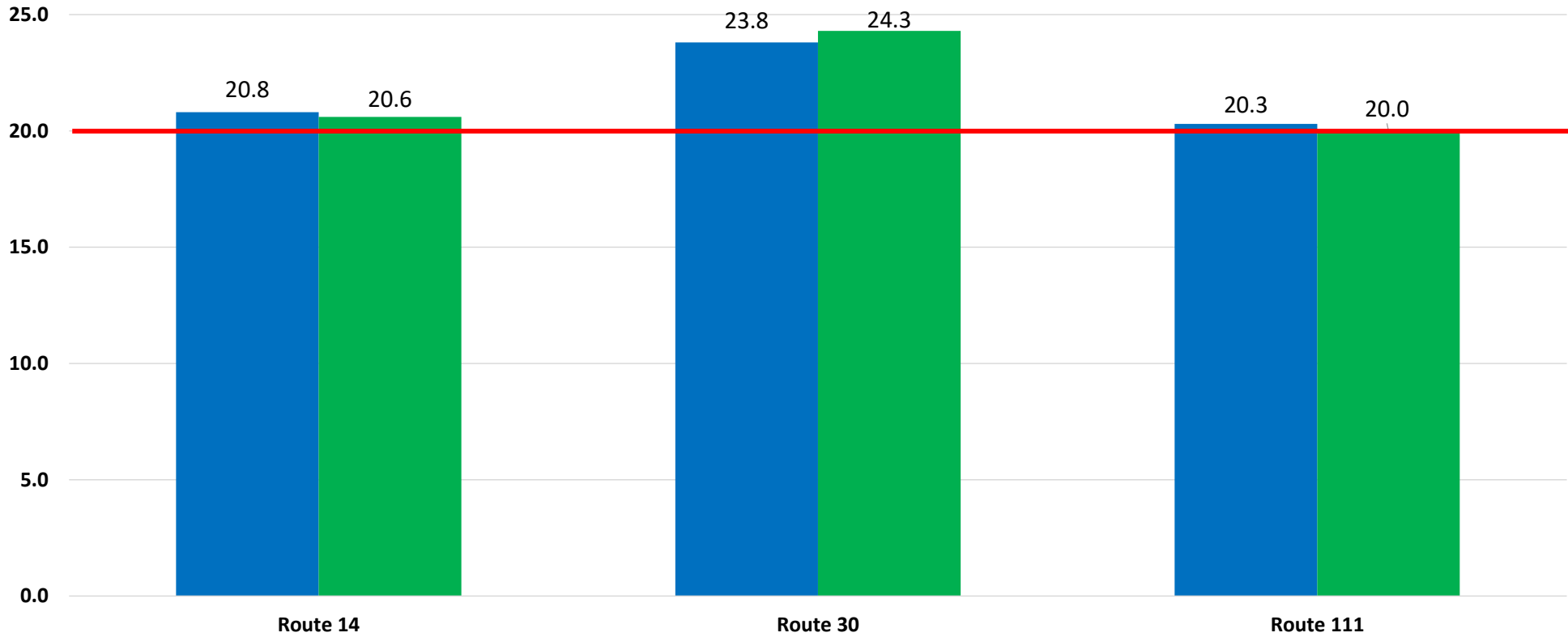
YTD System Performance - Local Routes November 2019



The chart above represents the system performance on local routes for Passenger Per Revenue Hour (PPRH). The goal for local fixed routes is 10 PPRH. The FY 19/20 goal is based on Board approved Service Standards Policy (B-190613). Local Routes are secondary routes that connect to the trunk routes and supplement the SunBus network.

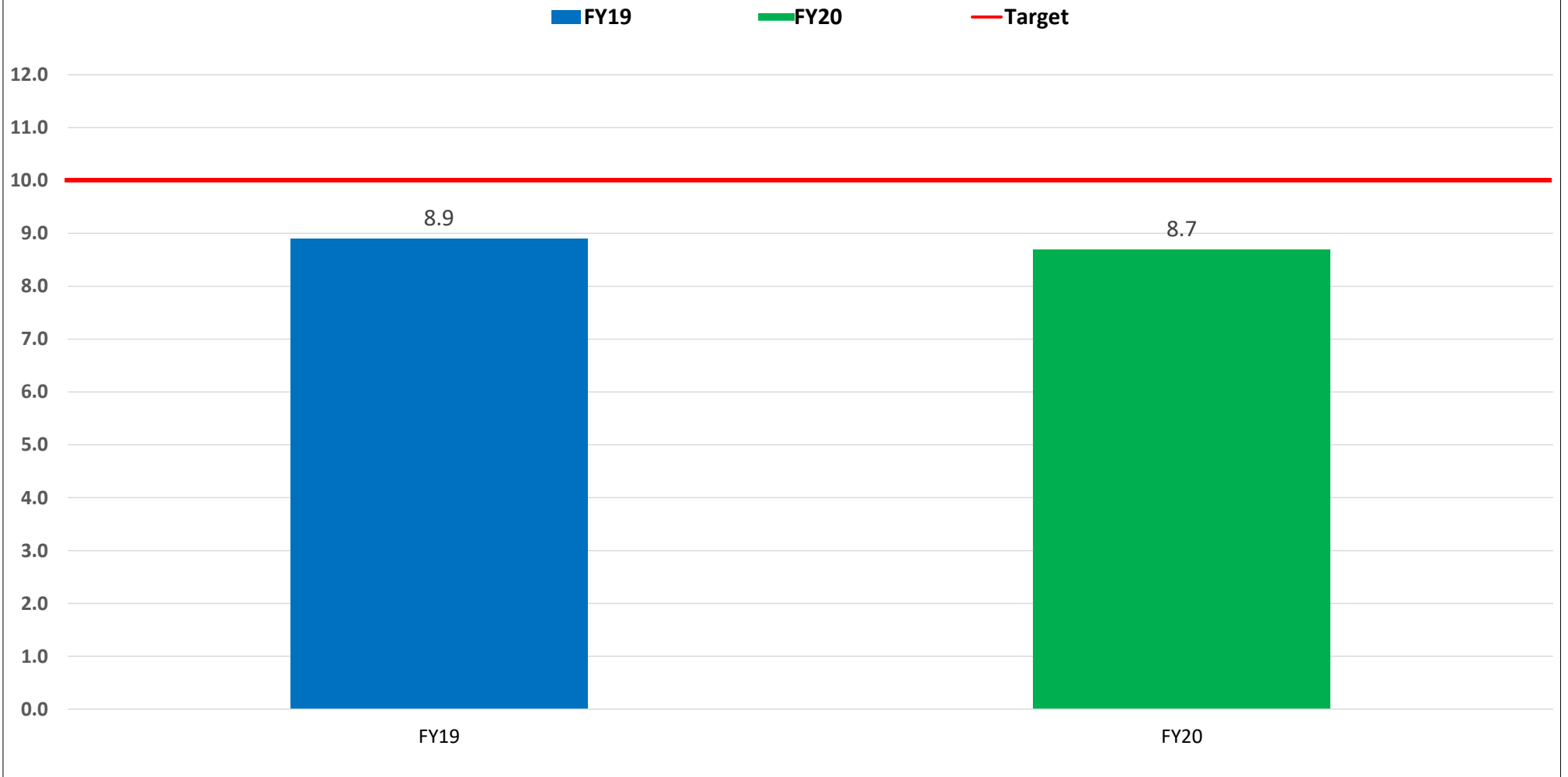
YTD System Performance - Trunk Routes November 2019

FY19 FY20 Target



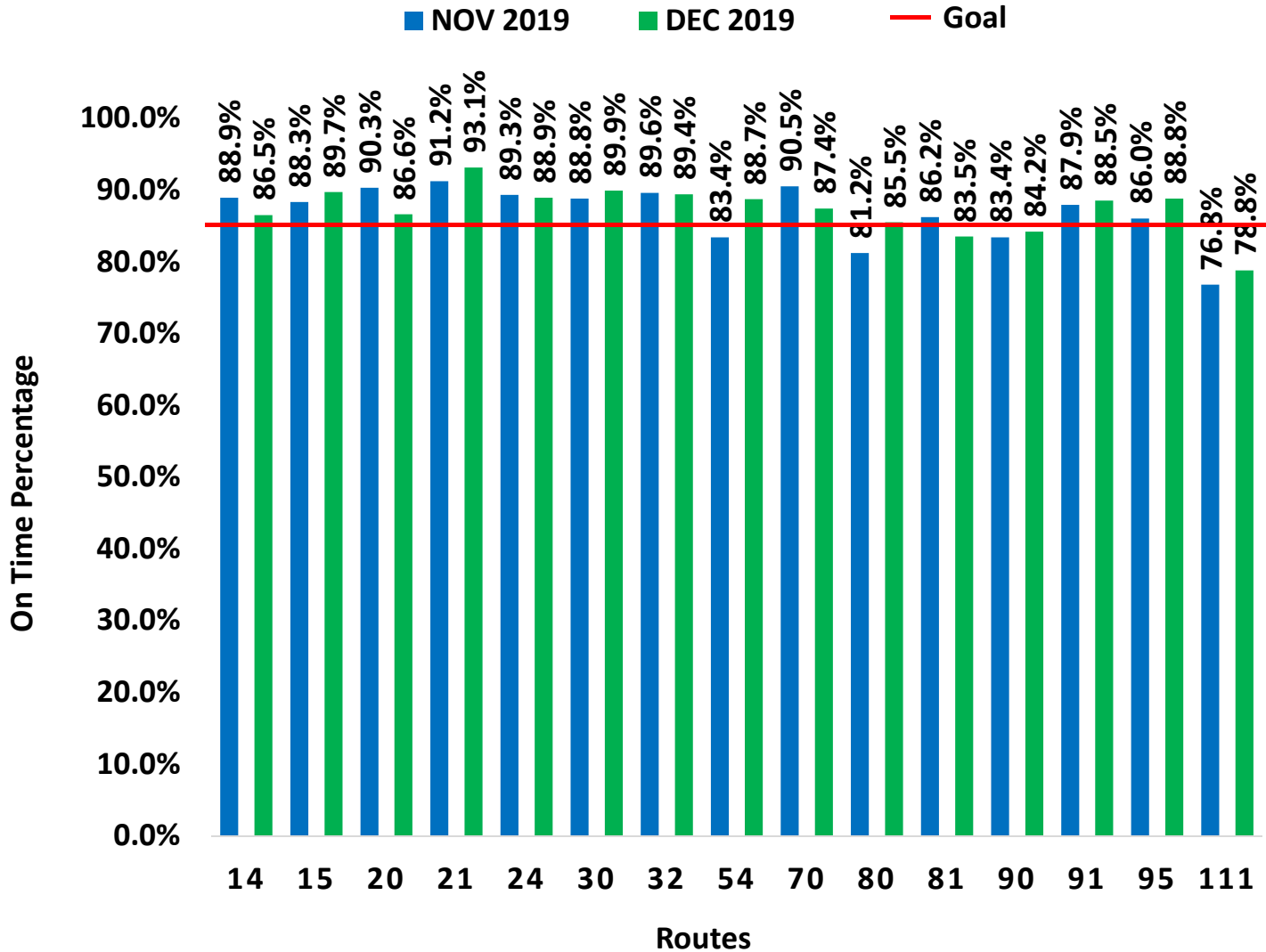
The chart above represents the system performance on trunk routes for Passenger Per Revenue Hour (PPRH). The goal for trunk fixed routes is 20 PPRH. The FY 19/20 goal is based on Board approved Service Standards Policy (B-190613). Trunk Routes are highly traveled corridors serving a variety of trip purposes and connect a variety of regional destinations.

YTD System Performance - Regional Service Commuter Link 220 - November 2019

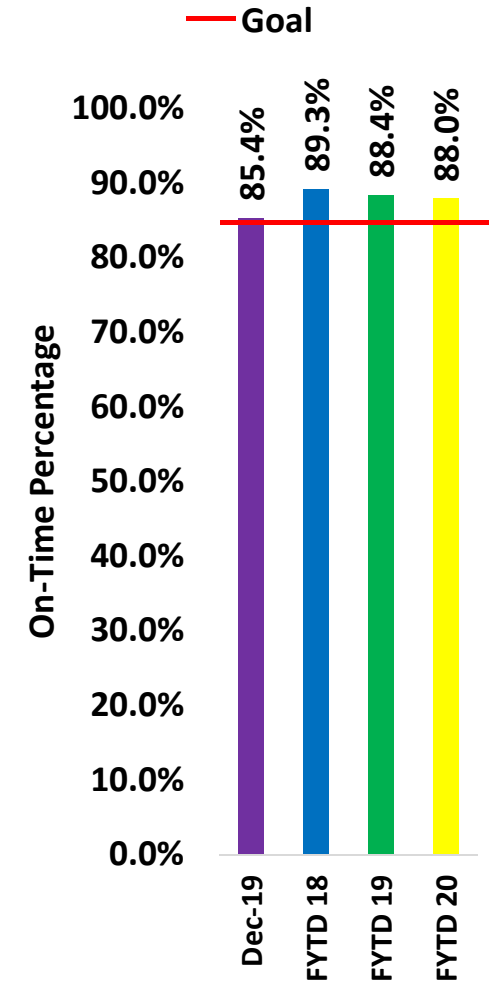


The chart above represents the system performance target for regional service on the Link 220 which is based on Passenger Per Revenue Trip (PPRT). The goal for regional service is 10 PPRT. The FY 19/20 goal is based on Board approved Service Standards Policy (B-190613).

On-Time Performance Percent by Route

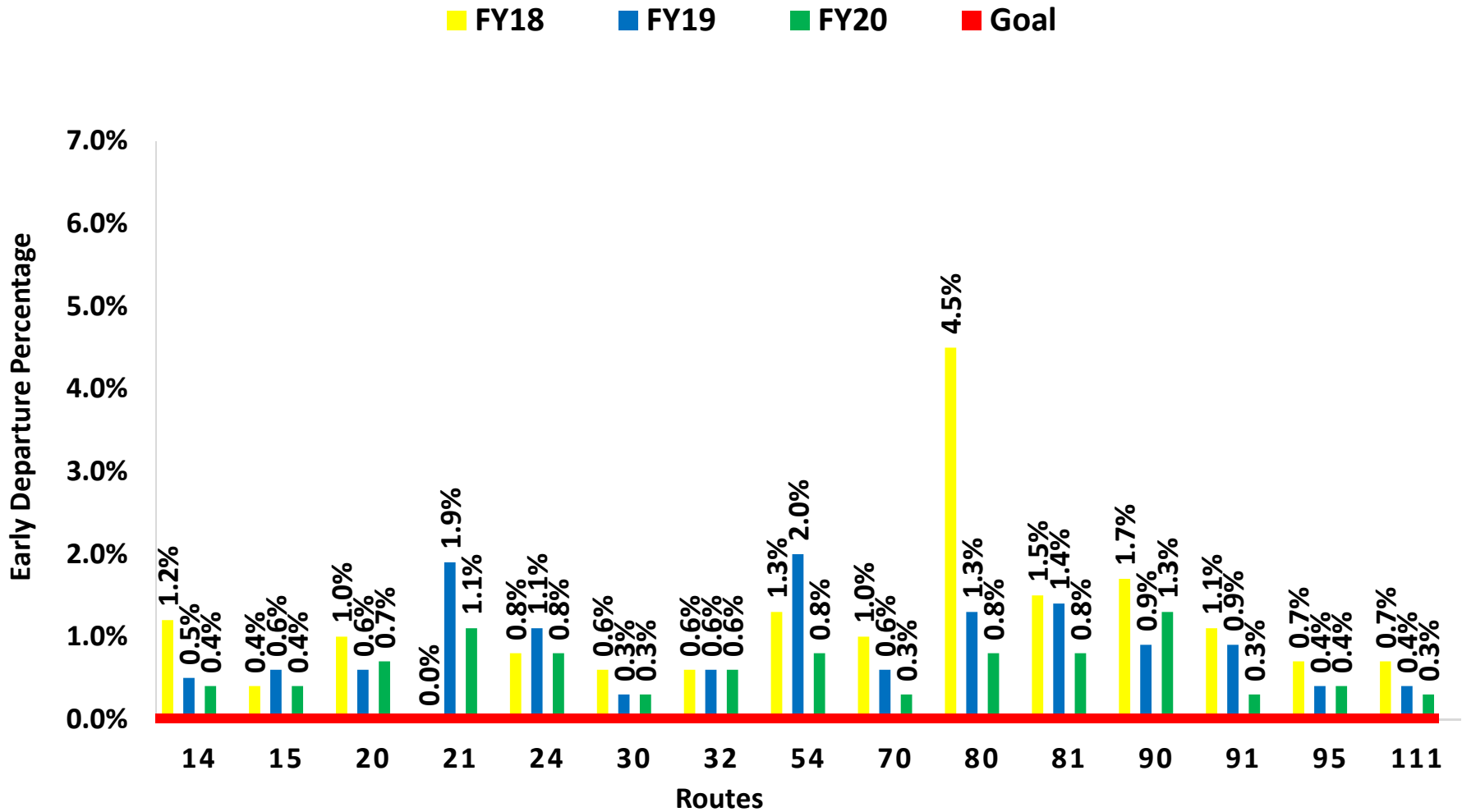


On Time Performance System Wide



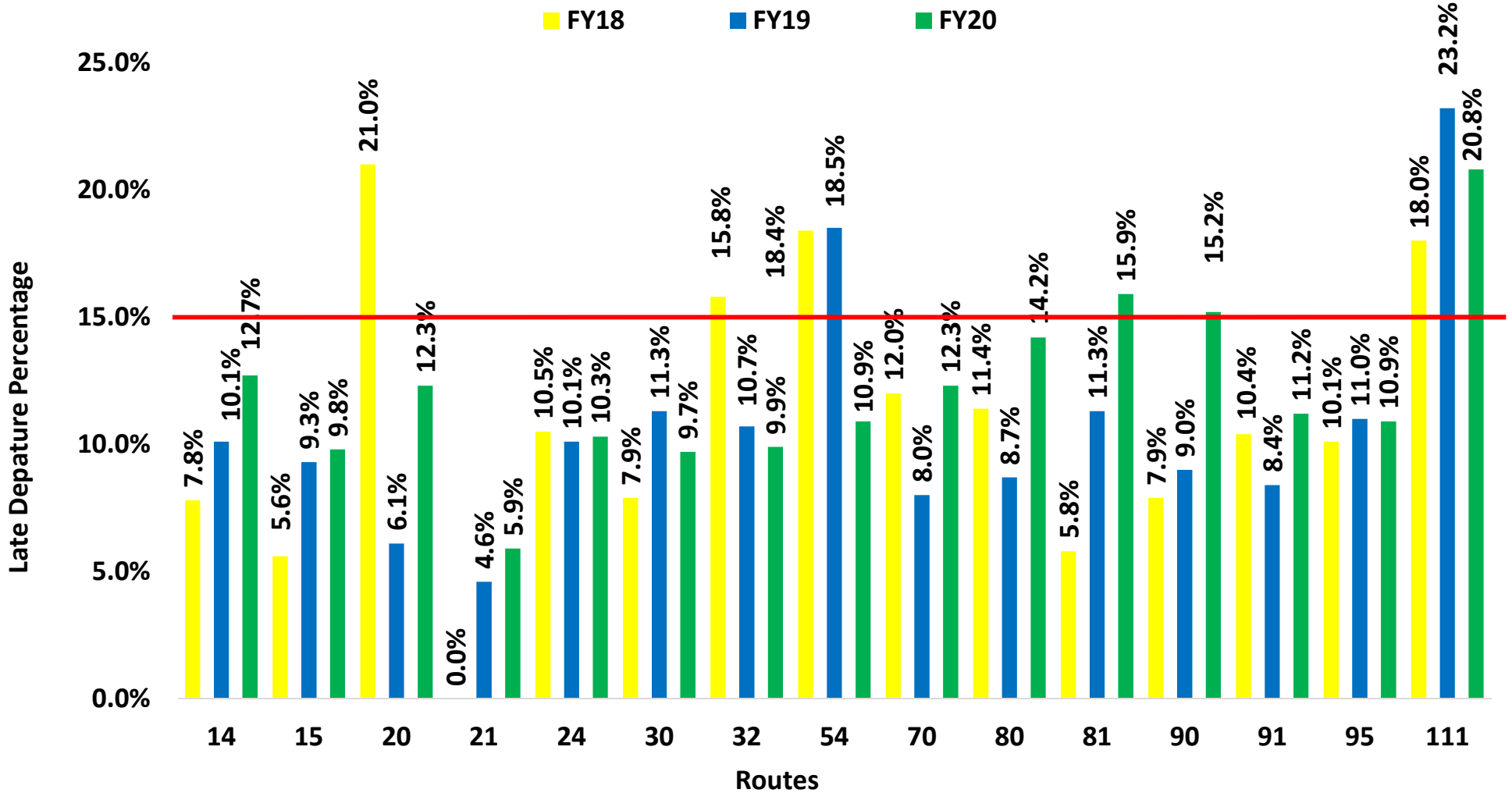
Definition: "On-Time" - when a trip departs a time point within range of zero minutes early to five minutes late.
 Goal: Minimum target for On-Time performance is 85%.
 Exceptions: Detours, train stuck on tracks, passenger problems, Information Technology System issues.

Early Departures by Route FYTD



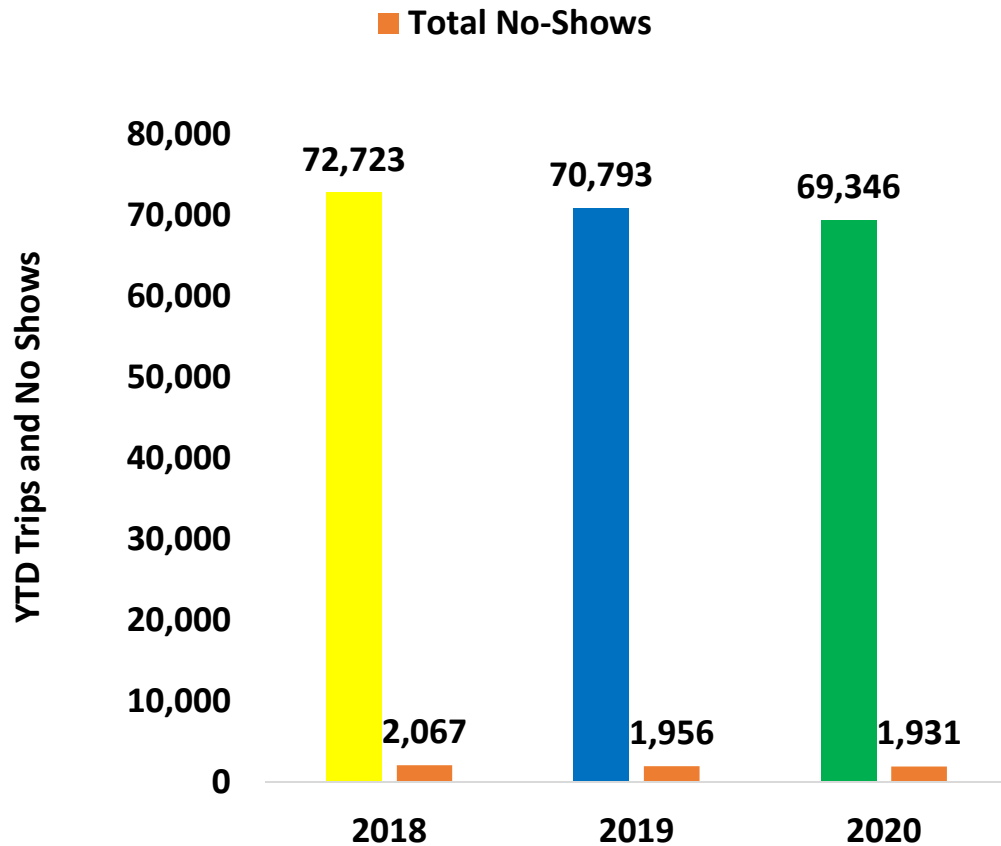
Definition: When a bus leaves a time point, ahead of the scheduled departure time.
 Goal: To reduce early departures to 0% for each route.

Late Departure Percent by Route December

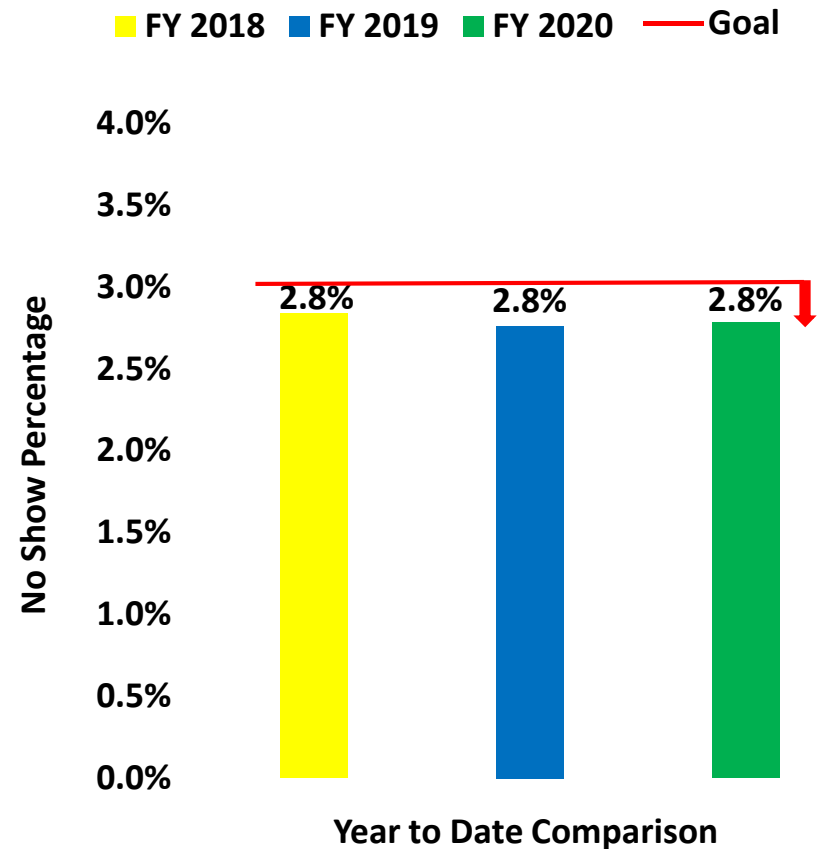


Late Definition: When a bus leaves a time point after the scheduled departure time.
 The line is running late with a departure greater than 5 minutes.
 Goal: To reduce late departures to 15%

Total Trips vs. No-Shows FYTD



No-Show Percentage FYTD

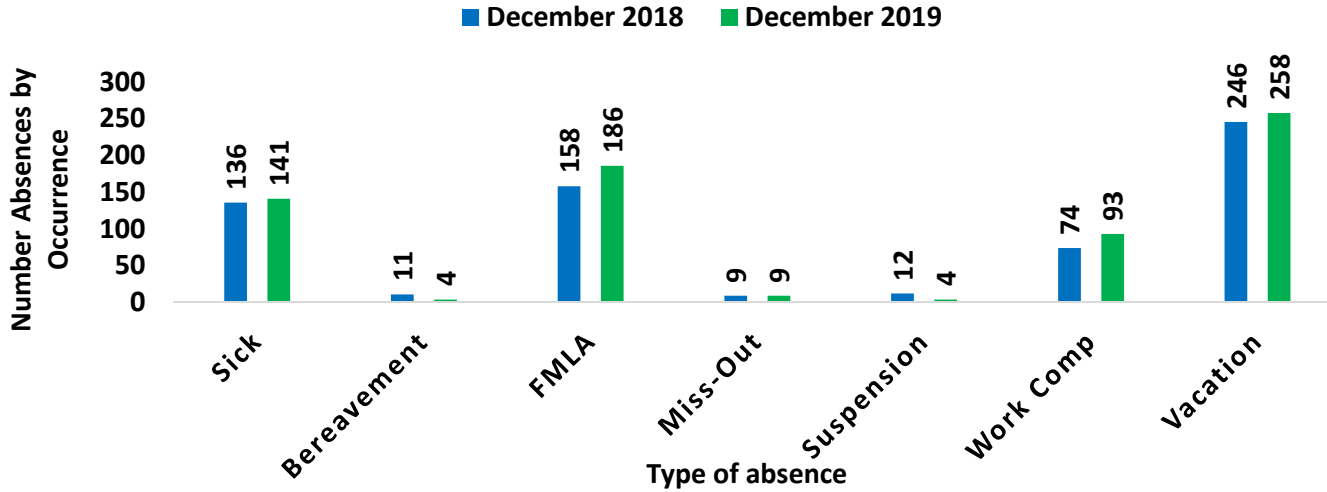


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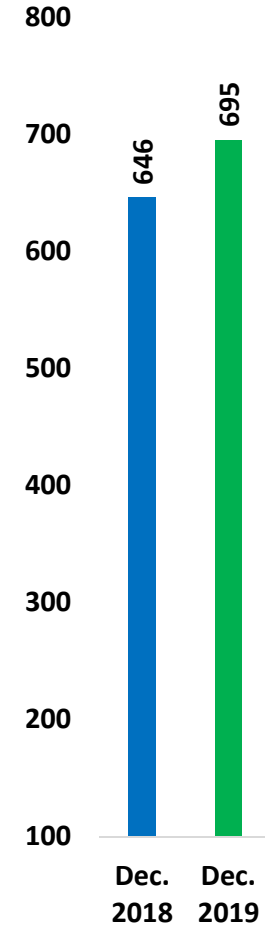
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Goal for no-shows: 3% or below.

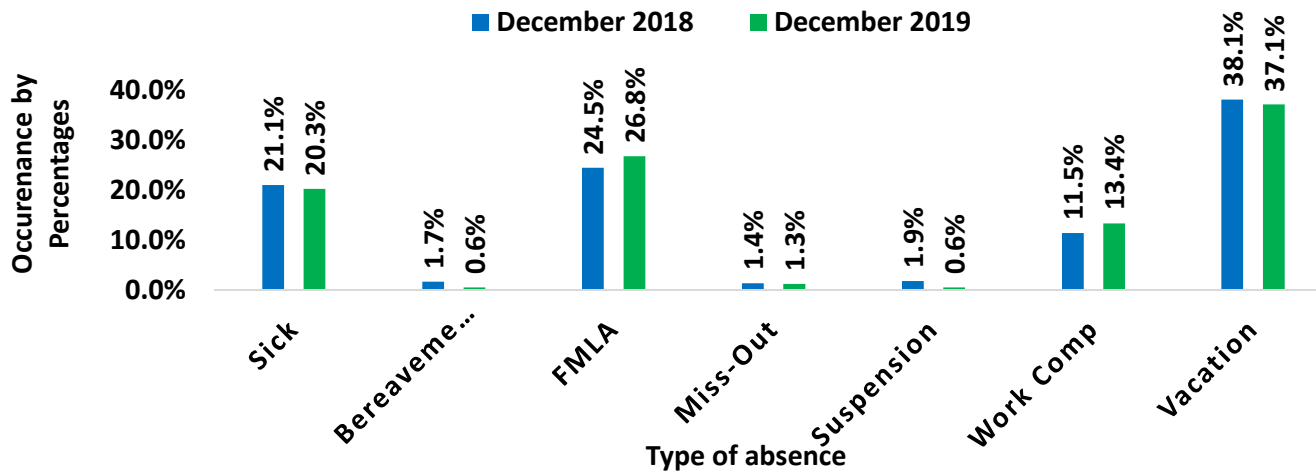
Driver Absence Occurrences



Total Absence Occurrences

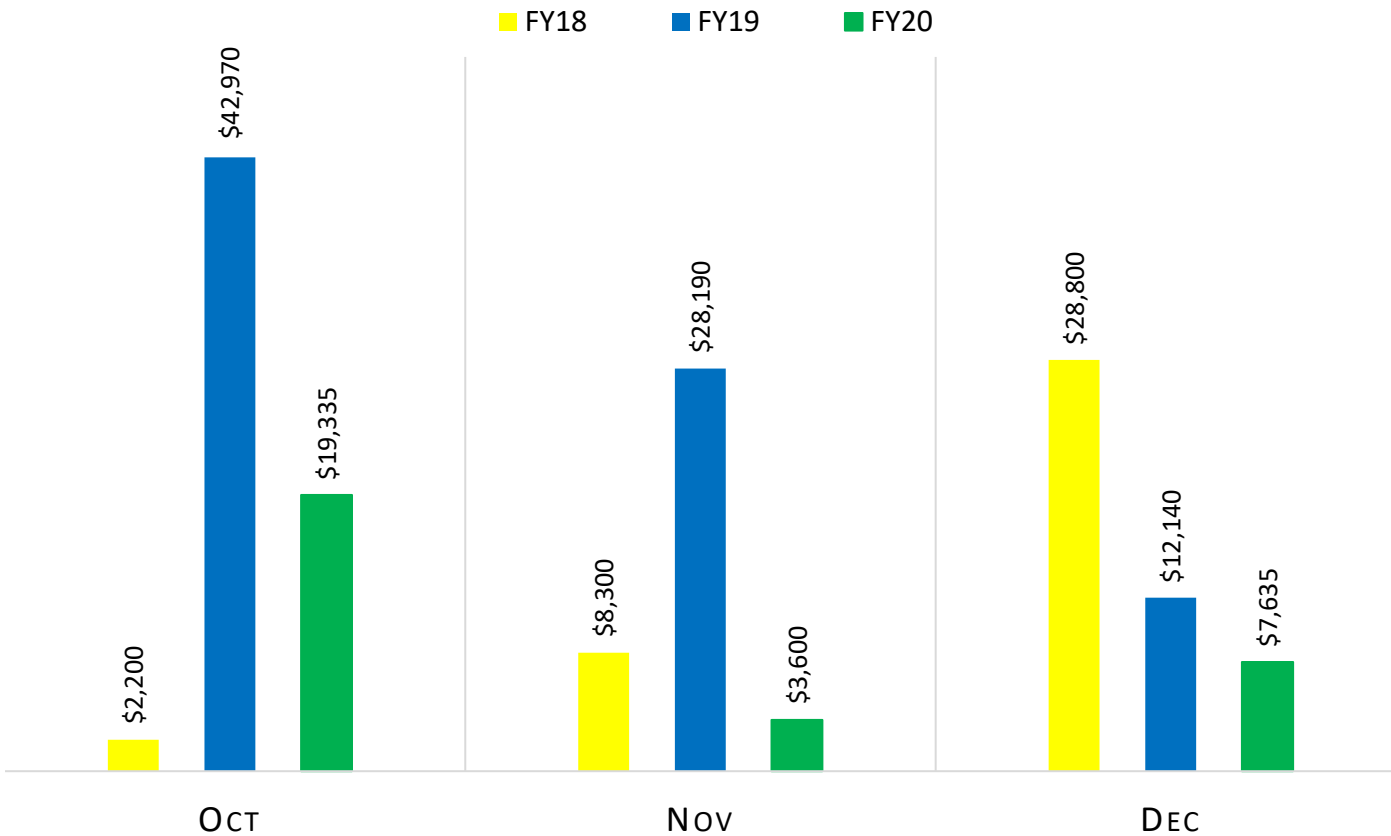


Driver Absence Occurrences by Percentages

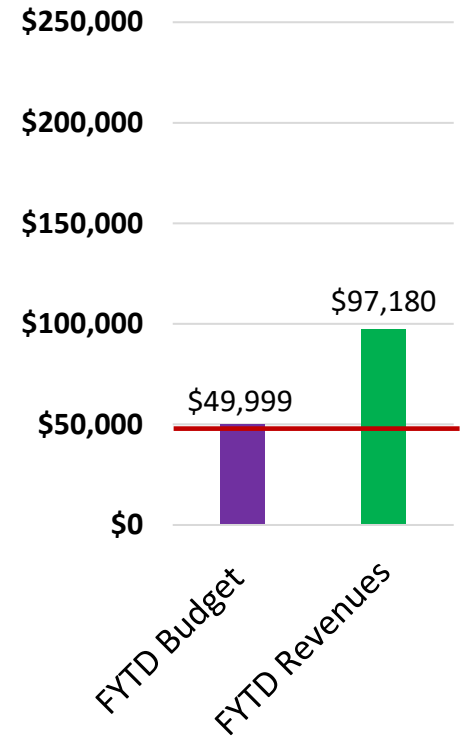


Goal: Reduce by 2% from previous year - By enforcing attendance policy regularly and monitor trending – Absences include unscheduled for Fixed Route drivers.

Advertising Revenue - FYTD20

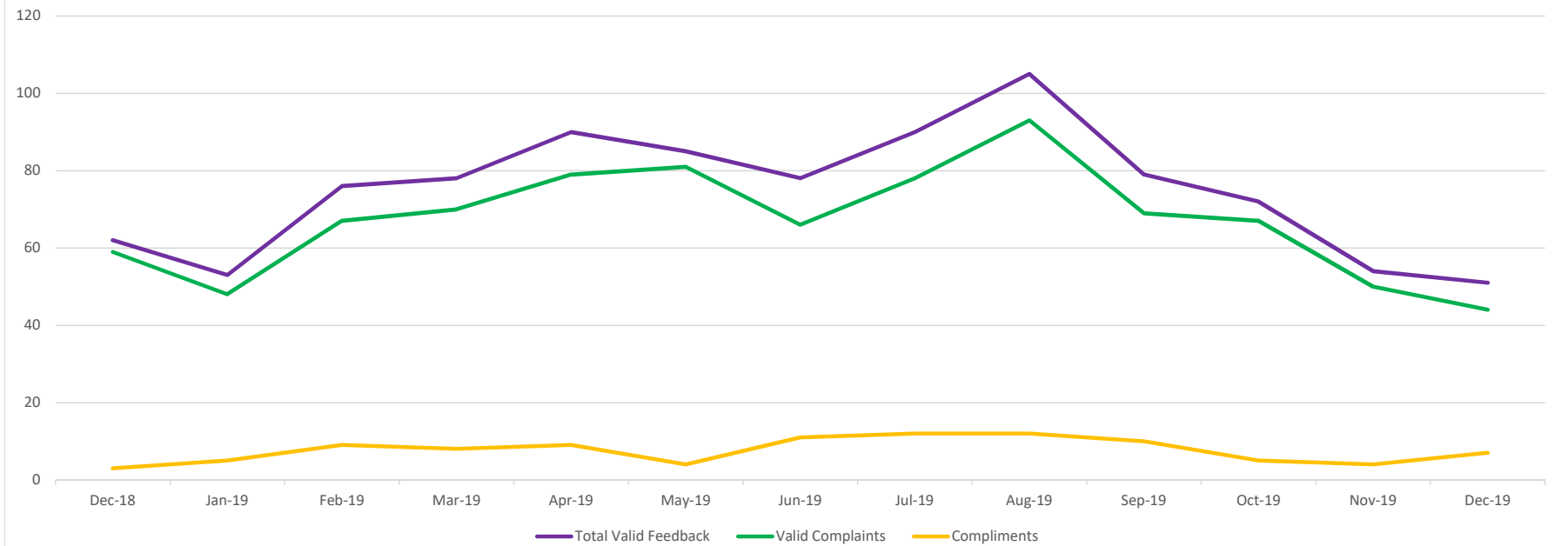


FYTD Budget vs FYTD Agency Revenue - December 2019



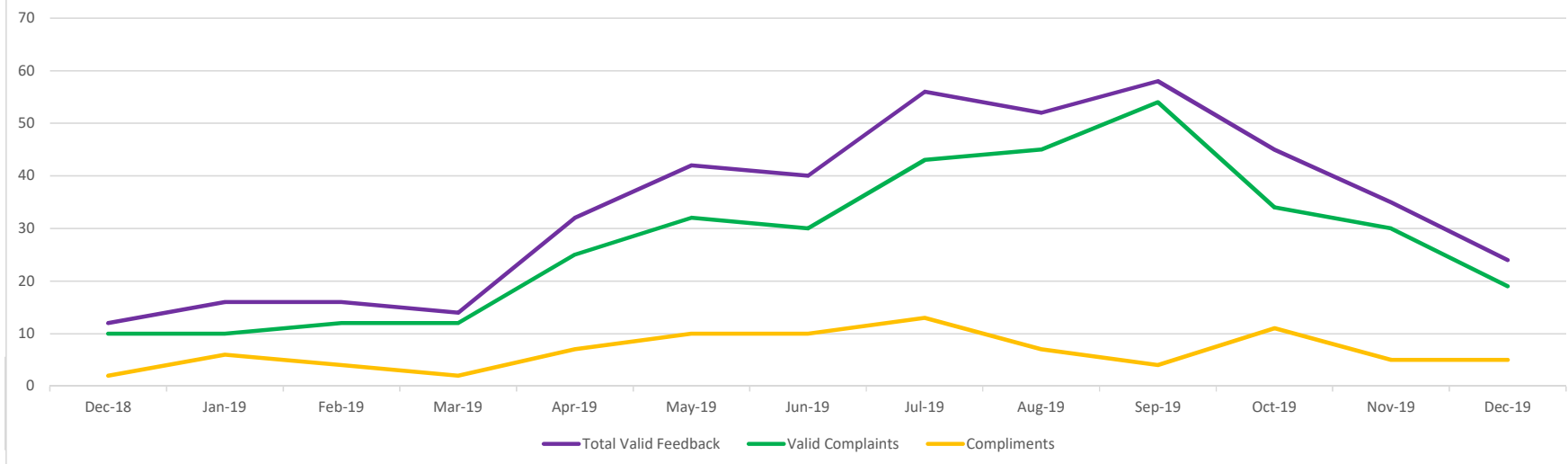
Advertising revenue tracks revenue of invoiced contracts for shelter and bus advertising. This section of the chart compares the FYTD20 against FYTD18 and FYTD19 total. The graph tracks YTD revenue accrued vs the YTD budget. The annual budgeted amount for FY20 is \$100,000.

Fixed Route Customer Feedback for December 2019



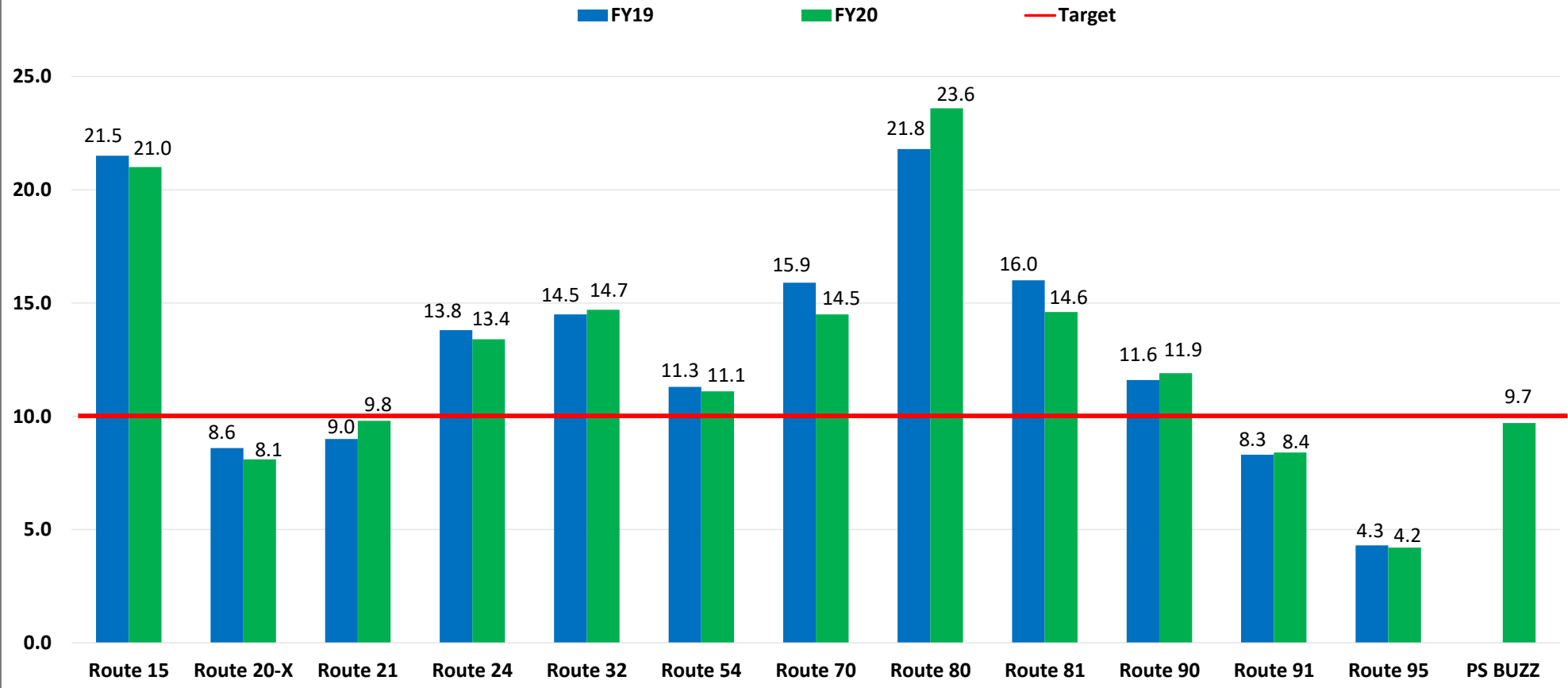
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Paratransit Customer Feedback for December 2019



Valid paratransit feedback comprised of compliments and complaints for December 2019

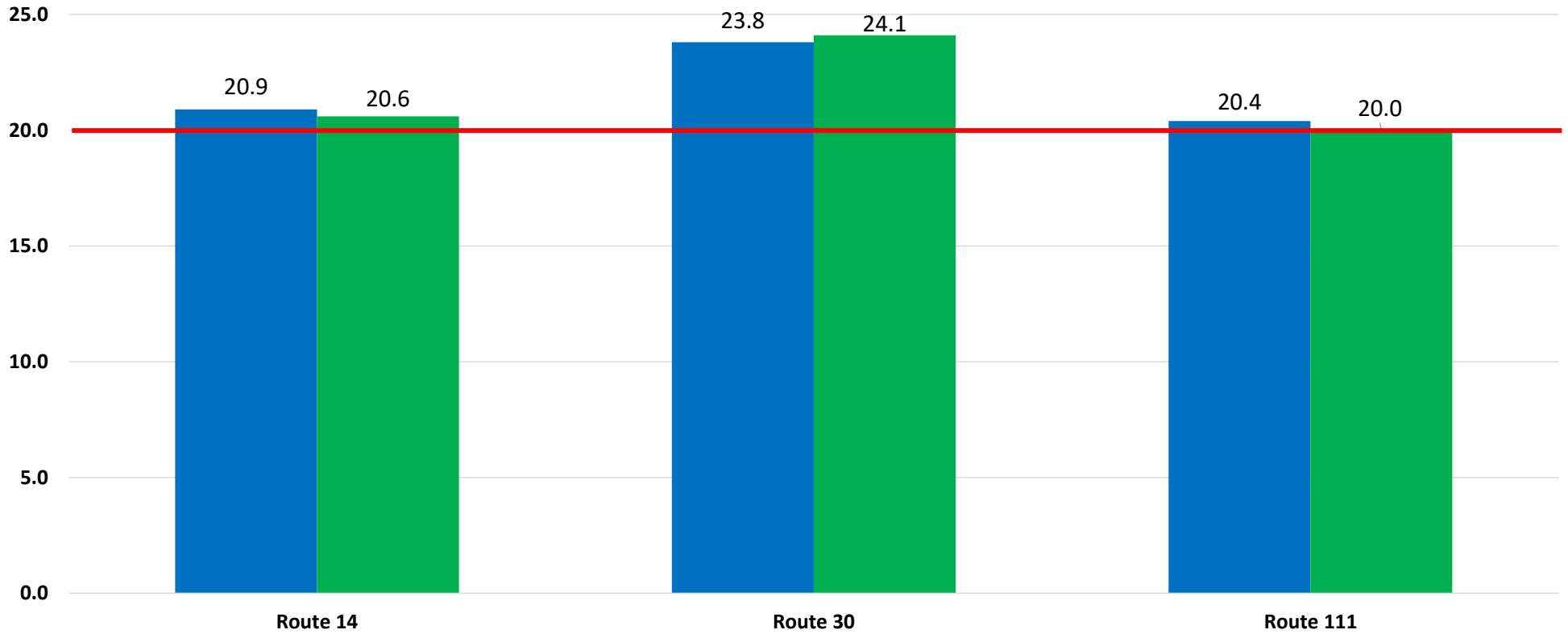
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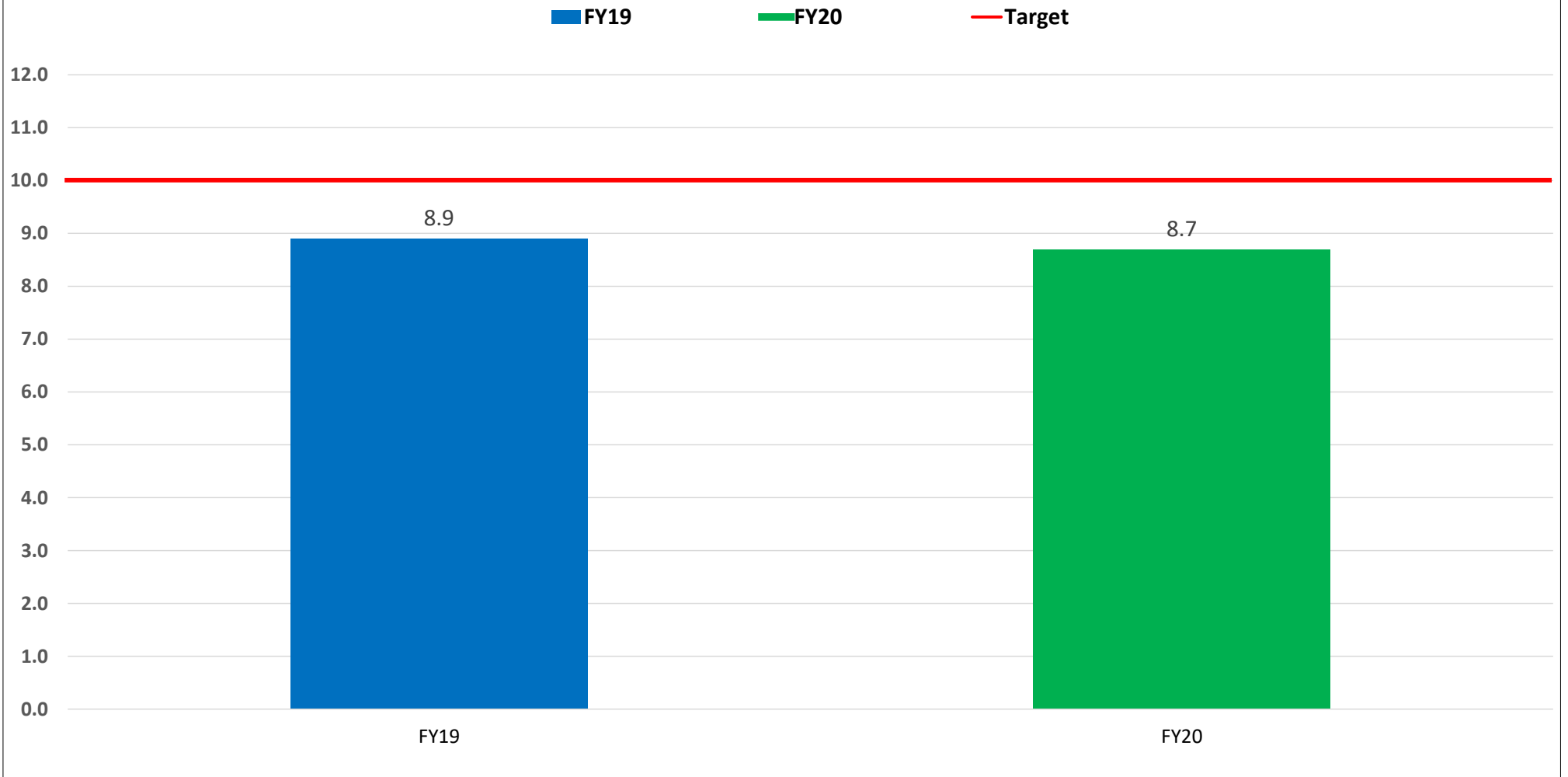
YTD System Performance - Trunk Routes December 2019

FY19 FY20 Target



The chart above represents the system performance on trunk routes for Passenger Per Revenue Hour (PPRH). The goal for trunk fixed routes is 20 PPRH. The FY 19/20 goal is based on Board approved Service Standards Policy (B-190613). Trunk Routes are highly traveled corridors serving a variety of trip purposes and connect a variety of regional destinations.

YTD System Performance - Regional Service Commuter Link 220



The chart above represents the system performance target for regional service on the Link 220 which is based on Passenger Per Revenue Trip (PPRT). The goal for regional service is 10 PPRT. The FY 19/20 goal is based on Board approved Service Standards Policy (B-190613).

SunLine Transit Agency

CONSENT CALENDAR

DATE: January 22, 2020

RECEIVE & FILE

TO: Finance/Audit Committee
Board of Directors

RE: Board Member Attendance for December 2019

Summary:

The attached report summarizes the Board of Directors' attendance for fiscal year-to-date December 2019.

Recommendation:

Receive and file.

FY 19/20	Board Member Matrix Attendance													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total Meetings	Total Attended
Desert Hot Springs	X		X	X		X							10	4
Palm Desert	X		X	X		X							10	4
Palm Springs			X	X		X							10	3
Cathedral City	X		X	X		X							10	4
Rancho Mirage	X		X	X									10	3
Indian Wells	X		X	X		X							10	4
La Quinta	X		X	X		X							10	4
Indio	X		X	X		X							10	4
Coachella			X	X									10	2
County of Riverside	X			X		X							10	3

X - ATTENDED (Primary/Alternate)

DARK –

SunLine Transit Agency

CONSENT CALENDAR

DATE: January 22, 2020

RECEIVE & FILE

TO: Finance/Audit Committee
Board of Directors

RE: Quarterly Capital Project Update for 4th Quarter Calendar Year 2019

Summary:

The capital projects update summarizes the quarterly status of the largest capital projects that are active. For the 4th quarter of calendar year 2019, there are 12 large projects in progress.

Recommendation:

Receive and file.

QUARTERLY CAPITAL PROJECT UPDATES 4TH QUARTER CALENDAR YEAR 2019

Project Title	Brief Description	Current Status	Funding
CNG Fueling Station	CNG station will be located at Division I and will replace the existing station that has exceeded its useful life.	All major equipment has been delivered. Construction of the CNG fueling station is in progress.	\$8,000,778
Solar Carports	Project to complete solar carports at the Administrative parking lot at Division I.	Solar carport installation has been completed. Project team is working with IID and the contractor on utility interconnection.	\$656,815
Replacement Operations Facility	Replacement Operations Facility will allow SunLine to complete the demolition and removal of the existing Operations buildings in Division I.	The Design/Build firm is in process of finalizing the drawings for preliminary review by Riverside County and SunLine.	\$8,100,000
5 Hydrogen Buses & On-Site Hydrogen Fueling Station	This project will deploy five (5) new 40' fuel cell electric buses along with the upgrade of SunLine's existing hydrogen refueling station with a new electrolyzer.	All five (5) buses have been delivered to SunLine and are in service. Temporary hydrogen dispenser has been installed. Commissioning of the hydrogen station is in progress.	\$15,571,561
Transportation Demand Management – Vanpool	Program will assist riders in identifying the correct mode of transportation given their particular transportation needs. This project will help reduce single occupant vehicle trips within the Coachella Valley and surrounding areas which will help improve air quality and ease congestion. This program features a Vanpool Pilot program to assist the agricultural community and large employers.	Six (6) Enterprise and three (3) CalVans vanpools are in service. Service provider is in process of procuring additional van vendors so that commuters can have multiple options to choose from.	\$1,990,000
Purchase Support Vehicles	Project is to purchase twelve (12) relief and supervisor vehicles (Chevy Bolt electric cars) and eight (8) CNG pickup trucks.	All vehicles have been delivered. Project is in close-out phase.	\$917,997
Utility Infrastructure Upgrades	Project to upgrade on and off-site electric power at Division I.	Work completed, project is in close-out phase.	\$1,265,230
Facility Improvements Division II	Project will provide much needed improvements at Division II such as: roof repair, relocating operator and dispatch area along with other improvements as needed.	Design drawings have been completed. In process of procuring the general contractor.	\$1,000,000

QUARTERLY CAPITAL PROJECT UPDATES 4TH QUARTER CALENDAR YEAR 2019

Center of Excellence Facility	Project will build a facility that will serve as a training facility and maintenance bay for the zero emission vehicles.	Finalizing the scope to procure the architect and engineering firm.	\$2,418,458
Purchase of Two (2) CNG MCI Over the Road Replacement Buses	Project to procure two (2) 55 passenger over the road MCI CNG buses.	Buses are in production.	\$1,682,612
Purchase of Six (6) CNG New Flyer Fixed Route Replacement Buses	Project to procure six (6) New Flyer CNG buses.	Buses are in production.	\$4,080,982
Purchase of 15 Paratransit Vehicles	Project to procure 15 Paratransit vehicles.	Contract to purchase the vehicles has been approved by the Board.	\$2,375,076

SunLine Transit Agency

DATE: January 22, 2020
TO: Finance/Audit Committee
Board of Directors
FROM: Luis Garcia, Chief Financial Officer
RE: Fiscal Year 2019 Audit Reports

RECEIVE AND FILE

Recommendation

Recommend that the Board of Directors receive and file the fiscal year 2019 audit reports. The audits were completed by Eide Bailly, 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 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 dispersed 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 one (1) deficiency related to the recognition of deferred outflows of resources for the FY19 audit reports.



Financial Statements
June 30, 2019

Sunline Transit Agency

**SUNLINE TRANSIT AGENCY
TABLE OF CONTENTS**

	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS	
Business-type Activity – Enterprise Fund	
Statement of Net Position	13
Statement of Revenues, Expenses and Changes in Net Position	14
Statement of Cash Flows	15
Fiduciary Funds – Pension Trust Funds	
Statement of Fiduciary Net Position – Pension Trust Funds	16
Statement of Changes in Fiduciary Net Position – Pension Trust Funds	17
Notes to Financial Statements	18
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in the Net Pension Liability and Related Ratios (Plans year ending December 31 for June 30 Reporting)	40
Schedule of Plan Contributions – Bargaining Plan (Plan year ending December 31)	42
Schedule of Plan Contributions – Non-Bargaining Plan (Plan year ending December 31)	43
Schedule of Contributions – Bargaining Plan (Employer year ending June 30)	44
Schedule of Contributions – Non-Bargaining Plan (Employer year ending June 30)	45
SUPPLEMENTARY INFORMATION	
Combining Statement of Net Position	46
Combining Statement of Revenues, Expenses, and Changes in Net Position	47
Combining Statement of Cash Flows	48
Combining Statement of Fiduciary Net Position – Pension Trust Funds	49
Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds	50

Independent Auditor's Report

Board of Directors
SunLine Transit Agency
Thousand Palms, California

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, 2019, and the related notes to the financial statements, which collectively comprise 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the pension trust funds, which represent 100% of the assets, net position, and revenues of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the pension trust funds, is based solely on the report of the other auditors. 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 opinions.

Opinion

In our opinion, based on our audit and the report of other auditors, 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 STA, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 13, STA restated its deferred outflows of resources related to pensions as of July 1, 2018. Also described in Note 13, STA's management has reassessed its administrative relationship with the SunLine Transit Retirement Income Plans for Bargaining and Non-Bargaining Personnel (Plans) and determined that STA is financially accountable for the Plans. Accordingly, the Plans have been included in STA's financial statements. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents, and the pension schedules as listed in the table of contents 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, and the other auditors, 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise STA's 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 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, by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, 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 _____, 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.

Riverside, California
_____, 2019

The management of SunLine Transit Agency (STA) 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, 2019. 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 \$74,384,968 for 2019 and \$60,954,814 for 2018. Net position at June 30, 2019 consists of \$73,423,646 of net position invested in capital assets and \$961,322 of unrestricted net position.
- STA's combined net position increased in FY 2019 by \$13,430,154 compared to FY 2018. The increase is attributed to an increase in total capital grant contributions to fund capital asset acquisitions and continued capital projects work in progress.

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 the 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 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 STA's financial position is improving or deteriorating. The presentation of net position also distinguishes between those expenditures 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* provides 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 residents and visitors, and recover costs through user fees and charges, the financial statements include business-type activities. In addition, the financial statements include those for STA (known as primary government), and another legally separate entity, for which STA is financially accountable: 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, 2019, STA's assets exceeded liabilities by \$74,384,968, a \$13,430,154 increase from June 30, 2018. A condensed summary of the Statements of Net Position as of June 30, 2019 and 2018 is shown below:

	2019	2018	Changes
Current and other assets	\$ 17,179,481	\$17,894,383	\$ (714,902)
Net pension assets	-	1,487,182	(1,487,182)
Capital assets, net of depreciation	73,423,646	60,794,466	12,629,180
Deferred outflows of resources	4,402,261	1,606,625	2,795,636
Total assets and deferred outflows of resources	<u>95,005,388</u>	<u>81,782,656</u>	<u>13,222,732</u>
Current liabilities	12,838,965	12,587,024	251,941
Non-current liabilities	6,081,569	2,924,495	3,157,074
Deferred inflows of resources	1,699,886	5,316,323	(3,616,437)
Total liabilities and deferred inflows of resources	<u>7,781,455</u>	<u>20,827,842</u>	<u>(207,422)</u>
Current liabilities			
Net investment in capital assets	73,423,646	60,794,466	12,629,180
Unrestricted	961,322	160,348	800,974
Total net position	<u>\$ 74,384,968</u>	<u>\$60,954,814</u>	<u>\$ 13,430,154</u>

STA's 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 \$12,629,180 in net investment in capital assets at June 30, 2019 resulted primarily from additions to capital assets related to purchase of revenue fleets, support vehicles, construction of hydrogen and cng fueling stations, 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 \$800,974, from \$160,348 at June 30, 2018 to \$961,322 at June 30, 2019. The increase in net position is due to STA's prior period adjustment on pension expenses for fiscal year 2018.

Changes in Net Position

For the fiscal years ended June 30, 2019 and 2018, STA's combined revenues were \$54,219,804 and \$49,177,744, respectively, while the total controllable expenses, excluding vehicle operating lease and depreciation were \$33,958,230 and \$32,723,958, respectively. Grants fund a significant portion of the transit operations. The table below represents condensed financial data related to the changes in net position of \$12,240,008 and \$7,814,473 during the fiscal years ended June 30, 2019 and 2018, respectively. The significant increase in net position in 2019 was due to increase in operating grants and capital contributions that funded STA's capital projects and prior period restatements to beginning balance due to pension contributions of \$1,190,146 after the measurement date. Prior period restatements are reflected on Note 13.

	<u>2019</u>	<u>2018</u>	<u>Changes</u>
Revenues			
Passenger fares	\$ 2,866,072	\$ 2,900,114	\$ (34,042)
CNG and hydrogen fuel sales	1,815,127	3,593,925	(1,778,798)
Operating Grants	28,099,471	25,631,488	2,467,983
Capital Grants	20,651,506	16,342,766	4,308,740
Interest and other revenues	787,628	709,451	78,177
Total revenues	<u>54,219,804</u>	<u>49,177,744</u>	<u>5,042,060</u>
Controllable Operating Expenses			
Salaries and benefits	24,566,627	23,175,862	1,390,765
Services	3,655,202	2,937,109	718,093
Materials and supplies	1,769,851	1,713,475	56,376
Utilities	1,578,722	1,706,997	(128,275)
Casualty and liability costs	1,134,511	1,999,270	(864,759)
Fuel and Lubricants	326,226	168,095	158,131
Tires and tubes	245,768	229,481	16,287
Taxes	78,089	182,038	(103,949)
Administrative	158,638	180,336	(21,698)
Miscellaneous	444,596	431,295	13,301
Total controllable operating expenses	<u>33,958,230</u>	<u>32,723,958</u>	<u>1,234,272</u>
Depreciation and Lease			
Vehicle lease	-	131,324	(131,324)
Depreciation	8,021,566	8,507,989	(486,423)
Total expenses	<u>41,979,796</u>	<u>41,363,271</u>	<u>616,525</u>
Changes in Net Position	12,240,008	7,814,473	4,425,535
Net position			
Beginning of year, as restated	<u>62,144,960</u>	<u>53,140,341</u>	9,004,619
Ending of year	<u>\$ 74,384,968</u>	<u>\$ 60,954,814</u>	<u>\$ 13,430,154</u>

Revenues

The fixed route ridership has shown increased ridership due to University students fares being subsidized by Low-Carbon Transit Operations Program (LCTOP) as well as the BUZZ services in Palm Springs subsidized by City of Palm Springs, while passenger fare revenues decreased in fiscal year 2019 by \$34,042.

CNG and hydrogen fuel revenues, which reflect outside fuel revenues, state emission credits and CNG rebates decreased in fiscal year 2019 by \$1,778,798 compared to fiscal year 2018 are due to low sales from our largest customer Burrtec, which has built their own Compressed Natural Gas (CNG) station, and the Federal excise tax rebates program ended in calendar year 2018.

Operating grants in fiscal year 2019 increased by \$2,467,983, mainly due to increase in Federal Transit Administration Section 5307 operating assistance, Measure A funds, State of Good Repair, Low-Carbon Transit Operations Program (LCTOP), and local reimbursements. These gains were partially offset by a decrease in Local Transportation Funds (LTF), other Federal grants and State Transit Assistance.

Capital grants in fiscal year 2019 increased by \$4,308,740 due to an increase in capital projects. Projects included facility improvements, purchase of equipment, purchase of revenue vehicles and support vehicles, construction of a Hydrogen fueling station and continued construction of a Compressed Natural Gas (CNG) fueling station.

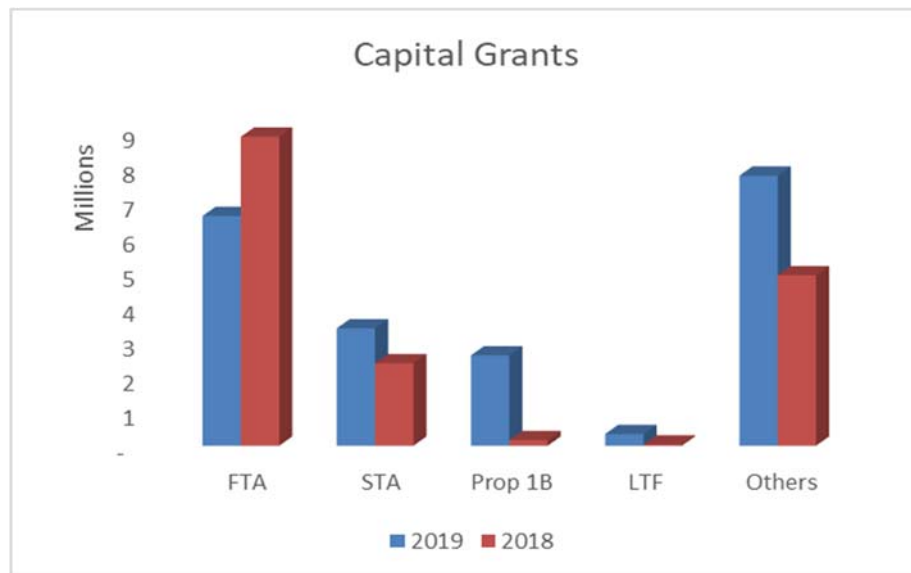
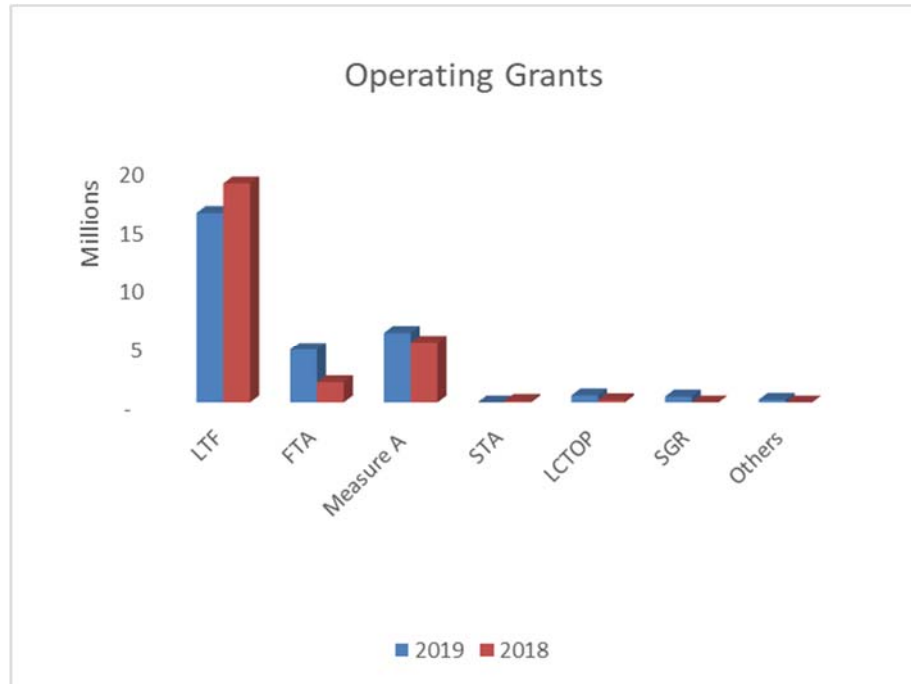
Interest and other revenues in fiscal year 2019 increased by \$78,177 mainly due to increase in advertising revenue, and partially offset by a decrease in SSG's operating vehicle permits, inspection fees and surcharge fees.

The combined amount of operating and capital grants in fiscal year 2019 and 2018 reflects 90% and 85% 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) are the most significant component of STA's operating grants of 57.80%; 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 the Federal Transit Administration (FTA) with matching funds from State Transit Assistance and Proposition 1B, LTF and other sources.

Operating and Capital Grants Chart



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 and vehicle operating lease. For purposes of this analysis, operating expenses before depreciation and vehicle operating lease will be discussed. These expenses totaled \$33,958,230 during fiscal year 2019, an increase of \$1,234,272 from fiscal year 2018 of \$32,724,720. The increase is attributed mainly to increase in salaries and wages, services, fuel and lubricants and taxes offset partially by decrease in casualty and liability costs, utilities, vehicle leases and other expenses.

Salaries, administrative, and benefits increased in fiscal year 2019 by \$1,390,765 mainly due to increase in salaries and wages, health insurance premiums and pension contribution.

Services increased in fiscal year 2019 by \$718,093 mainly due to an increase in third party contract services for repairs, advertising, computer software licenses, audit, legal, security, consultancy, and temporary help.

Casualty and liability costs decreased in fiscal year 2019 by \$864,759 due to a decrease in insurance premiums, claims on worker's compensation and general liability.

Materials and supplies increased in fiscal year 2019 by \$56,376 due to an increase in repair parts of aging vehicles and maintenance of old facilities.

Utilities expense decreased in fiscal year 2019 by \$128,275 mainly due to a decrease in the cost of natural gas and transmission charge and the production of compressed natural gas went down due to low demand from our largest customer Burrtec.

Tires and tubes increased in fiscal year 2019 by \$16,287 due to an increase in vehicle miles travelled.

Taxes represent fuel taxes paid based on the generation of CNG and hydrogen. In fiscal year 2019, STA generated less volume compared to fiscal year 2018.

Fuel and lubricants increased in fiscal year 2019 by \$158,131 mainly due to the purchase of hydrogen when the agencies' station was down.

A breakdown of operating expenses is reflected on page 6.

Capital Assets

STA's capital assets (net of accumulated depreciation), as of June 30, 2019 and 2018, totaled \$73,423,646 and \$60,794,466 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 2019 included the following:

- Purchase of Five (5) Hydrogen Fuel Cell Buses (continued)
- CNG and Hydrogen Fueling Station (continued)
- Facility improvements (continued)
- Purchase of Four (4) Electric Buses
- Replacement of 14 Paratransit Vehicles
- Utility Infrastructure Upgrade
- Land Improvements
- Purchase of various equipment

Significant capital asset projects during FY 2018 included the following:

- Purchase of Five (5) Hydrogen Fuel Cell Buses
- Battery Dominant Fuel Cell Bus (continued)
- Replacement of bus lifts (continued)
- Enterprise Resource Planning (continued)
- CNG and Hydrogen Fueling Station (continued)
- Facility improvements (continued)
- Bus rehabilitation and equipment

A summary of the capital assets balances at June 30, 2019, and related activity, is presented in Note 5 of the financial statements.

Economic and Other Factors

The Agency is committed to being flexible and innovative to meet the needs of our customers. As such, our three goals for Fiscal Year 2020 are infrastructure, expansion and improvement, redesign and year of refinement. The goals aim to support the Agency's vision and further the development of a culture of excellence at SunLine for the service provided to the community. In this next fiscal year, we are planning a bold and innovative redesign of the entire SunLine fixed route transit network. This redesign will include streamlined routes, increased frequency, and the creation of more flexible, demand-response services to better meet the needs of valley residents.

The proposed combined operating and capital budgets for FY 2020 are \$41,094,709, which represents an increase of 2.82% over the fiscal year 2019 combined operating budget of \$39,968,416. The majority of the costs associated with the increase can be attributed to as follows;

- Increased wages and benefits related to the Memorandum of Understanding for represented employees

- Increased wages and benefits for administrative staff

- Increased service expenditures to support the Agency's redesign

- Continued Vanpool program

- Launching a SunRide ride share program

- Continued Haul Pass program

- Continued Palm Springs BUZZ service using our transit expertise and resources to re-launch the Palms Springs service

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

For FY2019/2020, SunLine will look towards Board approval and implementation of the recommended fare increases over multiple years. The implementation of the recommended fare increases will accompany the Agency's route restructuring initiative to improve service to its riders. In addition to the improved service, SunLine will conduct extensive outreach to ensure proper community engagement in the fare increase initiative.

Furthermore, SunLine will seek to continue ridership growth by expanding the Haul Pass program, a program for University students to ride SunLine Transit using their student ID, in FY2019/2020. The Haul Pass program is subsidized from the LCTOP program for the College of the Desert, which will be exhausted during FY2019/2020. However, the Haul Pass program will continue as a self-sustaining program through the College of the Desert. Remaining LCTOP funds will be utilized to fund an expansion of the Haul Pass to other educational institutions with the goal of all programs being self-sustaining. Finally, the implementation of a mobile ticketing pilot with Token Transit will allow SunLine the opportunity to see the impact of mobile ticketing in its services. The pilot program will allow riders to utilize a new method of acquiring passes, and give SunLine valuable information to consider in implementing a permanent mobile ticketing solution.

SunLine relies on operating and capital grants for approximately 85% 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 2019 required farebox recovery ratio was 17.53%; the Agency's actual ratio was 17.55% which exceeded 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.

**SUNLINE TRANSIT AGENCY
STATEMENT OF NET POSITION
JUNE 30, 2019**

	<u>2019</u>
ASSETS	
Current assets:	
Cash and investments	\$ 8,987,256
Accounts receivable, net	368,494
Due from other governmental agencies	4,874,424
Inventory	936,282
Prepaid items	491,753
Total current assets	<u>15,658,209</u>
Noncurrent assets:	
Deposits	1,521,272
Capital assets, not depreciated	21,643,002
Capital assets, depreciated	51,780,644
Total noncurrent assets	<u>74,944,918</u>
Total assets	<u>90,603,127</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pension	<u>4,402,261</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	1,109,403
Accrued payroll and related liabilities	255,429
Compensated absences	1,617,718
Claims payable - current portion	940,422
Unearned revenue	8,915,993
Total current liabilities	<u>12,838,965</u>
Noncurrent liabilities:	
Net pension liability	4,033,495
Claims payable	2,048,074
Total noncurrent liabilities	<u>6,081,569</u>
Total liabilities	<u>18,920,534</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pension	<u>1,699,886</u>
NET POSITION	
Net investment in capital assets	73,423,646
Unrestricted	961,322
Total net position	<u>\$ 74,384,968</u>

See notes to financial statements.

SUNLINE TRANSIT AGENCY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	<u>2019</u>
OPERATING REVENUES:	
Passenger fares	\$ 2,866,072
CNG and hydrogen fuels sales	1,815,127
Taxi license fees	192,602
Other	580,466
Total operating revenues	<u>5,454,267</u>
OPERATING EXPENSES:	
Salaries and employee benefits	24,566,627
Depreciation	8,021,566
Services	3,655,202
Casualty and liability costs	1,134,511
Materials and supplies	1,769,851
Utilities	1,578,722
Tires and tubes	245,768
Taxes	78,089
Administrative	158,638
Fuel and lubricants	326,226
Miscellaneous	444,596
Total operating expenses	<u>41,979,796</u>
OPERATING INCOME/(LOSS)	<u>(36,525,529)</u>
NONOPERATING REVENUES:	
Operating grants:	
Local Transportation Fund	16,230,228
Measure A	6,000,000
Federal Transit Administration - Section 5307	3,475,669
Federal Transit Administration - Section 5309	235,871
Federal Transit Administration - Section 5310	39,933
Federal Transit Administration - Section 5311	352,874
Federal Transit Administration - Section 5311(f)	204,721
Federal Transit Administration - Others	231,254
State Transit Assistance	500,000
Local Reimbursement	229,849
Low-Carbon Transit Operations Program (LCTOP) Grant	599,072
Total operating grants	<u>28,099,471</u>
Interest income	14,560
Total nonoperating revenues	<u>28,114,031</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS	<u>(8,411,498)</u>
CAPITAL CONTRIBUTIONS:	
Capital grants:	
Federal Transit Administration	6,525,076
State Transit Assistance	11,117,501
Proposition 1B	2,591,122
Local Transportation Fund	336,241
Other	81,566
Total capital contributions	<u>20,651,506</u>
CHANGE IN NET POSITION	12,240,008
NET POSITION	
Beginning of Year, as restated	62,144,960
End of Year	<u>\$ 74,384,968</u>

See notes to financial statements.

SUNLINE TRANSIT AGENCY
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>2019</u>
Cash flows from operating activities	
Cash received from customers	\$ 6,771,860
Cash payments to suppliers for goods and services	(14,590,839)
Cash payments to employees for services	(24,392,010)
Net cash used for operating activities	<u>(32,210,989)</u>
Cash flows from noncapital financing activities	
Cash received from operating grants	<u>33,252,339</u>
Cash flows from capital and related financing activities	
Cash received from capital grants	19,552,931
Acquisition and construction of capital assets	(20,650,746)
Cash used for capital and related financing activities	<u>(1,097,815)</u>
Cash flows from investing activity	
Interest income received	<u>14,560</u>
Change in cash and cash equivalents	(41,905)
Cash and cash equivalents, beginning of year	<u>9,029,161</u>
Cash and cash equivalents, end of year	<u>\$ 8,987,256</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (36,525,529)
Depreciation	8,021,566
Changes in operating assets, liabilities and deferred outflows and inflows of resources:	
Accounts receivable	1,317,593
Inventory	(65,846)
Prepaid items	(393,547)
Deposits	(355,578)
Deferred outflows of resources related to pension	(1,605,490)
Accounts payable and accrued liabilities	(3,704,526)
Accrued payroll and related liabilities	1,739
Net pension liability	5,520,677
Compensated absences	32,766
Claims payable	(838,377)
Deferred inflows of resources related to pension	(3,616,437)
Net cash used in operating activities	<u>\$ (32,210,989)</u>

See notes to financial statements.

**SUNLINE TRANSIT AGENCY
STATEMENT OF FIDUCIARY NET POSITION – PENSION TRUST FUNDS
JUNE 30, 2019**

	December 31 2018
ASSETS	
Cash and cash equivalents	\$ 410,812
Receivables:	
Contributions	102,154
Interest	596
Dividends	44,959
Investments, at fair value:	
Mutual funds	<u>50,427,752</u>
Total assets	<u>50,986,273</u>
NET POSITION	
Fiduciary net position restricted for pension benefits	<u><u>\$ 50,986,273</u></u>

See notes to financial statements.

**SUNLINE TRANSIT AGENCY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	December 31 2018
ADDITIONS	
Contributions:	
Employer	\$ 2,505,322
Participants	154,443
Investment income:	
Interest income	7,832
Dividend income	1,321,556
Net appreciation (depreciation) in fair value of investments	(4,255,561)
Total additions	<u>(266,408)</u>
DEDUCTIONS	
Benefits paid to participants and beneficiaries	1,603,962
Administrative expenses	178,694
Total deductions	<u>1,782,656</u>
CHANGES IN NET POSITION	(2,049,064)
NET POSITION RESTRICTED FOR PENSION BENEFITS	
Beginning of Year	53,035,337
End of Year	<u>\$ 50,986,273</u>

See notes to financial statements.

**SUNLINE TRANSIT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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.

Because of their relationship with STA and the nature of their operations, blended component units, are in substance, part of STA's operations and, accordingly, the activities of these component units are combined, or blended, with the activities of STA for purposes of reporting in the accompanying basic financial statements. The basis for blending the component units is that their governing bodies are substantially the same as STA's and their operational or financial relationships with STA.

While each of these component units is legally separate from STA, STA has the ability to impose its will or has financial benefit or burden and/or fiscal dependence for these entities, and potential exclusion would result in misleading financial reporting for STA. Financial accountability is demonstrated by STA's Board acting as the governing board for each of the component units.

The component units discussed below are included in STA's reporting entity:

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.

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 OF 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 following is a summary of the significant accounting policies:

Basic Financial Statements and Basis of Presentation

The basic financial statements (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) provide information about the STA's enterprise fund and pension trust funds.

SUNLINE TRANSIT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The basic financial statements are prepared 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 the related cash flows. On an accrual basis, revenue from passenger fares and compressed natural gas (CNG) sales are recognized in the fiscal year when the underlying exchange occurs; revenue from grants and subventions are recognized in the fiscal year in which all eligibility requirements have been satisfied; and revenue from investments is recognized when earned.

Enterprise Fund (proprietary fund)

The accounts of STA are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a set of self-balancing accounts that comprise STA's assets, liabilities, deferred outflows (inflows), net position, revenues and expenses. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by laws or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) with pricing policies that establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt services).

Enterprise funds distinguish operating revenues, and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of STA's Enterprise Fund are charges to passengers for services provided and CNG sales. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets and equipment. All revenues and expenses not meeting this definition are reported as nonoperating revenues and 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 Plan financial statements are reported as of December 31, 2018, consistent with the Plans' 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.

Receivables

Receivables are shown net of allowances for doubtful accounts of \$5,085 as of June 30, 2019. 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.

SUNLINE TRANSIT AGENCY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory

Inventory consists of supplies of vehicle parts held for consumption, fuel, and bus passes. Inventories of supplies are reported at cost.

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 acquisition 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.

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).

SUNLINE TRANSIT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 – SUMMARY OF 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 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.

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.

SUNLINE TRANSIT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

GASB Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this Statement is to provide financial statement users with information about asset retirement obligations that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. The requirements of this Statement are effective for periods beginning after June 15, 2018. This Statement did not have an effect on STA's financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The requirements of this Statement are effective for periods beginning after June 15, 2018. STA implemented this statement effective July 1, 2018.

Future Accounting Pronouncements

GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for periods beginning after December 15, 2018. STA has not determined the effect of this Statement.

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this Statement are effective for periods beginning after December 15, 2019. STA has not determined the effect of this Statement.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for periods beginning after December 15, 2019. STA has not determined the effect of this Statement.

SUNLINE TRANSIT AGENCY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB Statement No. 90, *Majority Equity Interests*-(an amendment of GASB Statements No. 14 and No. 61). The primary objectives of this Statement are to improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. STA has not determined the effect on the financial statements.

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. STA has not determined the effect on the financial statements.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments consisted of the following:

	2019
Cash on hand	\$ 1,200
Deposits with financial institutions	8,811,431
Investments	51,013,189
Total cash and investments	<u>\$ 59,825,820</u>
Reported in the Enterprise Fund as:	
Cash on hand	\$ 1,200
Deposits with financial institutions	8,400,619
Investments - LAIF	585,437
	<u>8,987,256</u>
Reported in the Pension Trust Funds (at December 31, 2018)	
Cash and cash equivalents	410,812
Investments - mutual funds	50,427,752
	<u>50,838,564</u>
	<u>\$ 59,825,820</u>

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.

SUNLINE TRANSIT AGENCY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Investment Type	Authorized by Investments Policy	Maturity	Maximum Percentage of Portfolio	Maximum Investment 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	270 days	20%	None
Commercial Paper	No	N/A	N/A	N/A
Negotiable Certificates of Deposits	Yes	5 years	30%	None
Repurchase Agreements	No	N/A	N/A	N/A
Reverse Repurchase Agreements and Securities	No	N/A	N/A	None
Medium-Term Notes	No	N/A	N/A	N/A
Mutual Funds and Money Market Funds	No	N/A	N/A	N/A
Mortgage Pass-Through Securities	No	N/A	N/A	N/A
County Pooled Investment Funds	No	N/A	N/A	N/A
Local Agency Investment Fund (LAIF)	Yes	N/A	None	\$65 million

Note 9 of the financial statements describes the investment policies of the Plans as well as the descriptions of the Plans' investments and related disclosures in accordance with GASB Statement No. 40, "Deposit and Investment Risk Disclosures."

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.

STA'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, 2019 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, 2019, STA did not have any investments in any one issuer (other than external investment pools) that represented 5 percent or more of its total investment portfolio.

**SUNLINE TRANSIT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)**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 following provision for deposits.

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 percent 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 percent 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.

Investment in State Investment Pool (Enterprise Fund)

STA 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 STA's investment in this pool is reported in the accompanying financial statements at amounts based on STA'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, 2019, STA's investment in LAIF had a contractual withdrawal value of \$585,437.

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 Enterprise Fund investments in LAIF as of June 30, 2019, is reported at STA's pro-rata share of the amortized cost provided by LAIF for the entire LAIF portfolio. This amount is fair value.

**SUNLINE TRANSIT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4 – DUE FROM OTHER GOVERNMENTAL AGENCIES

At June 30, 2019, due from other governmental agencies consisted of the following:

	<u>2019</u>
Federal Transportation Administration (FTA)	\$ 2,002,425
State Transit Assistance (STA)	666,439
Measure A	500,000
Local Transportation Fund (LTF)	224,701
CalStart	80,000
California Air Resource Board (CARB)	898,801
State of Good Repair	500,000
Transit and Intercity Rail Capital Program (TIRCP)	2,058
	<u>\$ 4,874,424</u>

Federal Transportation Administration (FTA)

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

State Transit Assistance (STA) and Local Transportation Fund (LTF)

Local Transportation Fund (LTF) and the State Transit Assistance (STA) programs are created under the Transportation Development Act (TDA) by the State of California (State). Funds are available to STA 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.

CalStart and State of California Air Resources Board (CARB)

Funds represent cost reimbursements in accordance with the Cooperative Agreements with CalStart and State of California Air Resource Board.

State of Good Repair

Senate Bill (SB) 1, the Road Repair and Accountability Act of 2017, was signed into law on April 28, 2017. SB1 includes a program that will provide additional revenues for transit infrastructure repair and service improvements. This program provides funding to the STA program. Funds are available for eligible transit maintenance rehabilitation and capital projects. Funds are administered by the Riverside County Transportation Commission.

**SUNLINE TRANSIT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4 – DUE FROM OTHER GOVERNMENTAL AGENCIES (CONTINUED)

Transit and Intercity Rail Capital Program

The Transit and Intercity Rail Capital Program (TIRCP) was created by Senate Bill (SB) 862 (Chapter 36, Statutes of 2014) and modified by Senate Bill 9 (Chapter 710, Statutes of 2015), to provide grants from the Greenhouse Gas Reduction Fund (GGRF) to fund transformative capital improvements that will modernize California's intercity, commuter, and urban rail systems, and bus and ferry transit systems, to significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion. Funds are administered by California Department of Transportation.

NOTE 5 – CAPITAL ASSETS

Summary of changes in capital assets is as follows:

	Balance at June 30, 2018	Additions	Retirements	Transfer/ Adjustments	Balance at June 30, 2019
Non-depreciable assets					
Land	\$ 3,141,003	\$ -	\$ -	\$ -	\$ 3,141,003
Construction in progress	19,149,883	20,588,180	-	(21,236,064)	18,501,999
Total nondepreciable assets	22,290,886	20,588,180	-	(21,236,064)	21,643,002
Depreciable Assets					
Buildings	29,228,586	-	(136,564)	-	29,092,022
Land improvements	3,698,014	-	(197,466)	2,170	3,502,718
Facility improvements	1,339,026	15,618	-	1,927,053	3,281,697
Office furniture and equipment	6,785,720	3,044	(392,407)	983,488	7,379,845
Vehicles	58,836,644	-	(742,530)	17,580,008	75,674,122
Equipment	6,238,688	44,664	(326,346)	743,345	6,700,351
Total depreciable assets	106,126,678	63,326	(1,795,313)	21,236,064	125,630,755
Less accumulated depreciation	(67,623,098)	(8,021,566)	1,794,553	-	(73,850,111)
Total depreciable assets, net	38,503,580	(7,958,240)	(760)	21,236,064	51,780,644
Total capital assets, net	\$ 60,794,466	\$ 12,629,940	\$ (760)	\$ -	\$ 73,423,646

Depreciation expense for the years ended June 30, 2019 was \$8,021,566.

Changes in capital assets by funding source were as follows:

	Federal Funds	STA/Prop 1B Funds	TDA Funds	Measure A	Operator/ Other	Total
Balance at July 1, 2018	\$ 53,688,118	\$ 42,277,092	\$ 15,960,107	\$ 10,000	\$ 16,482,247	\$ 128,417,564
Additions	6,525,076	13,708,623	336,241	-	81,566	20,651,506
Deletions	(293,637)	(682,508)	(747,499)	-	(71,669)	(1,795,313)
Balance at June 30, 2019	\$ 59,919,557	\$ 55,303,207	\$ 15,548,849	\$ 10,000	\$ 16,492,144	\$ 147,273,757

SUNLINE TRANSIT AGENCY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 6 – UNEARNED REVENUE

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

	<u>2019</u>
Capital Assistance	
Federal Transit Authority	\$ 5,190
State Transit Assistance	1,512,435
Proposition 1B	1,709,264
Transportation Development Act	87,241
Operators/Others	31,660
Total capital assistance	<u>3,345,790</u>
Operating Assistance	
Low Carbon Transit Operations Program	555,273
Transportation Development Act	4,998,606
Operating Others	16,324
Total operating assistance	<u>5,570,203</u>
Total	<u>\$ 8,915,993</u>

Capital Assistance

Changes in unearned revenue by funding source for the years ended June 30, 2019 was as follows:

	<u>Federal Funds</u>	<u>STA Funds</u>	<u>Prop 1B Funds</u>	<u>TDA Funds</u>	<u>Operator/ Other</u>	<u>Total</u>
Excess capital funds at July 1, 2018	\$ 6,406	\$ 36,932	\$ 4,298,101	\$ 102,464	\$ 1,660	\$ 4,445,563
Interest earned	-	-	2,285	-	-	2,285
Allocation received/deferred	6,523,860	12,593,004	-	321,018	111,566	19,549,448
Funds available	6,530,266	12,629,936	4,300,386	423,482	113,226	23,997,296
Less: eligible costs - capitalized	(6,525,076)	(11,117,501)	(2,591,122)	(336,241)	(81,566)	(20,651,506)
Excess capital funds at June 30, 2019	<u>\$ 5,190</u>	<u>\$ 1,512,435</u>	<u>\$ 1,709,264</u>	<u>\$ 87,241</u>	<u>\$ 31,660</u>	<u>\$ 3,345,790</u>

Operating Assistance

Change in unearned revenue by funding source for the years ended June 30, 2019 was as follows:

	<u>Federal Funds</u>	<u>TDA Funds</u>	<u>LCTOP Funds</u>	<u>Operator/ Other Funds</u>	<u>Total</u>
Excess capital funds at July 1, 2018	\$ -	\$ -	\$ 458,297	\$ 132,551	\$ 590,848
Allocation received/deferred	4,540,322	21,228,834	696,048	21,870	26,487,074
Funds available	4,540,322	21,228,834	1,154,345	154,421	27,077,922
Eligible costs	(4,540,322)	(16,230,228)	(599,072)	(138,097)	(21,507,719)
Excess capital funds at June 30, 2019	<u>\$ -</u>	<u>\$ 4,998,606</u>	<u>\$ 555,273</u>	<u>\$ 16,324</u>	<u>\$ 5,570,203</u>

**SUNLINE TRANSIT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 – CHANGES IN OTHER LONG-TERM LIABILITIES

During the year ended June 30, 2019, in addition to Net Pension Liability in Note 9, STA had the following changes in Other Long-Term Liabilities.

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year	Due In More Than One Year
Claims payable	\$ 3,826,873	\$ 102,045	\$ (940,422)	\$ 2,988,496	\$ 940,422	\$ 2,048,074
Compensated Absences	1,584,952	328,757	(295,991)	1,617,718	1,617,718	-
Total	\$ 5,411,825	\$ 430,802	\$ (1,236,413)	\$ 4,606,214	\$ 2,558,140	\$ 2,048,074

Claims Payable

Claims payable at June 30, 2019 amounted to \$2,988,496. There is no fixed payment schedule for claims payable.

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.

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. For the year ended June 30, 2019, premium surcharges were \$0.

STA's self-insured retention for general and workers' compensation liabilities is based on an annual actuarial study discounted at 2 percent. Changes in liabilities for the past two fiscal years were as follows:

Fiscal Year	Beginning Balance	Provisions of Claims	Claim Payments	Ending Balance
2017-2018	\$ 3,590,248	\$ 1,363,451	\$ (1,126,826)	\$ 3,826,873
2018-2019	3,826,873	102,045	(940,422)	2,988,496

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

SUNLINE TRANSIT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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's Board of Directors govern the Plans. The authority to establish and amend benefit provisions of the Plans resides with STA's Board of Directors. STA administers the Plans through a Retirement Committee appointed by STA's Board of Directors. Separate financial statements for the Plans may be obtained from STA.

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.

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 percent 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.

SUNLINE TRANSIT AGENCY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

The Plans’ provisions and benefits in effect at June 30, 2019, 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	3.00%
Required employer contribution rates	12.03%	19.82%

Employees Covered – At December 31, 2018, valuation date, the following employees were covered by the benefit terms of each Plan:

	<u>Bargaining</u>	<u>Non-Bargaining</u>
Inactive employees or beneficiaries currently receiving benefits	98	56
Inactive employees entitled to but not yet receiving benefits	89	102
Active employees	283	104
Total	<u>470</u>	<u>262</u>

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. is

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:

	<u>Target</u>
Cash and cash equivalents	0%
Fixed income	40%
Equities	60%
	<u>100%</u>

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. STA is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contributions to the Bargaining and Non-Bargaining Plans for the plan year ended December 31, 2018 were \$1,332,751 and \$1,163,831, respectively. Employer contributions to the Bargaining and Non-Bargaining Plans for the fiscal year ended June 30, 2019 were \$1,317,650 and \$1,121,315, respectively.

SUNLINE TRANSIT AGENCY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

Plans' Investments – US Bank was the custodian for all of the Plans' investments at December 31, 2018. 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 investments that were greater than five percent of the Plans' fiduciary net position as of December 31, 2018:

		Bargaining Plan	Non-bargaining Plan
JOHCM International Select Fund	Mutual Fund	\$ 1,307,034	\$ 1,334,454
Vanguard Total International Stock Index Admiral Fund	Mutual Fund	1,675,208	1,704,055
Vanguard Total International Value Fund	Mutual Fund	-	-
Vanguard Total Stock Market Index Admiral Fund	Mutual Fund	9,124,930	9,282,322
Baird Core Plus Bond Institutional Fund	Mutual Fund	2,818,214	2,867,211
DoubleLine Core Fixed Income I Fund	Mutual Fund	2,798,528	2,847,090
Vanguard Intermediate- Term Investment-Grade Admiral Fund	Mutual Fund	1,462,278	1,487,728
PGIM Total Return Bond CL R6	Mutual Fund	1,943,984	1,977,693
		<u>21,130,176</u>	<u>21,500,553</u>
Aggregate of non-participant directed investments less than five percent of the Plan's fiduciary net position:		<u>3,864,248</u>	<u>3,932,775</u>
		<u>\$ 24,994,424</u>	<u>\$ 25,433,328</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, 2018 were -5.58% and -5.21%, 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.

SUNLINE TRANSIT AGENCY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

Net Pension Liability – STA’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of December 31, 2018, using an actuarial valuation as of the same date. The components of the net pension liability as of the December 31, 2018 measurement date for June 30, 2019 reporting we as follows:

	<u>Bargaining</u>	<u>Non-Bargaining</u>
Total pension liability	\$ 27,572,135	\$ 27,345,478
Plan fiduciary net position	(25,230,056)	(25,654,062)
Plan net pension liability	<u>\$ 2,342,079</u>	<u>\$ 1,691,416</u>

Plan fiduciary net position as a percentage of the total pension liability	91.51%	93.81%
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Actuarial Assumptions – The total pension liabilities in the December 31, 2018 actuarial valuations were determined using the following actuarial assumptions:

	<u>Bargaining</u>	<u>Non-Bargaining</u>
Valuation Date	January 1, 2019	January 1, 2019
Measurement Date	December 31, 2018	December 31, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Discount Rate	6.00%	6.00%
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	In accordance with the 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.	In accordance with the 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 \$280,000 per year. For participants subject to PEPR, future compensation is limited to \$145,666. This limit is assumed to increase by 3% per year.

(2) Net of investment expenses, compounded annually. See discount rate discussion below.

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.

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.

SUNLINE TRANSIT AGENCY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

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, 2018 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Fixed income equities securities	40%	1.25%
Domestic equities	50%	4.25%
International equities	10%	4.75%
Cash	0%	0.00%
	<u>100%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 6.00 percent 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 percent investment return used in this accounting valuation is assumed to be net of both investment expenses and administrative expenses. An investment return excluding administrative expenses would have been higher than 6.00 percent. 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.

SUNLINE TRANSIT AGENCY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

Changes in the Net Pension Liability

The following table shows the changes in net pension liability over the measurement period:

	Bargaining Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at 12/31/2017	\$ 25,885,338	\$ 26,155,708	\$ (270,370)
Changes recognized for the measurement period:			
Service cost	1,067,330	-	1,067,330
Interest	1,595,457	-	1,595,457
Differences between expected and actual experiences	(252,563)	-	(252,563)
Contributions from the employer	-	1,332,751	(1,332,751)
Net Investment Income	-	(1,445,368)	1,445,368
Administrative expenses	-	(89,608)	89,608
Benefit payments, including refunds of employee contributions	(723,427)	(723,427)	-
Net changes during 2018	1,686,797	(925,652)	2,612,449
Balance at 12/31/2018	\$ 27,572,135	\$ 25,230,056	\$ 2,342,079
	Non-Bargaining Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at 12/31/2017	\$ 25,569,403	\$ 26,786,215	\$ (1,216,812)
Changes recognized for the measurement period:			
Service cost	1,023,221	-	1,023,221
Interest	1,569,141	-	1,569,141
Differences between expected and actual experiences	64,249	-	64,249
Contributions from the employer	-	1,163,831	(1,163,831)
Contributions from the employee	-	154,443	(154,443)
Net Investment Income	-	(1,480,804)	1,480,804
Administrative expenses	-	(89,087)	89,087
Benefit payments, including refunds of employee contributions	(880,536)	(880,536)	-
Net changes during 2018	1,776,075	(1,132,153)	2,908,228
Balance at 12/31/2018	\$ 27,345,478	\$ 25,654,062	\$ 1,691,416

SUNLINE TRANSIT AGENCY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

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	\$ 6,150,389	\$ 5,608,661
Current Discount Rate	6.00%	6.00%
Net Pension Liability	\$ 2,342,079	\$ 1,691,416
1% Increase	7.00%	7.00%
Net Pension Liability (Asset)	\$ (820,306)	\$ (1,522,095)

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

For the year ended June 30, 2019, STA recognized pension expense of \$299,387. At June 30, 2019, STA’s Plans reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Bargaining</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made subsequent to the measurement date	\$ 647,879	\$ -
Differences between expected and actual experience	32,516	509,805
Changes of assumptions	158,120	339,254
Net differences between projected and actual earnings on pension plan investments	1,471,616	-
Total	<u>\$ 2,310,131</u>	<u>\$ 849,059</u>
	<u>Non-Bargaining</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made subsequent to the measurement date	\$ 548,104	\$ -
Differences between expected and actual experience	48,187	794,919
Changes of assumptions	-	55,908
Net differences between projected and actual earnings on pension plan investments	1,495,839	-
Total	<u>\$ 2,092,130</u>	<u>\$ 850,827</u>

SUNLINE TRANSIT AGENCY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

\$647,879 and \$548,104 reported as deferred outflows of resources related to pension contributions made subsequent to the measurement date for the Bargaining and Non-Bargaining Plans, respectively, will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

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,	Bargaining	Non-Bargaining	Total
2019	\$ 456,345	\$ 135,527	\$ 591,872
2020	20,297	(150,245)	(129,948)
2021	82,601	88,230	170,831
2022	449,132	619,688	1,068,820
2023	(143,005)	-	(143,005)
Thereafter	(52,177)	-	(52,177)

For the year ended June 30, 2019, total deferred outflows and inflows of resources for the Plans totaled \$4,402,261 and \$1,699,886, respectively.

Payable to the Pension Plan

At June 30, 2019, STA 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, 2019. 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.

SUNLINE TRANSIT AGENCY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Commitments

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

Project	Amount Authorized	Cumulative Expenses June 30, 2019	Unexpended Commitments
Bus and Van Purchases	\$ 3,223,799	\$ 1,476,348	\$ 1,747,451
Facility Improvements	9,522,043	468,516	9,053,527
Administrative Building	656,815	525,220	131,595
Hydrogen fueling infrastructure	26,602,799	15,398,735	11,204,064
Equipment & Others	643,179	633,180	9,999
Total major components of construction in progress	\$ 40,648,635	\$ 18,501,999	\$ 22,146,636

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 17.53 percent in 2019 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, 2019 was 17.55 percent, as calculated below. STA is in compliance with the provisions of PUC Section 99270.1.

Farebox and other revenues	\$ 5,261,665
Measure A	580,000
Interest	14,560
Total revenues	\$ 5,856,225
Net Revenues	\$ 5,856,225
Operating expenses	41,693,668
Less: Depreciation	8,017,830
Loss on disposal	760
Pension expense (actuarial)	299,387
Net operating expenses	\$ 33,375,691
Fare ratio	17.55%
Target ratio	17.53%

Farebox and other revenues consisted of \$2,866,072 of passenger fare revenues, \$1,815,127 of CNG and hydrogen fuel sales revenue, and \$580,466 of other revenues that consisted primarily of revenue from advertising.

SUNLINE TRANSIT AGENCY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

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 provided 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, 2019, was as follows:

	PTMISEA	TSSSDRA	Total
Unspent Prop 1B funds at July 1, 2018	\$ 2,888,724	\$ 1,409,377	\$ 4,298,101
Prop 1B funds received/returned	-	-	-
Prop 1B funds spent	(1,180,274)	(1,409,648)	(2,589,922)
Interest revenue earned on unspent Prop 1B funds	2,000	285	2,285
Unspent Prop 1B fund at June 30, 2019	<u>\$ 1,710,450</u>	<u>\$ 14</u>	<u>\$ 1,710,464</u>

NOTE 13 – PRIOR PERIOD RESTATEMENTS

STA's deferred outflows for contributions subsequent to the measurement date were understated in previous years. As a result of the understatement, STA restated beginning net position as noted below:

Net Position, beginning of year, as previously reported	\$ 60,954,814
Contributions after the measurement date - deferred outflows of resources	<u>1,190,146</u>
Net Position, beginning of year, as restated	<u>\$ 62,144,960</u>

The adjustment increased the change in net position \$177,058 for the prior year.

STA's deferred inflows and outflows were also overstated in equal offsetting amounts. Prior period reclassifications were recorded to properly report differences between projected and actual earnings on pension plan investments. Following is the pro forma effect of the retrospective application of the prior period reclassifications and adjustments:

	June 30, 2018			July 1, 2018
	Previously Presented	Reclassification	Restatement	Restated
Deferred outflows of resources	\$ 1,606,625	\$ (1,247,158)	\$ 1,190,146	\$ 1,549,613
Deferred inflows of resources	5,316,323	(1,247,158)		4,069,165

STA reassessed its administrative relationship with SunLine Transit Retirement Income Plans for Bargaining and Non-Bargaining Personnel (Plans) and determined the Plans meet the criteria of component units and have included the Plans in the financial statements. In accordance with the component unit criteria, STA is financially accountable for the Plans.

REQUIRED SUPPLEMENTARY INFORMATION

SUNLINE TRANSIT AGENCY
SCHEDULE OF CHANGES IN THE NET POSITION LIABILITY AND RELATED RATIOS
(PLANS YEAR ENDING DECEMBER 31 FOR JUNE 30 REPORTING)
AS OF JUNE 30, 2019
LAST 10 YEARS*

	Reporting Period 2019		Reporting Period 2018		Reporting Period 2017	
	Bargaining	Non-Bargaining	Bargaining	Non-Bargaining	Bargaining	Non-Bargaining
Total Pension Liability						
Service cost	\$ 1,067,330	\$ 1,023,221	\$ 1,014,181	\$ 1,072,153	\$ 963,077	\$ 987,864
Interest	1,595,457	1,569,141	1,501,976	1,494,609	1,396,512	1,443,007
Difference between expected and actual experience	(252,563)	64,249	(341,121)	(417,693)	(97,435)	(866,759)
Change of assumptions	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(723,427)	(880,536)	(616,895)	(835,332)	(494,152)	(741,407)
Net change in total pension liability	1,686,797	1,776,075	1,558,141	1,313,737	1,768,002	822,705
Total pension liability - beginning	25,885,338	25,569,403	24,327,197	24,255,666	22,559,195	23,432,961
Total pension liability - ending ^(a)	\$ 27,572,135	\$ 27,345,478	\$ 25,885,338	\$ 25,569,403	\$ 24,327,197	\$ 24,255,666
Plan fiduciary net position						
Contributions - employer	\$ 1,332,751	\$ 1,163,831	\$ 1,240,460	\$ 1,056,891	\$ 1,171,779	\$ 1,043,297
Contributions - employee	-	154,443	-	139,280	-	131,637
Net investment income	(1,445,368)	(1,480,804)	3,196,447	3,301,003	1,553,438	1,619,088
Benefit payments, including refunds of employee contribution	(723,427)	(880,536)	(616,895)	(835,332)	(494,152)	(741,407)
Administrative Expense	(89,608)	(89,087)	(164,498)	(176,739)	(181,447)	(186,344)
Net change in plan fiduciary net position	(925,652)	(1,132,153)	3,655,514	3,485,103	2,049,618	1,866,271
Plan fiduciary net position - beginning	26,155,708	26,786,215	22,500,194	23,301,112	20,450,576	21,434,841
Plan fiduciary net position - ending ^(b)	\$ 25,230,056	\$ 25,654,062	\$ 26,155,708	\$ 26,786,215	\$ 22,500,194	\$ 23,301,112
Plan net pension liability - ending ^{(a)-(b)}	\$ 2,342,079	\$ 1,691,416	\$ (270,370)	\$ (1,216,812)	\$ 1,827,003	\$ 954,554
Plan fiduciary net position as a percentage of the total pension liability	91.51%	93.81%	101.04%	104.76%	92.49%	96.06%
Covered payroll	\$ 10,495,187	\$ 4,842,573	\$ 9,937,276	\$ 4,939,705	\$ 9,306,674	\$ 4,429,828
Net pension liability as percentage of covered payroll	22.32%	34.93%	-2.72%	-24.63%	19.63%	21.55%
Annual money-weighted rate of return, net of investment related expenses	-5.56%	-5.21%	11.25%	11.25%	6.80%	6.80%

Note to Schedule

*Fiscal Year 2015 was the first year STA implemented GASB 67 and 68. As such, GASB 67 and 68 information is only available back to that fiscal year.

SUNLINE TRANSIT AGENCY
SCHEDULE OF CHANGES IN THE NET POSITION LIABILITY AND RELATED RATIOS
(PLANS YEAR ENDING DECEMBER 31 FOR JUNE 30 REPORTING) (CONTINUED)
AS OF JUNE 30, 2019
LAST 10 YEARS*

	Reporting Period 2016		Reporting Period 2015	
	Bargaining	Non-Bargaining	Bargaining	Non-Bargaining
Total Pension Liability				
Service cost	\$ 786,230	\$ 838,631	\$ 722,633	\$ 832,999
Interest	1,319,280	1,380,214	1,168,813	1,248,085
Difference between expected and actual experience	43,602	(461,064)	38,118	(491,252)
Change of assumptions	(565,426)	(130,456)	948,715	1,267,953
Benefit payments, including refunds of employee contributions	<u>(452,533)</u>	<u>(718,599)</u>	<u>(415,646)</u>	<u>(603,943)</u>
Net change in total pension liability	1,131,153	908,726	2,462,633	2,253,842
Total pension liability - beginning	21,428,042	22,524,235	18,965,409	20,270,393
Total pension liability - ending ^(a)	<u>\$ 22,559,195</u>	<u>\$ 23,432,961</u>	<u>\$ 21,428,042</u>	<u>\$ 22,524,235</u>
Plan fiduciary net position				
Contributions - employer	\$ 1,017,569	\$ 972,058	\$ 838,727	\$ 850,854
Contributions - employee	-	124,295	-	119,857
Net investment income	(134,851)	(140,493)	827,017	878,786
Benefit payments, including refunds of employee contribution	(452,533)	(718,599)	(415,646)	(603,943)
Administrative Expense	<u>(162,245)</u>	<u>(172,502)</u>	<u>(16,569)</u>	<u>(16,079)</u>
Net change in plan fiduciary net position	267,940	64,759	1,233,529	1,229,475
Plan fiduciary net position - beginning	20,182,636	21,370,082	18,949,107	20,140,607
Plan fiduciary net position - ending ^(b)	<u>\$ 20,450,576</u>	<u>\$ 21,434,841</u>	<u>\$ 20,182,636</u>	<u>\$ 21,370,082</u>
Plan net pension liability - ending ^{(a)-(b)}	<u>\$ 2,108,619</u>	<u>\$ 1,998,120</u>	<u>\$ 1,245,406</u>	<u>\$ 1,154,153</u>
Plan fiduciary net position as a percentage of the total pension liability	90.65%	91.47%	94.19%	94.88%
Covered payroll	\$ 7,395,958	\$ 3,608,769	\$ 7,171,287	\$ 3,626,818
Net pension liability as percentage of covered payroll	28.51%	55.37%	17.37%	31.82%
Annual money-weighted rate of return, net of investment related expenses	-1.24%	-1.24%	5.51%	5.51%

Note to Schedule

*Fiscal Year 2015 was the first year STA implemented GASB 67 and 68. As such, GASB 67 and 68 information is only available back to that fiscal year.

SUNLINE TRANSIT AGENCY
 SCHEDULE OF PLAN CONTRIBUTIONS – BARGAINING PLAN
 (PLAN YEAR ENDING DECEMBER 31)
 LAST 10 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
2009	\$ 1,118,112	\$ 1,095,054	\$ 23,058	\$ 6,415,771	17.07%
2010	1,021,656	1,118,615	(96,959)	6,688,432	16.72%
2011	959,580	1,028,823	(69,243)	6,514,916	15.79%
2012	1,011,840	1,045,458	(33,618)	6,593,082	15.86%
2013	916,788	967,662	(50,874)	6,862,649	14.10%
2014	693,586	840,129	(146,543)	7,171,287	11.72%
2015	891,288	1,017,569	(126,281)	7,395,958	13.76%
2016	1,175,179	1,171,779	3,400	9,306,674	12.59%
2017	1,276,570	1,240,460	36,110	9,937,276	12.48%
2018	1,271,919	1,332,751	(60,832)	10,495,187	12.70%

Notes to Schedule

Actuarially determined contributions are calculations 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 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 years 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 PLAN CONTRIBUTIONS – NON-BARGAINING PLAN
 LAST 10 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
2009	\$ 1,265,400	\$ 1,100,040	\$ 165,360	\$ 3,525,248	31.20%
2010	1,162,812	1,086,531	76,281	3,725,878	29.16%
2011	1,013,700	965,644	48,056	3,512,416	27.49%
2012	1,063,500	1,010,555	52,945	3,295,632	30.66%
2013	960,708	1,011,262	(50,554)	3,288,878	30.75%
2014	709,392	857,155	(147,763)	3,626,818	23.63%
2015	838,188	972,058	(133,870)	3,608,769	26.94%
2016	1,053,887	1,043,297	10,590	4,429,828	23.55%
2017	1,088,228	1,056,891	31,337	4,939,705	21.40%
2018	979,399	1,163,831	(184,432)	4,842,573	24.03%

Notes to Schedule

Actuarially determined contributions are calculations 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 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 years 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 EMPLOYER CONTRIBUTIONS – BARGAINING PLAN
 (EMPLOYER YEAR ENDING JUNE 30)
 LAST 10 YEARS***

<u>Year Ended June 30</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contributions Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2015	\$ 792,437	\$ 928,849	\$ (136,412)	\$ 7,283,623	12.75%
2016	1,033,234	1,094,674	(61,441)	8,351,316	13.11%
2017	1,225,875	1,206,120	19,755	9,621,975	12.54%
2018	1,274,245	1,286,606	(12,361)	10,216,232	12.59%
2019	647,879	666,376	(18,497)	5,247,594	12.70%

Notes to Schedule

*Fiscal year 2015 was the first year of GASB 68 implementation, therefore only five years are presented.

**SUNLINE TRANSIT AGENCY
 SCHEDULE OF EMPLOYER CONTRIBUTIONS – NON-BARGAINING PLAN
 (EMPLOYER YEAR ENDING JUNE 30)
 LAST 10 YEARS***

<u>Year Ended June 30</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contributions Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2015	\$ 773,790	\$ 914,607	\$ (140,817)	\$ 3,617,794	25.28%
2016	946,038	1,007,678	(61,640)	4,019,299	25.07%
2017	1,071,058	1,050,094	20,964	4,684,767	22.42%
2018	1,033,814	1,110,361	(76,548)	4,891,139	22.70%
2019	548,104	581,916	(33,812)	2,421,287	24.03%

Notes to Schedule

*Fiscal year 2015 was the first year of GASB 68 implementation, therefore only five years are presented.

SUPPLEMENTARY INFORMATION

SUNLINE TRANSIT AGENCY
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	2019		Total
	STA	SSG	
ASSETS			
Current assets:			
Cash and investments	\$ 8,633,093	\$ 354,163	\$ 8,987,256
Accounts receivable, net	335,735	32,759	368,494
Due from other governmental agencies	4,874,424	-	4,874,424
Inventory	936,282	-	936,282
Prepaid items	491,753	-	491,753
Total current assets	<u>15,271,287</u>	<u>386,922</u>	<u>15,658,209</u>
Noncurrent assets:			
Deposits	1,521,272	-	1,521,272
Capital assets, not depreciated	21,643,002	-	21,643,002
Capital assets, depreciated	51,778,674	1,970	51,780,644
Total noncurrent assets	<u>74,942,948</u>	<u>1,970</u>	<u>74,944,918</u>
Total assets	<u>90,214,235</u>	<u>388,892</u>	<u>90,603,127</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pension	4,402,261	-	4,402,261
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	1,091,118	18,285	1,109,403
Accrued payroll and related liabilities	255,429	-	255,429
Compensated absences	1,613,966	3,752	1,617,718
Claims payable - current portion	940,422	-	940,422
Unearned revenue	8,915,993	-	8,915,993
Total current liabilities	<u>12,816,928</u>	<u>22,037</u>	<u>12,838,965</u>
Noncurrent liabilities:			
Net pension liability	4,033,495	-	4,033,495
Claims payable	2,048,074	-	2,048,074
Total noncurrent liabilities	<u>6,081,569</u>	<u>-</u>	<u>6,081,569</u>
Total liabilities	<u>18,898,497</u>	<u>22,037</u>	<u>18,920,534</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pension	1,699,886	-	1,699,886
NET POSITION			
Net investment in capital assets	73,421,676	1,970	73,423,646
Unrestricted	596,437	364,885	961,322
Total net position	<u>\$ 74,018,113</u>	<u>\$ 366,855</u>	<u>\$ 74,384,968</u>

SUNLINE TRANSIT AGENCY
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2019

	2019		
	STA	SSG	Total
OPERATING REVENUES:			
Passenger fares	\$ 2,866,072	\$ -	\$ 2,866,072
CNG and hydrogen fuels sales	1,815,127	-	1,815,127
Taxi license fees	-	192,602	192,602
Other	580,466	-	580,466
Total operating revenues	<u>5,261,665</u>	<u>192,602</u>	<u>5,454,267</u>
OPERATING EXPENSES:			
Salaries and employee benefits	24,566,627	-	24,566,627
Depreciation	8,017,830	3,736	8,021,566
Services	3,560,369	94,833	3,655,202
Casualty and liability costs	1,116,737	17,774	1,134,511
Materials and supplies	1,766,768	3,083	1,769,851
Utilities	1,574,482	4,240	1,578,722
Tires and tubes	245,768	-	245,768
Taxes	78,064	25	78,089
Administrative	-	158,638	158,638
Fuel and lubricants	326,226	-	326,226
Miscellaneous	440,797	3,799	444,596
Total operating expenses	<u>41,693,668</u>	<u>286,128</u>	<u>41,979,796</u>
OPERATING INCOME/(LOSS)	<u>(36,432,003)</u>	<u>(93,526)</u>	<u>(36,525,529)</u>
NONOPERATING REVENUES:			
Operating grants:			
Local Transportation Fund	16,230,228	-	16,230,228
Measure A	6,000,000	-	6,000,000
Federal Transit Administration - Section 5307	3,475,669	-	3,475,669
Federal Transit Administration - Section 5309	235,871	-	235,871
Federal Transit Administration - Section 5310	39,933	-	39,933
Federal Transit Administration - Section 5311	352,874	-	352,874
Federal Transit Administration - Section 5311(f)	204,721	-	204,721
Federal Transit Administration - Others	231,254	-	231,254
State Transit Assistance	500,000	-	500,000
Local Reimbursement	229,849	-	229,849
Low-Carbon Transit Operations Program (LCTOP) Grant	599,072	-	599,072
Total operating grants	<u>28,099,471</u>	<u>-</u>	<u>28,099,471</u>
Interest income	14,560	-	14,560
Total nonoperating revenues	<u>28,114,031</u>	<u>-</u>	<u>28,114,031</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS	<u>(8,317,972)</u>	<u>(93,526)</u>	<u>(8,411,498)</u>
CAPITAL CONTRIBUTIONS:			
Capital grants:			
Federal Transit Administration	6,525,076	-	6,525,076
State Transit Assistance	11,117,501	-	11,117,501
Proposition 1B	2,591,122	-	2,591,122
Local Transportation Fund	336,241	-	336,241
Other	81,566	-	81,566
Total capital contributions	<u>20,651,506</u>	<u>-</u>	<u>20,651,506</u>
CHANGE IN NET POSITION	12,333,534	(93,526)	12,240,008
NET POSITION			
Beginning of Year, as restated	61,684,579	460,381	62,144,960
End of Year	<u>\$ 74,018,113</u>	<u>\$ 366,855</u>	<u>\$ 74,384,968</u>

**SUNLINE TRANSIT AGENCY
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019**

	2019		Total
	STA	SSG	
Cash flows from operating activities			
Cash received from customers	\$ 6,573,652	\$ 198,208	\$ 6,771,860
Cash payments to suppliers for goods and services	(14,473,231)	(117,608)	(14,590,839)
Cash payments to employees for services	(24,229,853)	(162,157)	(24,392,010)
Net cash used for operating activities	(32,129,432)	(81,557)	(32,210,989)
Cash flows from noncapital financing activities			
Cash received from operating grants	33,252,339	-	33,252,339
Advances to/from SSG	4,336	(4,336)	-
Net cash provided by noncapital financing activities	33,256,675	(4,336)	33,252,339
Cash flows from capital and related financing activities			
Cash received from capital grants	19,552,931	-	19,552,931
Acquisition and construction of capital assets	(20,648,353)	(2,393)	(20,650,746)
Cash used for capital and related financing activities	(1,095,422)	(2,393)	(1,097,815)
Cash flows from investing activity			
Interest income received	14,560	-	14,560
Change in cash and cash equivalents	46,381	(88,286)	(41,905)
Cash and cash equivalents, beginning of year	8,586,712	442,449	9,029,161
Cash and cash equivalents, end of year	\$ 8,633,093	\$ 354,163	\$ 8,987,256
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (36,432,003)	\$ (93,526)	(36,525,529)
Depreciation	8,017,830	3,736	8,021,566
Changes in operating assets, liabilities and deferred outflows and inflows of resources:			
Accounts receivable	1,311,987	5,606	1,317,593
Inventory	(65,846)	-	(65,846)
Prepaid items	(393,547)	-	(393,547)
Deposits	(355,578)	-	(355,578)
Deferred outflows of resources related to pension	(1,605,490)	-	(1,605,490)
Accounts payable and accrued liabilities	(3,710,672)	6,146	(3,704,526)
Accrued payroll and related liabilities	2,261	(522)	1,739
Net pension asset/liability	5,520,677	-	5,520,677
Compensated absences	35,763	(2,997)	32,766
Claims payable	(838,377)	-	(838,377)
Deferred inflows of resources related to pension	(3,616,437)	-	(3,616,437)
Net cash used in operating activities	\$ (32,129,432)	\$ (81,557)	\$ (32,210,989)

**SUNLINE TRANSIT AGENCY
 COMBINING STATEMENT OF
 FIDUCIARY NET POSITION - PENSION TRUST FUNDS
 YEAR ENDED JUNE 30, 2019**

	2018		
	Retirement Income Plan for Bargaining Personnel	Retirement Income Plan for Non- Bargaining Personnel	Total
ASSETS			
Cash and cash equivalents	\$ 213,036	\$ 197,776	\$ 410,812
Receivables:			
Contributions	50,822	51,332	102,154
Interest	309	287	596
Dividends	22,286	22,673	44,959
Investments, at fair value:			
Mutual funds	24,994,424	25,433,328	50,427,752
Total assets	<u>25,280,877</u>	<u>25,705,396</u>	<u>50,986,273</u>
Fiduciary net position restricted for pension benefits	<u>\$ 25,280,877</u>	<u>\$ 25,705,396</u>	<u>\$ 50,986,273</u>

**SUNLINE TRANSIT AGENCY
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION - PENSION TRUST FUNDS
YEAR ENDED JUNE 30, 2019**

	2018		Total
	Retirement Income Plan for Bargaining Personnel	Retirement Income Plan for Non-Bargaining Personnel	
ADDITIONS			
Contributions:			
Employer	\$ 1,335,432	\$ 1,169,890	\$ 2,505,322
Participants	-	154,443	154,443
Investment income:			
Interest income	4,367	3,465	7,832
Dividend income	653,864	667,692	1,321,556
Net appreciation (depreciation) in fair value of investments	(2,103,600)	(2,151,961)	(4,255,561)
Total additions	<u>(109,937)</u>	<u>(156,471)</u>	<u>(266,408)</u>
DEDUCTIONS			
Benefits paid to participants and beneficiaries	723,427	880,535	1,603,962
Member refunds	-	-	-
Administrative expenses	89,608	89,086	178,694
Total deductions	<u>813,035</u>	<u>969,621</u>	<u>1,782,656</u>
CHANGES IN NET POSITION	(922,972)	(1,126,092)	(2,049,064)
NET POSITION RESTRICTED FOR PENSION BENEFITS			
Beginning of Year	26,203,849	26,831,488	53,035,337
End of Year	<u>\$ 25,280,877</u>	<u>\$ 25,705,396</u>	<u>\$ 50,986,273</u>



Financial Statements
June 30, 2019

SunLine Services Group

**SUNLINE SERVICES GROUP
TABLE OF CONTENTS**

	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	3
FINANCIAL STATEMENTS	
Statement of Net Position	7
Statement of Revenues, Expenses and Changes in Net Position	8
Statement of Cash Flows	9
Notes to Financial Statements	10
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 <i>GOVERNMENT AUDITING STANDARDS</i>	14

Independent Auditor's Report

Board of Directors
SunLine Services Group
Thousand Palms, California

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), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise SSG's 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 audits 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 SSG as of June 30, 2019, 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 as listed in the table of contents 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 _____, 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.

Riverside, California
_____, 2019

**SunLine Services Group
Management's Discussion and Analysis (Unaudited)
June 30, 2019**

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 years ended June 30, 2019 and 2018. 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 by \$366,855 and \$460,381 at the close of fiscal years 2019 and 2018 respectively. At June 30, 2019, net position consisted of \$1,970 net investment in capital assets and \$364,885 of unrestricted net position. Accordingly, operating revenues decreased, and, operating expenses increased during the fiscal year.
- SSG's net position decreased at the close of fiscal year 2019 by \$93,526. The change in net position in fiscal year 2019 when compared to fiscal year 2018 was due to the decrease in operating vehicle permits and passenger surcharge fees in fiscal year 2019 as a result of competition from the Transportation Network Companies (TNC's) such as Uber and Lyft.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Financial statements; and,
- 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* provides 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.

SunLine Services Group
Management's Discussion and Analysis (Unaudited)
June 30, 2019

FINANCIAL STATEMENT ANALYSIS

Capital Assets and 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, 2019, SSG's assets exceeded liabilities by \$366,855, a \$93,526 decrease from June 30, 2018. A condensed summary of the Statement of Net Position as of June 30, 2019 and 2018 is shown below:

Statement of Net Position

	2019	2018	Changes
Current and other assets	\$ 386,922	\$ 476,478	\$ (89,556)
Capital assets, net of depreciation	1,970	3,313	(1,343)
Total assets	<u>388,892</u>	<u>479,791</u>	<u>(90,899)</u>
Current liabilities	22,037	19,410	2,627
Total liabilities	<u>22,037</u>	<u>19,410</u>	<u>2,627</u>
Net position			
Net investment in capital assets	1,970	3,313	(1,343)
Unrestricted	<u>364,885</u>	<u>457,068</u>	<u>(92,183)</u>
Total net position	<u>\$ 366,855</u>	<u>\$ 460,381</u>	<u>\$ (93,526)</u>

SSG's investment in capital assets amounted to \$1,970 and \$3,313 (net of accumulated depreciation), as of June 30, 2019 and 2018, 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.

SSG uses these capital assets to provide services to regulate, license, and franchise taxicabs and alternative transportation in the Coachella Valley. These assets are not available for future spending. The decrease of \$1,343 in net investment in capital assets at June 30, 2019, 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. The decrease of \$92,183 in unrestricted net position was mainly due to net loss incurred during the fiscal year.

SunLine Services Group
Management's Discussion and Analysis (Unaudited)
June 30, 2019

Changes in Net Position

For the fiscal years ended June 30, 2019 and 2018, SSG's revenues were \$192,602 and \$225,347, respectively, while the total expenses, excluding depreciation, were \$282,392 and \$245,650, respectively. The table below presents financial data related to the decrease in net position of \$93,526 and \$26,127 during the fiscal years ended June 30, 2019 and 2018, respectively. The change in net position in 2019 compared to 2018 was primarily due to lower revenues from operating vehicle permits and passenger surcharge fees associated with competition from the Transportation Network Companies (TNC's) such as Uber and Lyft.

Statement of Revenues, Expenses and Changes in Net Position

	2019	2018	Changes
OPERATING REVENUES:			
Operating vehicle permit fees	\$ 74,090	\$ 67,950	\$ 6,140
Passenger surcharge fees	46,512	138,811	(92,300)
Driving permits and inspection fees	8,789	18,571	(9,782)
Taxi business permit fees	63,202	-	63,202
Other	10	15	(5)
Total operating revenues	<u>192,602</u>	<u>225,347</u>	<u>(32,745)</u>
OPERATING EXPENSES:			
Administrative	158,638	180,336	(21,698)
Services	94,833	41,661	53,172
Casualty and liability costs	17,774	12,112	5,662
Materials and supplies	3,083	3,727	(644)
Utilities	4,240	4,500	(260)
Taxes	25	281	(256)
Miscellaneous	3,799	3,033	766
Total operating expenses	<u>282,392</u>	<u>245,650</u>	<u>36,742</u>
Depreciation	3,736	5,824	(2,088)
Total expenses	<u>286,128</u>	<u>251,474</u>	<u>34,654</u>
CHANGE IN NET POSITION	<u>(93,526)</u>	<u>(26,127)</u>	<u>(67,399)</u>
NET POSITION			
Beginning of Year	<u>460,381</u>	<u>486,508</u>	<u>(26,127)</u>
End of Year	<u>\$ 366,855</u>	<u>\$ 460,381</u>	<u>\$ (93,526)</u>

**SunLine Services Group
Management's Discussion and Analysis (Unaudited)
June 30, 2019**

Revenues

Operating revenues decreased by \$32,745 from fiscal year 2018 due to the decrease in passenger surcharge fees, driving permits and inspection fees as a result of the competition from the TNC's, offset partially by increase in operating vehicle permit fees and taxi business permit fees.

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 \$282,392 and \$245,650 during the fiscal years ended June 30, 2019 and 2018, respectively. Operating expenses before depreciation increased by \$36,742 from fiscal year 2018. The increase is primarily due to increases in legal services, casualty and liability and miscellaneous expenses offset partially by a decrease in administrative expenses, materials and supplies, utilities and taxes.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

These significant factors were considered as budget assumptions when preparing SSG's budget for fiscal year 2020:

- Transportation Network Companies (TNC's) have continued to increase their market share and the effect has had a negative impact on Taxi revenues.
- The decrease in expenses is attributed to decrease in salaries and wages and the decrease in legal services attributed to the fact that SSG had a lot of legal expenses in fiscal year 2019 related to taxi industry changes and its impact on the taxi ordinance.
- Casualty and liability decreased due to a decrease in premiums.
- Fiscal year 2020 revenues are not anticipated to be below fiscal year 2019 revenues. They are anticipated to go up based on the addition of a new taxi business operating out of the Coachella Valley.
- SunLine Regulatory Agency (SRA) will use contingency funds to cover the deficit in fiscal year 2020.

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 Chief Financial Officer, SunLine Services Group, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

SUNLINE SERVICES GROUP
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>2019</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 354,163
Accounts receivable	32,759
Total current assets	<u>386,922</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	1,970
Total assets	<u>388,892</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	18,285
Compensated absences	3,752
Total current liabilities	<u>22,037</u>
NET POSITION	
Net investment in capital assets	1,970
Unrestricted	364,885
Total net position	<u>\$ 366,855</u>

See notes to financial statements.

SUNLINE SERVICES GROUP
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	<u>2019</u>
OPERATING REVENUES:	
Operating vehicle permit fees	\$ 74,090
Taxi business permit fees	63,202
Passenger surcharge fees	46,511
Driving permits and inspection fees	8,789
Other	10
Total operating revenues	<u>192,602</u>
OPERATING EXPENSES:	
Administrative	158,638
Services	94,833
Casualty and liability	17,774
Utilities	4,240
Materials and supplies	3,083
Taxes	25
Miscellaneous	3,799
Total controllable operating expenses	<u>282,392</u>
Depreciation	3,736
Total expenses	<u>286,128</u>
CHANGE IN NET POSITION	(93,526)
NET POSITION	
Beginning of Year	460,381
End of Year	<u><u>\$ 366,855</u></u>

See notes to financial statements.

**SUNLINE SERVICES GROUP
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>2019</u>
Cash flows from operating activities	
Cash received from customers	\$ 198,208
Cash payments to suppliers for goods and services	(117,608)
Cash payments to employees for services	(162,157)
Net cash provide by (used in) operating activities	<u>(81,557)</u>
Cash flows from financing activities	
Payments to SunLine Transit Agency	<u>(4,336)</u>
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	<u>(2,393)</u>
Change in cash and cash equivalents	(88,286)
Cash and cash equivalents, beginning of year	442,449
Cash and cash equivalents, end of year	<u>\$ 354,163</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:	
Operating income	\$ (93,526)
Depreciation	3,736
Change in operating assets and liabilities:	
Accounts receivable	5,606
Accounts payable and accrued liabilities	6,146
Accrued payroll and related liabilities	(522)
Compensated absences	(2,997)
Net cash used in operating activities	<u>\$ (81,557)</u>

See notes to financial statements.

**SUNLINE SERVICES GROUP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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 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.

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.

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.

SUNLINE SERVICES GROUP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 2 – SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 acquisition 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.

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, reduced by liabilities, 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, taxi business 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.

**SUNLINE SERVICES GROUP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

NOTE 3 – CASH AND CASH EQUIVALENTS

The carrying amount of SSG's cash deposits were \$354,163 at June 30, 2019. The bank balances at June 30, 2019 were \$359,594. The bank balances 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.

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 percent 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, 2019 is as follows:

	Balance at June 30, 2018	Additions	Deletions	Balance at June 30, 2019
Depreciable Assets				
Vehicles	\$ 342,357	\$ 2,393	\$ -	\$ 344,750
Equipment	50,087	-	-	50,087
Total depreciable assets	392,444	2,393	-	394,837
Accumulated depreciation	(389,131)	(3,736)	-	(392,867)
Net Capital assets	<u>\$ 3,313</u>	<u>\$ (1,343)</u>	<u>\$ -</u>	<u>1,970</u>

Depreciation expense was \$3,736 for the year ended June 30, 2019.

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, 2019, STA charged SSG \$158,638 for administrative services.

NOTE 6 – COMPENSATED ABSENCES

Compensated absences at June 30, 2019 amounted to \$3,752. There is no fixed payment schedule for compensated absences.

**SUNLINE SERVICES GROUP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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, 2019 are displayed in the financial statements of STA in the amount of \$2,988,496. 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.

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

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), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise SSG's basic financial statements, and have issued our report thereon dated _____.

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) to determine the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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.

Riverside, California
_____, 2019



Single Audit Report
June 30, 2019

SunLine Transit Agency

SUNLINE TRANSIT AGENCY
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

	PAGE
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 <i>Government Auditing Standards</i> , the Transportation Development Act and California Government Code §8879.50	1
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	5
Note to Schedule of Expenditures of Federal Awards	6
Schedule of Findings and Questioned Costs	
I. Summary of Auditor’s Results	7
II. Financial Statement Findings	8
III. Federal Award Findings and Questioned Costs	10
Schedule of Prior Year Audit Findings	11

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*, the Transportation Development Act and California Government Code §8879.50

Board of Directors
SunLine Transit Agency
Thousand Palms, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of SunLine Transit Agency (STA), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise STA's basic financial statements, and have issued our report thereon dated _____. Our report includes a reference to other auditors who audited the financial statements of SunLine Transit Retirement Income Plan for Bargaining Unit Personnel and SunLine Transit Retirement Income Plan for Non-Bargaining Unit Personnel (Plans), as described in our report on STA's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Our report contained an emphasis of matter regarding restatements to STA's deferred outflows of resources related to pensions as of July 1, 2018 and management's reassessment of its administrative relationship with the Plans which was cause for inclusion in STA's financial statements.

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) to determine the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency

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, including Section 6667 of Title 21 of the California Code of Regulations and California Government Code §8879.50 et seq., and the allocation instructions of Riverside County Transportation Commission, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, Section 6667 of Title 21 of the California Code of Regulations, or the California Government Code §8879.50 et seq.

STA's response to finding

STA's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned cost and STA's separate corrective action plan. STA's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion in it.

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.

Riverside, California
_____, 2019

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

Board of Directors
SunLine Transit Agency
Thousand Palms, California

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, 2019. STA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the 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 programs 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, 2019.

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, we considered STA's internal control over compliance with the requirements that could have a direct and material effect on a 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 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 the business-type activities and the aggregate remaining fund information of STA as of and for the year ended June 30, 2019, and the related to notes to the financial statements, which collectively comprise STA's basic financial statements. We have issued our opinion thereon dated _____, which contained an unmodified opinion on those financial statements. Our report contained an emphasis of matter regarding restatements to STA's deferred outflows of resources related to pensions as of July 1, 2018 and management's reassessment of its administrative relationship with the SunLine Transit Retirement Income Plan for Bargaining Unit Personnel and SunLine Transit Retirement Income Plan for Non-Bargaining Unit Personnel which was cause for inclusion in STA's 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

Riverside, California
_____, 2019

**SUNLINE TRANSIT AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Grant Number	Federal Expenditures
U.S. Department of Transportation:			
<u>Federal Transit Cluster:</u>			
<u>Direct Assistance:</u>			
Federal Transit - Capital Investment Grants (Fixed Guideway Capital Investment Grants)	20.500	CA-04-0133	\$ 27,083
Federal Transit - Capital Investment Grants (Fixed Guideway Capital Investment Grants)	20.500	CA-55-0006	197,753
<u>Passed-through from Center for Transportation and the Environment (CTE)</u>			
Federal Transit - Capital Investment Grants (Fixed Guideway Capital Investment Grants)	20.500	GA-04-7006-04	74,543
Subtotal - 20.500			<u>299,379</u>
<u>Direct Assistance:</u>			
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-90-Y964	140,696
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-90-Z036	536,737
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-90-Z201	42,740
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-90-Z225	331
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-90-Z330	858,578
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-90-Z341	3,428,748
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-90-Z374	182,626
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-90-Z330	1,002,088
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-90-Z341	935,964
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-90-Z374	1,537,617
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-95-X327	231,253
Subtotal - 20.507			<u>8,897,378</u>
<u>Passed-through SCAG</u>			
Bus and Bus Facilities Formula Program (Bus Program)	20.526	M-008-016	151,079
Subtotal - Federal Transit Cluster			<u>9,347,836</u>
<u>Direct Assistance:</u>			
Public Transportation Research	20.514	M-008-016	967,638
<u>Transit Services Programs Cluster:</u>			
<u>Passed-through from the State of California, Department of Transportation</u>			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	64AO18-00795	39,933
<u>Passed-through from the State of California, Department of Transportation</u>			
Formula Grants for Rural Areas	20.509	64C017-00458/64C017-00473	295,541
Formula Grants for Rural Areas	20.509	64C015-00344	204,721
Subtotal - 20.509			<u>500,262</u>
<u>Direct Assistance:</u>			
Capital Assistance Program for Reducing Energy Consumption and Greenhouse Gas Emissions	20.523	CA-88-0013	152,395
<u>Passed-through from CalStart</u>			
Capital Assistance Program for Reducing Energy Consumption and Greenhouse Gas Emissions	20.523	15-084	80,000
Subtotal - 20.523			<u>232,395</u>
Total - U.S. Department of Transportation			<u>11,088,064</u>
Total Expenditures of Federal Awards			<u>\$ 11,088,064</u>

See accompanying note to Schedule of Expenditures of Federal Awards.

**SUNLINE TRANSIT AGENCY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

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, 2019. 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.

SUNLINE TRANSIT AGENCY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2019

I. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>Yes</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major federal programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None reported</u>
Type of auditor's report issued on compliance for major federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>No</u>
Identification of major federal programs:	

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.500/20.507/20.526	Federal Transit Cluster

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

**SUNLINE TRANSIT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

II. FINANCIAL STATEMENT FINDINGS

Finding 2019-001

FINANCIAL REPORTING OF PENSIONS

Criteria:

In accordance with GASB 68, contributions paid by the employer for pensions subsequent to the measurement date should be reported on the statement of net positions as deferred outflows of resources related to pensions.

In accordance with GASB Codification Section 2100, a primary government's financial statements should report the activities and entities for which it is financially accountable.

Condition:

As a result of our audit procedures over the STA's net pension liabilities and related accounts, we noted that contributions paid subsequent to the measurement date were not reported as deferred outflows of resources at year-end.

Further, it was noted that the financial activities of the Sunline Transit Retirement Income Plan for Bargaining Unit Personnel and Sunline Transit Retirement Income Plan for Non-Bargaining Unit Personnel (Plans) were not reported within STA's basic financial statements, although STA is financially accountable.

Context:

Deferred outflows of resources is used to reflect the consumption of net position in one accounting period that is applicable to a future period. Employer contributions subsequent to the measurement that are not reflected as deferred outflows of resources are, instead, captured as expenses in the current period.

STA maintained and prepared separate stand-alone financial statements for the Plans. The Plan assets and activities are fiduciary in nature and not part of STA's assets or net position.

Effect:

Adjustments were proposed and posted to reflect the deferred outflows related to the contributions subsequent to the measurement date as of the beginning and end of the fiscal year.

Upon discussion with STA's management and assessment of the entity's involvement with the Plans, the single employer defined benefit pension plans were included in the financial reporting entity as pension trust funds within the fiduciary fund financial statements.

**SUNLINE TRANSIT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

II. FINANCIAL STATEMENT FINDINGS

Cause:

Upon implementation of GASB 68, STA had accounted for employer contributions subsequent to the measurement date as deferred outflows of resources. In subsequent years, the accounting methodology was changed whereby the employer contributions were reported as expenses of the current fiscal period.

Previously, STA had reported the pension Plans as part of STA's financial statements but then subsequently removed them for the reporting presentation.

In both instances described above, the assessment and changes in the accounting methodology were not formally documented by STA.

Recommendation:

We recommend that STA update its accounting policies and procedures related to pensions. Further, any subsequent changes in accounting methodology or changes in the application of generally accepted accounting principles should be assessed, reviewed and documented.

View of Responsible Officials and Planned Corrective Action:

See separate Corrective Action Plan.

**SUNLINE TRANSIT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

**SUNLINE TRANSIT AGENCY
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

None reported.

SunLine Transit Agency

DATE: January 22, 2020 **ACTION**

TO: Finance/Audit Committee
Board of Directors

FROM: Jenny Bellinger, Performance Project Assistant

RE: College of the Desert Barter Agreement

Recommendation

Recommend that the Board of Directors grant authority to the CEO/General Manager to negotiate and execute a barter agreement with College of the Desert (COD) to provide bus advertising services in exchange for educational training for SunLine staff for a not-to-exceed value of \$62,400.

Background

SunLine Transit Agency last entered into a barter agreement with COD in December 2017 for a one-year period with an option for year two (2) as part of SunLine University, the Agency's in-house training and talent development program.

SunLine currently has uncommitted advertising inventory to offer for this agreement. In exchange for providing advertising for College of the Desert, SunLine is receiving a retail value of \$31,200 in workforce development training. This new barter agreement would include on-board signs for the fixed route fleet and two (2) King Kong wraps. If the value of the classes are less than the advertising, COD will pay the difference.

Agency	Retail Value (per year)	Services
College of the Desert	\$31,200	<ul style="list-style-type: none"> • Instructor time and materials for tailored courses • Instructor time and materials for standard courses
SunLine Transit Agency	\$31,200	<ul style="list-style-type: none"> • Ad value for two (2) King Kong advertisements • Ad value for on-board signs • Production and installation costs

Through this partnership, SunLine is able to offer courses on-site taught by COD instructors. Some of the subjects included technical writing, Microsoft Office,

interpersonal communication, and high impact presentations. The Agency saw an overall knowledge gain of 37% for fiscal year to date FY20.

This agreement is part of the Agency's ongoing effort to enhance employee knowledge and empower staff to develop their skills.

Financial Impact

SunLine will receive \$31,200 in educational training and expects to incur \$3,950 in production and installation fees for the bus wrap advertisements per year. This amount will be expensed from SunLine's FY19/20 and FY20/21 operating budgets, respectively.

SunLine Transit Agency

DATE: January 22, 2020 **ACTION**

TO: Finance/Audit Committee
Board of Directors

FROM: Tommy D. Edwards, Chief Performance Officer

RE: Cooperative Agreement for the Demonstration of a Hydrogen Fuel Cell Electric Bus

Recommendation

Recommend that the Board of Directors authorize the CEO/General Manager to negotiate and execute a contract with Center of Transportation and the Environment, Inc. (CTE) to operate and provide data of a hydrogen fuel cell electric bus subject to review and approval by SunLine's counsel.

Background

CTE was awarded a Federal Transit Administration (FTA) project funded by the Department of Transportation (DOT) FTA National Fuel Cell Bus Program, to build and deploy an advanced fuel cell bus. This cooperative agreement was initially assigned to Orange County Transportation Authority (OCTA). Due to fueling incompatibility issues, OCTA can no longer participate in the bus demonstration and CTE has obtained FTA's approval to transfer the bus and the remaining project demonstration to SunLine.

SunLine has the capabilities and infrastructure to fulfill the remaining demonstration obligations of the project. The demonstration period will be completed by December 31, 2020. At the end of the demonstration period, SunLine will assume full ownership of the bus.

SunLine will provide bus operating services and data for the term of the demonstration. CTE will lease the bus to SunLine for an amount of one dollar (\$1.00). SunLine will work with EIDorado National, BAE Systems and Ballard Power to successfully extend support for the bus.

Financial Impact

The \$1.00 bus lease will be expensed from SunLine's FY20 operating budget. No additional cash match costs are required for this contract. However, SunLine must now fulfill CTE's required in-kind match of \$902,420. In-kind matching funds can be sourced from funds already spent on a related capital project. As such, SunLine intends to fulfill

the in-kind match requirement by using capital funds received from the California Air Resources Board through the Air Quality Improvement Program (AQIP) grant received for the electrolyzer project.