



MEETING NOTICE & AGENDA

DATE: Thursday, January 21, 2021

TIME: 4:00 P.M.

PLACE: Pursuant to state and local public health orders and directives, this meeting will be held remotely with members of the Board of Directors and staff attending from separate remote locations. The meeting will be live cast via Zoom for members of the public to observe and offer comment whether on-line or by telephone.

To join the meeting from your computer, tablet, or smartphone, please use the link below.

<https://us02web.zoom.us/j/81121915208?pwd=WW9WOUxtY00rcjZMWHBFVEZzbXBDUT09>

To join by telephone conference call: 1-669-900-6833

Meeting ID: 811 2191 5208

Password: 815052

Please note that the public will be muted by default. If you would like to speak during the public comment portion of the meeting, you have the following options:

Online: Raise your hand or use the Q&A panel to submit your comments.

Phone: Press *9 to raise your hand or press *6 to send a request to be unmuted to submit comments.

Board members and participants are encouraged to join the meeting 10 minutes early to resolve any technical issues before the session begins.

I. Call to Order & Roll Call

Bains, Blaser, Harris, Hudson, Fuhrer, Micheli and Shaw

II. Board Business

A. Nomination and Election of Board Officers for 2021.

1. Chair
2. Vice-Chair

B. Statements of Economic Interest for 2021. (Attachment)

C. Annual Board Report. (Attachment)

III. Public Business from the Floor

Members of the public may address the Authority on items of interest that are within the Authority's jurisdiction and are not on the agenda for this meeting. Public comment regarding agenda items will be permitted as each agenda item is considered by the Board.

IV. Consent Calendar

All matters listed under Consent Calendar are considered routine and can be enacted in one motion. There will be no separate discussion of these items prior to the time the Board votes on the motion unless members of the Board, staff, or public request specific items to be discussed or removed from the Consent Calendar for specific action.

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- A. Minutes from the Regular Meeting of November 19, 2020. (Attachment)
- B. Disbursement List for November 2020. (Attachment)
- C. Disbursement List for December 2020. (Attachment)
- D. Monthly Performance Report for November 2020. (Attachment)
- E. Monthly Performance Report for December 2020. (Attachment)

V. Reports

- A. **COVID-19 Related Service and Policy Update.** Review and discussion of pandemic related service impacts and agency policies and programs. (Attachment)

RECOMMENDATION: Authorize participation in the American Public Transportation Association (APTA) "Health & Safety Commitments Program".

- B. **FY 2021/2022 Caltrans Planning Grant Application.** Review and consideration of authorization to submit a grant application to conduct a systemwide Comprehensive Operational Analysis. (Attachment)

RECOMMENDATION: Authorize the submittal of a Caltrans Sustainable Communities planning grant application as proposed or amended.

- C. **FY 2019/2020 Financial Audit Report.** (Attachment)

RECOMMENDATION: Accept the FY 2019/2020 Financial Audit as presented.

- D. **Mid-Year FY 2021 Budget Update.** (Attachment)

RECOMMENDATION: Information only.

- E. **Annual Investment Policy Review.** (Attachment)

RECOMMENDATION: Direct staff as desired.

- F. **Project & Program Updates.**

1. FRAQMD Blue Sky Grant Award (Discount Monthly Bus Pass Program Extension)
2. Next Generation Transit Facility Plan
3. Results of the Local & Rural Route Fare Free Holiday Promotion
4. FY 2022 Budget Preview & Future Funding Outlook – February 18th Board Meeting

RECOMMENDATION: Information only.

VI. Correspondence/Information

VII. Other Business

VIII. Adjournment

**THE NEXT REGULAR MEETING IS SCHEDULED FOR THURSDAY, FEBRUARY 18, 2021
AT 4:00 P.M. IN THE YUBA COUNTY BOARD OF SUPERVISORS CHAMBERS
UNLESS OTHERWISE NOTICED**

If you need assistance to attend the Yuba-Sutter Transit Board Meeting, or if you require auxiliary aids or services, e.g., hearing aids or signing services to make a presentation to the Board, please contact the Yuba-Sutter Transit office at (530) 634-6880 or (TTY) 634-6889 at least 72 hours in advance so such aids or services can be arranged.

AGENDA ITEM II – B
STAFF REPORT

STATEMENTS OF ECONOMIC INTEREST FOR 2021

Members of the Yuba-Sutter Transit Board of Directors and alternates are required to file annual Statements of Economic Interest with the Fair Political Practices Commission. For continuing members and alternates, these annual statements are due April 1, 2021. An Assuming Office Statement must be filed by new members and alternates to the Board within 30 days. For those leaving office, a Leaving Office Statement must be filed within 30 days.

These requirements may be met by filing an extended statement, which is a copy of the FPPC Form 700 that will be prepared for your individual jurisdiction. It must, however, include your position as a member or alternate of the Yuba-Sutter Transit Board Directors and have an original signature and date on the verification on Page 1. The information reported must cover all reportable interests in the service area which includes all of Yuba and Sutter Counties. Form 700 is available on-line, and a copy of the Yuba-Sutter Transit Conflict of Interest Statement Code is available upon request.

If you have any questions regarding the filing of your Statement of Economic Interest, please contact Janet Frye in the administrative office at 634-6880.

RECOMMENDATION: Information only.

AGENDA ITEM II – C STAFF REPORT

YUBA-SUTTER TRANSIT AUTHORITY ANNUAL REPORT JANUARY 2021

Organizational History

Yuba-Sutter Transit, known as the Hub Area Transit Authority (HATA) until January 1993, was formed in 1975 by Sutter and Yuba Counties and the Cities of Marysville and Yuba City as a joint powers agency (JPA) for the provision of public transit services. Since its inception, Yuba-Sutter Transit has carried out this charge by contracting with private transportation companies for the operation of all services.

From 1975 to 1979, service was provided exclusively to seniors and persons with disabilities through a contract with a local taxicab company for the operation of the "Our Car" taxi subsidy program. As a condition of a legal settlement with California Rural Legal Assistance (CRLA), this service was replaced and expanded in 1979 with the purchase of thirteen mini-buses to implement a general public demand response service known as Dial-A-Ride. The system expanded again in 1982 to add a network of local fixed routes. Since 1979, a regional or national transportation provider (currently Storer Transit Systems) has operated Yuba-Sutter Transit's core services.

In January 1988, following an independent operational analysis prompted by poor system performance, the service was significantly reduced through the elimination of the local fixed route system, Sunday service and most rural area services in lieu of a general public zonal dial-a-ride system for the urban area. At the same time, Sutter County withdrew from the Authority to establish a taxi subsidy program for service to the unincorporated urban areas of the county. This service was discontinued when Sutter County rejoined the Authority in January 1991.

In response to the 1988 operational and organizational changes, CRLA filed another lawsuit against the Authority, the member jurisdictions and the Sacramento Area Council of Governments (SACOG). The resulting settlement agreement in 1990 led to the 1992 completion of a fixed route feasibility study and a comprehensive marketing plan. As a result of these studies, local fixed route service was reinstated, and the agency name was changed to the Yuba-Sutter Transit Authority effective January 1993.

Services Provided

In FY 2019, the last full fiscal year before the COVID-19 pandemic, this fleet operated a combined 92,571 vehicle service hours and provided 931,951 one-way passenger trips with our six local fixed routes; local demand response (Dial-A-Ride) service; intercity express commuter and midday service to downtown Sacramento; and, three rural routes serving Live Oak, Wheatland, and the Yuba County foothills. Due to the pandemic, the operation was reduced to a combined 85,865 vehicle service hours and 721,910 one-way passenger trips for FY 2020. The impact of the pandemic is expected to be most severe in the current fiscal year (FY 2021) with current fiscal year-end projections of just 79,000 vehicle service hours and 345,000 passenger trips which are down 15 percent and 63 percent respectively from the pre-pandemic levels of FY 2019.

Yuba-Sutter Transit has a fleet of 51 buses ranging in seated capacity from 16 to 57 passengers. In a typical year (FY 2019), approximately 56 percent of the operation would be provided as urban fixed route service. The local fixed route system provides service every 30 to 60 minutes on six routes with 14 buses in all day service Monday through Friday (12 on Saturdays) in Yuba City, Marysville, Linda and Olivehurst. Local fixed route service is provided each weekday from approximately 6:30 a.m. to 6:30 p.m. and from approximately 8:30 a.m. to 5:30 p.m. on Saturdays. Yuba-Sutter Transit does not operate any service on Sundays or major holidays.

After being reintroduced in 1993, the local fixed route system experienced steady and often spectacular annual ridership growth in response to numerous service expansions and enhancements. Fixed route ridership peaked in FY 2015 at 1,066,580 passenger trips before dropping each year since to 731,507 trips in FY 2019 – a four-year reduction of 31 percent. While ridership continued to decline gradually through the first half of FY 2020, the pandemic resulted in a dramatic drop for the fiscal year to 567,842 trips (down 22 percent from FY 2019). The worst of the ridership impact, however, is expected to hit in the current year with just 304,000 local fixed route passenger trips now projected for FY 2021 (down 58 percent from FY 2019).

The local Dial-A-Ride service typically accounts for approximately 26 percent of the operation. This service is provided only within the urban area during regular weekday and Saturday fixed route service hours and weekday evenings from 6:00 p.m. to 9:30 p.m. Except for the weekday evening service, which is open to the general-public without restriction, Dial-A-Ride service is available only to seniors age 65 and over and persons with disabilities. Dial-A-Ride is also Yuba-Sutter Transit's complimentary paratransit service as required under the Americans with Disabilities Act (ADA). Before COVID-19, Dial-A-Ride carried 59,093 passenger trips in FY 2019, but ridership is now expected to fall to just 18,000 trips in the current fiscal year (FY 2021) for a two-year drop of 70 percent from pre-pandemic levels. In response, the number of Dial-A-Ride service hours being operated have been reduced by 26 percent.

Before the pandemic, approximately 15 percent of the operation was provided as service between Marysville/Yuba City and downtown Sacramento primarily as peak hour weekday commuter service. The Sacramento commuter service provides ten morning and ten afternoon peak hour schedules with another three midday schedules. Due to the pandemic induced collapse in ridership, peak hour commuter service has since May 1st been temporarily reduced to seven morning and seven afternoon trips. The midday schedules are used by many daily or occasional commuters, but they are also popular with those traveling to and from Sacramento for medical, education and other non-work purposes. These Sacramento services are provided with a fleet of 13 specially equipped 57 seat tour-style buses.

Ridership on the combined Sacramento services plateaued at just under 160,000 annual passenger trips from FY 2011 through FY 2014 before gradually declining to a ten year low of 130,627 boardings in FY 2017 likely due to a combination of factors including the move of many State offices out of downtown Sacramento; changing State employee demographics; the lack of local population growth; stable and relatively low fuel prices; and, service reliability challenges from an aging commuter bus fleet. This trend reversed a bit with 134,381 passenger boardings in FY 2019. The July 2018 introduction of seven new commuter buses and free on-board Wi-Fi service certainly enhanced service quality and continued ridership growth led to the addition of new Highway 70 schedules and other service adjustments in July 2019 to address capacity problems and persistent schedule adherence issues. Like the experience of other intercity commuter service providers across the country, the Sacramento service has been the most impacted by the pandemic with FY 2021 ridership now projected at just 20,000 passenger trips which is down 85 percent from the pre-pandemic figure for FY 2019. In response, the number of Sacramento commuter schedules were temporarily reduced by 30 percent in May. Limited route deviation services to the Yuba County foothills and the Cities of Live Oak and Wheatland account for the

remaining operation. The Foothill Route provides two round trips every Tuesday, Wednesday and Thursday between selected foothill communities from Brownsville to Marysville. The Live Oak Route provides two round trips each weekday into Yuba City and Marysville. The Wheatland Route offers one round trip each weekday to Marysville. The Live Oak and Wheatland Routes operate under a fully allocated cost reimbursement agreement with those cities since they are not members of the Authority. These rural services have also been impacted significantly by the pandemic as their combined fiscal-year-end ridership is now projected at approximately 3,000 passenger trips for FY 2021 which would be down 56 percent from FY 2019.

Administration and Finance

Yuba-Sutter Transit is governed by a Board of Directors composed of two elected representatives from each of the four member jurisdictions. The Authority operates with a five person staff of Transit Manager, two Program Managers (Finance & Administration and Planning & Marketing), a Program Analyst and an Administrative Assistant. Since 1988, Yuba-Sutter Transit's staff has also served as contract administrative staff to the Regional Waste Management Authority concurrent with their transit duties. Approximately 10 percent of the available staff time is now budgeted for waste management responsibilities. Through this shared staffing relationship, which is now expected to end by 2022, both agencies have realized reduced administrative overhead expenses.

In the last full fiscal year before the pandemic, Yuba-Sutter Transit's FY 2019 operating expenses were just under \$7.3 million with nearly 75 percent accounted for in direct payments to the service contractor and another 15 percent in fuel and other direct operating expenses. For the same fiscal year, the operating revenue mix was about 29 percent Federal (Federal Transit Administration); 51 percent State and local (Transportation Development Act); 15 percent passenger fares; and 5 percent miscellaneous income from special State grants, advertising, interest, and contract service payments. The capital budget varies substantially from year to year (from less than \$1 million to over \$8 million in recent years) with funding derived from a mix of Federal, State and local sources depending on the project.

The COVID-19 pandemic has significantly impacted operating expenses and revenues alike for both FY 2020 and FY 2021 due to increased pandemic related expenses; reduced operating hours and fare revenues; and the availability of new Federal transit funds under the CARES Act. For the current fiscal year, year-end operating expenses are projected at \$7.5 million with nearly 80 percent accounted for in direct payments to the service contractor and another 10 percent in fuel and other direct operating expenses. The operating revenue mix for FY 2021 is now projected at about 51 percent Federal (primarily CARES Act); 37 percent State and local; 7 percent passenger fares; and 5 percent miscellaneous income.

Major Projects

Facilities: Yuba-Sutter Transit relocated in May 1996 to its combined maintenance, operating and administration facility (formerly the local Seven-Up Bottling Company plant) at 2100 B Street in Marysville. The facility was remodeled and expanded again in 2011 to serve the site's projected ultimate maximum capacity of approximately 70 buses. Due to the recent adoption of State regulations requiring the purchase of only zero emission buses starting by no later than 2029 and the now pending State highway project that will likely soon render the current facility unusable, Yuba-Sutter Transit is about to conclude a State funded Next Generation Transit Facility Site Selection planning process for the purpose of purchasing property for the development of a replacement transit facility within the next four to five years.

A Caltrans owned and operated park and ride lot opened on the northeast corner of Bogue Road and Highway 99 south

of Yuba City in 1997 largely with Federal funds obtained by Yuba-Sutter Transit. In 2012, this facility was nearly doubled in size to the current 164 spaces with Federal and local funds obtained exclusively by Yuba-Sutter Transit. Until the pandemic, this facility was operating at near capacity levels, but the facility site does have capacity for further expansion when funding is available. Yuba County opened the McGowan Park & Ride Lot on Powerline Road at McGowan Parkway in 2008 and the Plumas Lake Park & Ride Lot on Feather River Boulevard east of Highway 70 in 2009. Both lots were sited and constructed by the county in coordination with Yuba-Sutter Transit. Project funding was provided through development impact fees collected by Yuba County from projects in both the North Arboga Study Area and the Plumas Lake Specific Plan and they are maintained with revenue provided through related local Community Service District assessments.

Yuba-Sutter Transit serves 285 designated (signed) bus stops including nine that are owned by the Sacramento Regional Transit District in or near downtown Sacramento. Among the local and rural Yuba-Sutter Transit bus stops, 54 bus stop shelters, and 131 bus stop benches/seats have been placed at high boarding locations and other key points. Of these, 32 shelters and 68 benches are owned and/or maintained by Stott Outdoor Advertising. Except for five Wheatland owned shelters, the remaining units are owned by Yuba-Sutter Transit. The ad shelters and benches are provided at no cost to Yuba-Sutter Transit in exchange for the exclusive right to sell and place advertising on them while paying a small commission on the sale of each ad. In addition, 50 pole-mounted route information panels are located throughout the system and bike lockers are available at four of the five local commuter bus stops.

Vehicles: The current revenue vehicle fleet includes 22 local fixed route buses, 16 demand response (Dial-A-Ride) buses and 13 specially equipped intercity commuter buses. The local fixed route buses are all modern, heavy-duty low-floor buses with seating capacities of 31 or 32 passengers. The demand response buses are on cutaway van chassis with a seating capacity of 16 passengers. Primarily used for the Dial-A-Ride service, these small buses are also used on rural routes and to back-up the local fixed route fleet. The commuter buses are all high-floor, tour-style buses with a seating capacity of 57 passengers. More than half the fleet was replaced in the last three years and the next major fleet replacement project is not scheduled until 2025.

Services: Following the 1993 reintroduction of local fixed route service, Yuba-Sutter Transit's operation steadily expanded over time in response to passenger demand as recommended in a series of short-range (five year) transit plans. The last transit plan that was adopted in 2015 included a variety of service and policy recommendations for consideration through 2020 and beyond. Due to generally declining ridership ever since, plan recommendations regarding system growth were deferred indefinitely while others for fleet replacement; enhanced and expanded passenger facilities; and several technology projects have or soon will be completed. Six years and a pandemic later, a State grant application will soon be submitted to fund a new comprehensive operational analysis to set the direction for the future.

Technology: While intentionally slow to embrace industry trends, Yuba-Sutter Transit has added new technology over the last six years as cost/benefit ratios have improved. These include the installation of on-board video surveillance systems on all buses; the replacement of an obsolete mobile radio system; the installation of video surveillance systems at three park and ride lots; the regional Connect Card electronic fare payment system; passenger Wi-Fi service on all commuter and local fixed route buses; and a real-time bus tracking passenger information system with both visual and audio automatic bus stop announcements. Technology projects still be considered include a computer aided dispatch software system for the Dial-A-Ride service with an on-line trip reservation system and real-time passenger information.

Current and Future Issues

Until the COVID-19 pandemic, steady growth in Federal transit funding, enhanced State transportation funding, special State greenhouse gas reduction funding programs, recent fare increases, and a conservative budgeting approach had all combined to establish a strong financial foundation. Now in the middle of a pandemic, that foundation is much less certain for the foreseeable future despite an influx of Federal CARES Act funding. The most immediate financial question for 2021 and beyond is when the ridership and revenue impacts of the on-going pandemic will reverse and how long, if ever, it will take for them to return to pre-pandemic levels. Other factors include the need for reauthorization of the multi-year Federal transportation funding measure that is set to expire at the end of September; the significant local impact of the State's zero-emission bus mandate including the immediate need to replace the current facility; and what, if any, strategic service adjustments or operational approaches could be implemented to reverse the overall ridership decline, right-size the system and more quickly recover from the pandemic.

Beyond the immediate pandemic induced operational crisis, the ability to effectively and efficiently meet the anticipated demand for transit service in the future will be a challenge as all the approved or planned large scale developments in Yuba and Sutter Counties are in areas where public transportation is largely non-existent. The potential demand for services of every kind from these projects will severely stretch what in most cases is still just a minimal level of service. To compound the problem, except for the fees that are being collected by Yuba County for the development and operation of their two park and ride lots, routine impact fees have not otherwise been required from new developments for the capital and operating revenue necessary to serve those developments.

Plumas Lake and Sutter Pointe are two examples of this challenge because of their size and locations well outside of the existing service area; their low density, single-family residential nature; and their primary market being out-of-area commuters. Many of those attracted by the lower cost of living and proximity to employment centers in the mid-valley, will be commuting to work in Placer, Sacramento and Yolo Counties and beyond. In addition to these developments, thousands of new homes along with many hundreds of thousands of square feet of new commercial projects have either been approved or are under consideration across the region. Even individual projects such as Yuba College's Sutter County Center or the Hard Rock Hotel & Casino Sacramento at Fire Mountain present significant operational and financial challenges because of the placement of these obvious trip generators far from any existing service without funding to support any related service expansion.

In addition, even without population growth, the demand for specialized services for seniors and persons with disabilities is expected to grow significantly according to all population projections. Also, specialized services that are now provided through the Alta California Regional Center for the developmentally disabled are limited and Yuba-Sutter Transit's own Dial-A-Ride service was already operating at or near capacity levels during peak periods prior to the pandemic.

As noted earlier under "Major Projects", the most immediate organizational challenge is due primarily to the 2018 decision by the California Air Resources Board (CARB) to mandate the purchase of zero-emission buses (ZEBs) by all public transit agencies. For agencies like Yuba-Sutter Transit with a fleet of under 100 buses, the Innovative Clean Transit (ICT) regulation requires that at least 25 percent of all buses purchased be powered by either battery electric or hydrogen fuel cell systems beginning in 2026. All transit agencies, regardless of fleet size, will be required to purchase only ZEBs starting in 2029. While this regulation will significantly increase the cost of buses, the greater impact to Yuba-Sutter Transit is the need to replace the current operating and maintenance facility within the next ten years to accommodate the infrastructure

to support these new buses. This situation may be even more pressing as a pending Caltrans Highway 70 project may soon require the replacement of the facility within the next four to five years which is why the purchase of a site for the new facility is the top current priority.

Summary

After a five-year downward trend, systemwide ridership has fully cratered in FY 2021 with the pandemic. There appears to be a light at the end of the tunnel with the new vaccines, but there is no way of knowing when or even if ridership will return to pre-COVID levels though that is now unlikely before FY 2023 at best. While 25 years of extraordinary ridership growth from 1990 to 2015 and a historically conservative fiscal and operational approach allowed Yuba-Sutter Transit to weather the pandemic better than many other systems to-date, reversing the current operational situation and positioning the agency for the future will be the key focal points for the organization over the next five years. Compared to other urban systems in California, despite the world-wide pandemic Yuba-Sutter Transit still operates among the widest range of services at what is likely among the lowest cost per vehicle service hour; but the mix and level of these services must continually be evaluated in response to both demonstrated passenger demand as well as ever-changing Federal, State, and local funding and policy priorities and mandates.

Additional Informational Resources

Yuba-Sutter Transit System Fact Sheet (Revised January 2021)

Summary of Key Events (Revised January 2021)

Ride Guide and Individual Service Brochures (Effective July 1, 2019 or September 1, 2020)

FY 2021 Operating and Capital Budgets (Adopted May 2020)

FY 2021 – FY 2025 Transportation Improvement Plan Program of Projects (Adopted June 2020)

FY 2040 Capital Improvement Plan (Adopted June 2020)

Website: www.yubasuttertransit.com

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**YUBA-SUTTER TRANSIT
SUMMARY OF KEY SYSTEM EVENTS
REVISED JANUARY 4, 2020**

July 1, 1975	Effective date of the Hub Area Transit Authority joint powers agreement (JPA) and the "Our Car" subsidized taxi service for seniors and persons with disabilities
August 1979	Replacement of "Our Car" with a general public Dial-A-Ride service
September 1982	First urban fixed routes introduced
January 1988	Replacement of fixed route service with a general public "Zonal" Dial-A-Ride system which, when combined with other cuts, resulted in a 37 percent service reduction from FY 1986-87 to FY 1988-89 / Sutter County withdraws from the JPA
July 1990	Sacramento Commuter service begins on Highway 70 with two 15-passenger buses
January 1991	Sutter County rejoins the JPA
January 1993	Agency renamed as the Yuba-Sutter Transit Authority with the reintroduction of urban fixed route service and the restructuring of the Dial-A-Ride service
Aug./Sept. 1994	Expansion of the Sacramento Commuter service into the Highway 99 corridor and the start of a subsidized vanpool program which ended December 2000
November 1994	Weekday evening subsidized taxi service begins (ended June 1999)
March 1995	New Marysville route and all local fixed route and commuter buses equipped with bike racks (on all buses by June 1997)
May/June 1996	Occupied the remodeled former Seven-Up plant in Marysville as the operations, maintenance and administration facility / First summer youth bus pass program.
August 1997	Opened the Bogue Road Park & Ride Lot (nearly doubled in sized in March 2012)
April 1998	Initiation of Downtown Trolley demonstration service (ended December 1998)
July/August 1998	Added bi-directional Route 4 service, Saturday fixed route service and an expanded Dial-A-Ride boundary / Monthly passes & discount ticket book programs initiated
Aug./Sep. 1999	Introduction of weekday evening general public Dial-A-Ride service and weekday commuter service to the Lincoln Airport Industrial Park which ended January 2004
April 2001	Introduction of Route 5 and half hour service frequencies on Routes 1 and 3
September 2003	Introduction of monthly fixed route pass for youth with deep discounts in other pass rates; Saturday Route 4B service; the North Beale Transit Center; and, bus stop information panels
July 2004	Saturday service hours extended one hour to 5:30 p.m. and a noon Sacramento schedule is added
September 2005	Initiation of the FRAQMD funded Discount Monthly Youth Pass Program (combined in 2015 with similar discount pass programs for seniors and persons with disabilities)
October 2006	Route 6 (Linda Shuttle) is added to allow Route 1 to be extended to the Yuba City Marketplace and River Valley High School (school segment was delayed until Oct. 2007) and half hour service frequencies are added to Routes 1 & 3 on Saturdays

December 2008	Opening of the McGowan Parkway Park & Ride Lot and delivery of 12 low-floor local fixed route buses to replace 8 old buses to greatly enhance accessibility, speed passenger boarding and allow for Route 2 expansion
January 2008	Expansion of the Wheatland Route to two days a week with other route, schedule, stop and policy changes to eliminate advance reservation requirement
January 2009	Expansion of Route 2 to half-hour service each weekday; expansion of the Live Oak Route from one to two round trips three days a week; and, Foothill route, schedule, stop and policy changes to eliminate advance reservation requirement
October 2009	Opening of the Plumas Lake Park & Ride Lot
January 2010	Install video surveillance system on all local fixed route buses (now on all buses)
April 2010	Introduction of the first tour-bus style, 57-seat, 45' commuter buses (now standard)
January 2012	Completion of the remodel and expansion of the existing operations, maintenance and administration facility for the ultimate capacity of up to 70 revenue vehicles
April 2013	Initiation of the FRAQMD funded Discount Monthly Senior Pass Program
January 2014	Initiation of a FRAQMD funded one-year demonstration Discount Monthly Disabled Pass Program (combined in 2015 with similar discount pass programs) / Delivery of 11 heavy duty low floor replacement & expansion fixed route buses for an all low-floor fixed route fleet
July 2015	Expansion of the Live Oak Route from three to five days a week with service to Yuba College's Sutter County Center
September 2015	Local fixed route changes to move Route 1 out of the Mall; realign Route 4A with Route 4B; and other related and miscellaneous changes
December 2015	Mercy Housing funded expansion of the Wheatland route to one round trip each weekday
June 2017	Introduction of the regional Connect Card and related fare policy changes
July 2018	Complete the conversion to an all tour-bus style commuter bus fleet / Full Connect Card conversion (drop paper passes & transfers) / Installation of free Wi-Fi service on all commuter buses (added to the local fixed route fleet in March 2019)
June/July 2019	Added a bus tracking system with predictive arrival times for passenger use on all local, rural and Sacramento schedules / Systemwide fare and fare policy changes / Sacramento service expansion in the Highway 70 corridor for a total of 23 weekday schedules / Significant bus stop enhancements (new shelters and Simme seats)
November 2019	Delivery of 11 replacement buses for an all Gillig heavy-duty local fixed route fleet
March 2020	Local start of the on-going COVID-19 pandemic leading to a host of operational and policy changes and systemwide monthly reductions of approximately 60% in ridership and 15% in service through 2020.
Early 2021	Completion of the Next Generation Transit Facility Siting Plan and selection of a preferred site for a replacement facility. Submission of a Caltrans grant application for a comprehensive operational analysis to evaluate current and emerging service approaches and technologies which, if funded, would commence in late 2021.

YUBA-SUTTER TRANSIT -- SYSTEM FACT SHEET

Revised January 12, 2021 with Audited Figures For FY 2020 and Projected Year-End Operational & Financial Figures for FY 2021

	AUDITED FY 10/11	AUDITED FY 11/12	AUDITED FY 12/13	AUDITED FY 13/14	AUDITED FY 14/15	AUDITED FY 15/16	AUDITED FY 16/17	AUDITED FY 17/18	AUDITED FY 18/19	AUDITED FY 19/20	PROJECTED FY 20/21
REVENUE FLEET											
Dial-A-Ride / Rural Buses (16 Seats)	15	15	15	16	16	16	16	16	16	16	16
Local Fixed Route Buses (31 or 32 Seats)	18	18	17	22	22	22	22	22	22	22	22
Intercity Commuter Buses (57 Seats)	13	13	13	13	13	13	13	13	13	13	13
Total	46	46	45	51	51	51	51	51	51	51	51

SERVICE HOURS											
Fixed Route	50,049	50,383	50,542	50,623	51,526	52,472	51,126	51,966	51,817	49,849	48,100
Dial-A-Ride	22,878	23,414	24,054	24,674	24,812	24,771	24,476	25,387	24,291	19,923	18,200
Sacramento (Commuter & Midday)	13,558	13,729	13,731	13,536	13,373	13,530	13,449	13,817	14,060	13,657	10,300
Rural (Foothill, Live Oak & Wheatland)	1,744	1,752	1,810	1,811	1,837	2,374	2,314	2,343	2,404	2,436	2,400
Total	88,229	89,278	90,136	90,644	91,549	93,147	91,365	93,513	92,571	85,865	79,000

PASSENGER TRIPS											
Fixed Route	907,798	975,805	986,356	1,045,508	1,066,580	971,606	858,384	817,937	731,507	567,842	304,000
Dial-A-Ride	63,804	63,979	65,537	69,672	70,088	70,047	68,023	66,230	59,093	41,526	18,000
Sacramento (Commuter & Midday)	156,513	159,949	157,797	158,213	154,896	144,327	130,627	132,626	134,381	107,551	20,000
Rural (Foothill, Live Oak & Wheatland)	5,214	4,797	6,144	6,218	5,058	6,285	6,181	5,843	6,970	4,991	3,000
Total	1,133,329	1,204,530	1,215,834	1,279,611	1,296,622	1,192,265	1,063,215	1,022,636	931,951	721,910	345,000

PASSENGER TRIPS / SERVICE HOUR											
Fixed Route	18.1	19.4	19.5	20.7	20.7	18.5	16.8	15.7	14.1	11.4	6.3
Dial-A-Ride	2.8	2.7	2.7	2.8	2.8	2.8	2.8	2.6	2.4	2.1	1.0
Sacramento (Commuter & Midday)	11.5	11.7	11.5	11.7	11.6	10.7	9.7	9.6	9.6	7.9	1.9
Rural (Foothill, Live Oak & Wheatland)	3.0	2.7	3.4	3.4	2.8	2.6	2.7	2.5	2.9	2.0	1.3
Total	12.8	13.5	13.5	14.1	14.2	12.8	11.6	10.9	10.1	8.4	4.4

OPERATING EXPENSES*	\$5,684,862	\$5,836,452	\$5,976,479	\$6,283,876	\$6,350,674	\$6,407,831	\$6,719,268	\$7,265,304	\$7,296,280	\$7,963,609	\$7,517,000
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OPERATING REVENUES											
Federal	\$2,110,512	\$2,162,536	\$2,235,000	\$2,407,718	\$2,386,000	\$2,328,256	\$2,267,330	\$2,359,913	\$2,325,329	\$3,445,760	\$3,847,000
State & Local (TDA)	2,172,283	2,247,926	2,296,830	2,394,870	2,478,966	2,613,445	2,888,072	3,558,703	3,533,844	3,005,412	2,800,000
Miscellaneous	85,200	51,028	49,103	42,432	39,029	131,322	285,218	178,263	190,773	440,980	350,000
Fares	\$1,316,867	1,374,962	1,395,546	1,438,856	1,446,679	1,334,808	1,278,648	1,168,425	1,246,334	1,071,457	520,000
Total	\$5,684,862	\$5,836,452	\$5,976,479	\$6,283,876	\$6,350,674	\$6,407,831	\$6,719,268	\$7,265,304	\$7,296,280	\$7,963,609	\$7,517,000

AVERAGE FARE / PASSENGER	\$1.16	\$1.14	\$1.15	\$1.12	\$1.12	\$1.12	\$1.20	\$1.14	\$1.34	\$1.48	\$1.51
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FARE RECOVERY RATIO**	24.2%	23.6%	23.4%	22.9%	22.6%	20.8%	19.0%	17.9%	18.5%	16.6%	6.9%
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OPERATING COST / PASSENGER	\$5.02	\$4.85	\$4.92	\$4.91	\$4.90	\$5.37	\$6.32	\$7.10	\$7.83	\$11.03	\$21.79
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OPERATING COST / SERVICE HOUR	\$64.43	\$65.37	\$66.31	\$69.32	\$69.37	\$68.79	\$73.54	\$77.69	\$78.82	\$92.75	\$95.15
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* Operating expenses do not include non-cash audit adjustments for GASB 68 and 75, depreciation, gain/loss on disposal or compensated absences

** Calculated Pursuant to the Transportation Development Act (Legislatively waived for FYs 2020 and 2021 due to COVID-19, Yuba-Sutter Transit's minimum required farebox recovery ratio is 14.6%)

AGENDA ITEM IV – A

YUBA-SUTTER TRANSIT AUTHORITY MEETING MINUTES NOVEMBER 19, 2020

I. Call to Order & Roll Call (4:03 pm)

Present: Cardoza, Fletcher (Vice-Chair), Hudson, Leahy (4:05), Samayoa, Shaw, and Sullenger (4:21).

Absent: Whiteaker

II. Public Business from the Floor

None.

III. Consent Calendar

Director Cardoza made a motion to approve the consent calendar. Director Hudson seconded the motion and it carried unanimously.

IV. Reports

A. Yuba-Sutter Transit Agency Safety Plan (ASP) for 2020.

Martin presented the Yuba-Sutter Transit Agency Safety Plan noting that the FTA implemented a new rule in July 2019 requiring all public transit agencies that receive certain public funding to create, approve and implement their own Agency Safety Plan under the Public Transportation Safety Plan rule. The original submission date was to be July 31, 2020 but due to COVID-19 that date was extended to December 31, 2020.

The FTA requires state transportation agencies such as Caltrans to draft and certify agency safety plans for small transportation agencies like Yuba-Sutter Transit. While there is an option to opt-out of the state's oversight plan, staff saw no value in doing so at least for this initial year and have used the Caltrans template. The draft ASP has been reviewed by both Caltrans and FTA and is approved for certification upon Board approval.

Martin introduced Amy White, Program Analyst, who was the Project Manager for this project. She will be conducting training with the Storer Transit Systems team in December to carry out and maintain this plan. It will be an annual process and will need to be updated and re-certified by July 20th each year starting in 2021.

Director Cardoza made a motion of adopt Resolution 9-20 approving the Yuba-Sutter Transit Agency Safety Plan for calendar year 2020. Director Hudson seconded the motion and it carried unanimously.

B. Regional Waste Management Authority (RWMA) Organizational Study Recommendations.

Martin shared the recommendations of the Regional Waste Management Authority's Organizational Study as some will affect the long-term staffing relationship that Yuba-Sutter Transit has had with the RWMA going back to March 1988. In January 2020, the RWMA authorized an agreement to do an organizational study

after it had become clear that the complexity of solid waste management including up-coming regulations as well as pending staff changes made it necessary to look at what the organization needs to be going forward to manage the solid waste system in the area. The study recommendations were presented to the RWMA Board of Directors at their October meeting at which time they were conceptionally approved.

The primary recommendation was that the member agencies empower and equip the RWMA to be the solid waste planning, management, monitoring, reporting and possibly contracting organization for the member agencies going forward. The implementation recommendations include the hiring of permanent staff for the RWMA to replace the long-time contract and temporary staff that has been provided. The study found that the current RWMA organizational structure was not sufficient to manage the system going forward.

The main issue for the Yuba-Sutter Transit board is that the contract staffing relationship with the RWMA that has been in place since 1988 will be discontinued. The total financial impact would be approximately \$40,000 this year, but this would not fully take effect until FY 2023. While the intended changes are targeted for implementation July 1, 2021, the RWMA plans to maintain a month to month relationship with the current staff to help in the transition.

Martin noted that the complete PowerPoint presentation that was provided to the RWMA Board by the study consultant was provided in the agenda packet. Martin offered to take questions, but none were asked.

C. First Quarter Performance Report for FY 2020-21.

Martin stated that this quarterly report is the first to contain only COVID related months for a full comparison of the overall impact on ridership and service hours. The operation has been stable through this three-month period compared to the same period during the previous fiscal year. Our experience has been similar to peer systems in the Sacramento region and around the country with most seeing an overall decrease of at least 50 – 60 percent while some are seeing decreases of up to 90 percent.

Due to the current increase in local COVID infections, it does not appear that the situation will change much over the next few months. Middle- and high-school students are not likely to return to campus any time soon while Dial-a-Ride ridership is dominated by clients from the Alta California Regional Center who is not currently operating their day programs. Sacramento ridership is tied to state employment where most are still telecommuting. Martin noted that a survey of our Sacramento riders will be closing soon and the results of that survey will be shared at the next meeting.

Martin noted that new ads were produced and installed on buses, shelters and benches to promote the discounted monthly local and rural route pass program. He also noted that the last two weeks of December will be fare free on the local and rural routes the last two weeks of the holiday December holiday period from December 21st through January 2nd. The lost revenue will be covered by a grant from the State Cap and Trade Program. This is typically a low ridership period so the hope is to encourage ridership when the concern over passenger capacity limits is low.

D. Project & Program Updates

1. COVID-19 Impacts and Response

Martin noted that there are no new COVID-19 related operational changes to report since the October meeting. There have been no significant issues with passenger capacity limits on the local fixed route buses as we are averaging less than one passenger pass-by a day. One concern has been on-board face mask compliance and a random sampling of three routes showed an average of just 55% passenger compliance

with the state's mandate for wearing a face covering while riding public transit. This rate may increase when the face mask dispensers that have been ordered arrive and are installed to encourage people without masks to wear one while riding.

2. FRAQMD Blue Sky Grants (Finance Committee Recommendation)

Martin stated that the FRAQMD Finance Committee is recommending award of the requested funding to continue the discount monthly pass program through March 2022, but they did not recommend an award for the Live Oak Service Extension. The funding amount available was significantly less this year and many projects saw reduced funding or no funding at all.

3. Annual Unmet Transit Needs Hearing Results

Martin stated that the Annual Unmet Transit Needs Hearing was conducted by SACOG on Tuesday, October 27th and it was chaired by Director Leahy. Only one member of the public attended the hearing and they requested service from Plumas Lake to Marysville and Yuba City. Several comments were received prior to the hearing that also requested fixed route and Dial-a-Ride service for Plumas Lake as well as later and early service on the local fixed routes. These requests will be reviewed by SACOG to determine if they rise to the level of an unmet transit need that is reasonable to meet.

4. Next Generation Transit Facility Plan

Martin stated that no significant comments on the site selection process were received during the public input process for the Next Generation Transit Facility Plan. The financial plan is now being developed and a final draft plan and a preferred site recommendation will be presented at the January or February board meeting.

5. Other Items

In addition, Martin added that the COVID-19 Research Demonstration Grant application was submitted on November 2nd requesting \$302,320 in federal funds for a \$533,000 two-year project to expand and enhance the weekday evening Dial-a-Ride service. This project would be developed in association with software and service vendor Via using our vehicles and staff. All expenses in excess of what is currently being spent for the service would come from grant funds so it would not increase out of pocket expenditures.

Martin also recognized that the California Transit Association's Small Operators 2020 Transit Professionals of the Year Award was presented this morning at their annual conference to California's Frontline Transit Workers. He shared the video that was shown at the conference that included some employees from our contractor Storer Transit Systems. Martin expressed his admiration and gratitude to all the frontline workers who keep Yuba-Sutter Transit running noting that they will all be recognized with banners, buttons, stickers and posters on the buses for the remainder of the year. Mr. Renick House, General Manager of Storer's Yuba-Sutter division, said the employees have been working very hard and would be grateful for the recognition.

VI. Correspondence/Information

None.

VII. Other Business

Director Cardoza stated this would most likely be his last meeting and he expressed his gratitude to the staff and Board for the opportunity to serve.

Director Sullenger, noting that this might be his last meeting as well, shared similar sentiments.

VIII. Adjournment

The meeting was adjourned at 4:35 pm.

THE NEXT REGULAR MEETING IS SCHEDULED FOR THURSDAY, DECEMBER 17, 2020 AT 4:00 PM IN THE YUBA COUNTY BOARD OF SUPERVISORS CHAMBERS UNLESS OTHERWISE NOTICED.

**AGENDA ITEM IV-B
YUBA-SUTTER TRANSIT
DISBURSEMENT LIST
MONTH OF NOVEMBER 2020**

CHECK NO.	AMOUNT	VENDOR	PURPOSE
EFT	\$ 5,319.69	PERS HEALTH	HEALTH INSURANCE
EFT	\$ 3,148.47	PERS RETIREMENT	RETIREMENT PAYMENT (EMPLOYER SHARE)
EFT	\$ 600.00	CALPERS 457 PLAN	EMPLOYER CONTRIBUTION
EFT	\$ 34,316.06	PAYROLL	PAYROLL
EFT	\$ 1,525.97	PRINCIPAL MUTUAL LIFE INSURANCE	L/D/LTD INSURANCE
EFT	\$ 34.49	CALIFORNIA WATER SERVICE	FIRE SUPPRESSION - NOVEMBER
EFT	\$ 303.77	CALIFORNIA WATER SERVICE	WATER
EFT	\$ 3,393.00	PG&E	ELECTRIC
EFT	\$ 43.58	PG&E	ELECTRIC #2 - PARKING LOT LIGHTS
EFT	\$ 58.15	PG&E	GAS
EFT	\$ 378.97	CARDMEMBER SERVICES	CREDIT CARD - GOVT ACCOUNTING TRAINING & SUBSCRIPTIONS
EFT	\$ 259.77	UTILITY MANAGEMENT SERVICES	SEWER
EFT	\$ 6,326.17	WSP USA	NEXT GEN FACILITY PLAN SERVICES OCT 2020
EFT	\$ 332.70	PRIMEPAY	PAYROLL FEES - AUGUST & SEPTEMBER 2020
EFT	\$ 50.00	RANDY FLETCHER	BOARD MEETING 11/19/20
EFT	\$ 96.91	ELAVON	MERCHANT SERVICE FEE - NOVEMBER
17355	\$ 175.00	ALL SEASONS TREE & TURF CARE	LANDSCAPING & WEED CONTROL OCTOBER 2020
17356	\$ 914.17	QuEST	MAINTENANCE OF BUS STOPS/SHELTERS
17357	\$ 147.18	QUILL CORPORATION	JANITORIAL/COVID SUPPLIES - PAPER TOWELS
17358	\$ 4,130.86	RAMOS OIL COMPANY	BUS FUEL - GAS
17359	\$ 13,466.50	SC FUELS	BUS FUEL - DYED DIESEL
17360	\$ 524.95	SC FUELS	DEF FLUID
17361	\$ 50.00	SHELBY'S PEST CONTROL	PEST CONTROL SERVICES - OCTOBER 2020
17362	\$ 509.08	STANLEY SECURITY SOLUTIONS, INC	SECURITY SERVICES - DECEMBER 2020
17363	\$ 226.36	STAPLES	JANITORIAL AND OFFICE SUPPLIES
17364	\$ 467,996.11	STORER TRANSIT SYSTEMS	CONTRACT SERVICES & VEHICLE INSURANCE 9/2020
17365	\$ 1,559.16	T-MOBILE	WIFI SERVICES FOR BUSES - OCTOBER 2020
17366	\$ 765.00	TECHNOLOGY UNLIMITED	COIN COUNTER SERVICES 12/1/20 - 11/30/21
17367	\$ 1,922.49	TEHAMA TIRE SERVICE INC	TUBES/TIRES
17368	\$ 272.79	TIAA COMMERCIAL FINANCE INC	COPIER LEASE - OCTOBER 2020
17369	\$ 288.04	ADVANCED DOCUMENTS CONCEPTS	COPY MACHINE CHARGES - OCTOBER 2020
17370	\$ 1,750.00	ALLIANT NETWORKING SERVICES INC	IT SERVICES - DECEMBER 2020
17372	\$ 740.00	CAL ACT	2021 MEMBERSHIP RENEWAL - KEITH MARTIN
17373	\$ 377.17	COMCAST BUSINESS	TELEPHONE SERVICE - OCTOBER 2020
17374	\$ 225.65	COMCAST BUSINESS	INTERNET SERVICE - OCTOBER 2020
17375	\$ 50.00	DAVID SHAW	BOARD MEETING 11/19/2020
17376	\$ 450.00	DIGITAL DEPLOYMENT	WEBSITE SERVICES - NOVEMBER 2020
17377	\$ 14,718.91	FLYERS ENERGY	BUS FUEL - DYED DIESEL
17378	\$ 1,223.09	LANDA & SONS GLASS INC	GLASS REPLACEMENT AT BUS SHELTERS
17379	\$ 50.00	MANNY CARDOZA	BOARD MEETING 11/19/2020
17380	\$ 50.00	MIKE LEAHY	BOARD MEETING 11/19/2020
17381	\$ 351.72	QUILL CORPORATION	JANITORIAL SUPPLIES
17382	\$ 1,100.00	RC JANITORIAL	JANITORIAL SERVICES - OCTOBER 2020
17383	\$ 1,824.26	RAMOS OIL COMPANY	BUS FUEL - GAS
17384	\$ 50.00	RICKY SAMAYOA	BOARD MEETING 11/19/2020
17375	\$ 50.00	RON SULLENGER	BOARD MEETING 11/19/2020
17386	\$ 467.74	SC FUELS	DEF FLUID
17387	\$ 50.00	SHELBY'S PEST CONTROL	PEST CONTROL SERVICES - NOVEMBER 2020
17388	\$ 309.44	SIGNWORX	REPLACEMENT & INSTALLATION OF SIGN BALLAST
17389	\$ 9,555.88	STORER TRANSIT SYSTEMS	COVID-19 ADMINISTRATIVE HOURS 10/2020
17389	\$ 405.32	STORER TRANSIT SYSTEMS	COVID-19 EXPENSES 10/2020
17390	\$ 49.00	TEHAMA TIRE SERVICE INC	TUBES/TIRES
	\$ 582,983.57		

**LAIF
TRANSFERS**

**AGENDA ITEM IV-C
YUBA-SUTTER TRANSIT
DISBURSEMENT LIST
MONTH OF DECEMBER 2020**

CHECK NO.	AMOUNT	VENDOR	PURPOSE
EFT	\$ 5,319.69	PERS HEALTH	HEALTH INSURANCE
EFT	\$ 3,148.47	PERS RETIREMENT	RETIREMENT PAYMENT (EMPLOYER SHARE)
EFT	\$ 600.00	CALPERS 457 PLAN	EMPLOYER CONTRIBUTION
EFT	\$ 49,512.69	PAYROLL	PAYROLL (INCLUDES ANNUAL LEAVE BUY BACK)
EFT	\$ 1,525.97	PRINCIPAL MUTUAL LIFE INSURANCE	L/D/LTD INSURANCE
EFT	\$ 34.49	CALIFORNIA WATER SERVICE	FIRE SUPPRESSION - DECEMBER
EFT	\$ 310.08	CALIFORNIA WATER SERVICE	WATER
EFT	\$ 2,680.34	PG&E	ELECTRIC
EFT	\$ 39.84	PG&E	ELECTRIC #2 - PARKING LOT LIGHTS
EFT	\$ 292.01	PG&E	GAS
EFT	\$ 251.89	CARDMEMBER SERVICES	CREDIT CARD -SUBSCRIPTIONS, LAMINATING, EMPLOYMENT POSTER
EFT	\$ 259.77	UTILITY MANAGEMENT SERVICES	SEWER
EFT	\$ 2,017.34	WSP USA	NEXT GEN FACILITY PLAN SERVICES OCT 2020
EFT	\$ 169.62	PRIMEPAY	PAYROLL FEES - NOVEMBER 2020
EFT	\$ 85.87	ELAVON	MERCHANT SERVICE FEE - DECEMBER
17391	\$ 108.50	THRIFTY ROOTER	SERVICE FOR TOILET IN ADMIN WOMEN'S RESTROOM
17392	\$ 175.00	ALL SEASON'S TREE & TURF CARE	LANDSCAPING & WEED CONTROL NOVEMBER 2020
17393	\$ 53.82	AMY WHITE	MILEAGE REIMBURSEMENT QTR 1 & 2 FY 21
17394	\$ 15,361.92	FLYERS ENERGY	BUS FUEL - DYED DIESEL
17395	\$ 168.87	FRANCOTYP-POSTALIA INC	POSTAGE RENTAL 11/16/20 - 12/15/21
17396	\$ 353.93	PACIFIC PRODUCTS & SERVICES INC	EQUIPMENT FOR BUS STOP SIGNAGE
17397	\$ 770.86	PREMIER PRINT & MAIL	PRINTING - NEWSLETTER MASTERHEAD
17398	\$ 1,100.00	RC JANITORIAL	JANITORIAL SERVICES NOVEMBER 2020
17399	\$ 3,661.53	RAMOS OIL COMPANY	BUS FUEL - GAS
17400	\$ 313.80	RICHALL ELECTRIC CO	CHECKED MONUMENT SIGN FOR POWER
17401	\$ 410.53	SC FUELS	DEF FLUID
17402	\$ 343.09	STAPLES	JANITORIAL & OFFICE SUPPLIES
17403	\$ 496,600.01	STORER TRANSIT SYSTEMS	CONTRACT SERVICES & VEHICLE INSURANCE 10/2020
17404	\$ 3,645.00	STOTT OUTDOOR ADVERTISING	TRANSIT PASS CAMPAIGN POSTERS
17405	\$ 1,559.16	T-MOBILE	WIFI SERVICES FOR BUSES NOVEMBER 2020
17406	\$ 272.79	TIAA COMMERCIAL FINANCE INC	COPIER LEASE - NOVEMBER 2020
17407	\$ 15.00	YUBA COLLEGE BOOKSTORE	REFUND FOR CONNECT CARD ISSUE
17408	\$ 960.00	ACTION FENCING	INSTALL BUS STOP SIGNS & REPAIR SIGN POST
17409	\$ 208.60	ADVANCED DOCUMENTS CONCEPTS	COPY MACHINE CHARGES NOVEMBER 2020
17410	\$ 1,750.00	ALLIANT NETWORKING SERVICES INC	IT SERVICES JANUARY 2021
17411	\$ 3,500.00	CALIFORNIA TRANSIT ASSOCIATION	MEMBERSHIP DUES 1/21 - 1/22
17412	\$ 379.21	COMCAST BUSINESS	TELEPHONE SERVICES DECEMBER 2020
17413	\$ 263.22	COMCAST BUSINESS	INTERNET SERVICES DECEMBER 2020
17414	\$ 450.00	DIGITAL DEPLOYMENT	WEBSITE SERVICES DECEMBER 2020
17415	\$ 15,715.92	FLYERS ENERGY	BUS FUEL - DYED DIESEL
17416	\$ 156.20	HANCOCK PETROLEUM ENGINEERING	REPLACE WHIP HOSE LEAKING ON PUMP #4
17417	\$ 333.90	LANDA & SONS GLASS INC	REPLACE SHELTER GLASS - OLIVEHURST & 5TH
17418	\$ 1,048.57	QuEST	MAINTENANCE OF BUS STOPS/SHELTERS
17419	\$ 844.12	QUILL CORPORATION	JANITORIAL & COVID SUPPLIES - PAPER TOWELS, ETC
17420	\$ 2,529.98	RAMOS OIL COMPANY	BUS FUEL - GAS
17421	\$ 7,884.00	REI	AVL ANNUAL RENEWAL FEE
17422	\$ 50.00	SHELBY'S PEST CONTROL	PEST CONTROL SERVICES - DECEMBER 2020
17423	\$ 75.00	SMART MARKETING AND PUBLIC AFFAIRS	MAGNET DESIGN AND PRINTING
17424	\$ 9,278.27	STORER TRANSIT SYSTEMS	COVID-19 ADMINISTRATIVE HOURS 11/2020
17424	\$ 2,709.02	STORER TRANSIT SYSTEMS	COVID-19 EXPENSES 11/2020
17425	\$ 7,483.50	SUTTER BUTTES COMMUNICATION INC	SERVICE AGREEMENT & REPEATER FEE JAN-MAR 21
17426	\$ 2,046.84	TEHAMA TIRE SERVICE INC	TUBES/TIRES
	\$ 648,828.23		

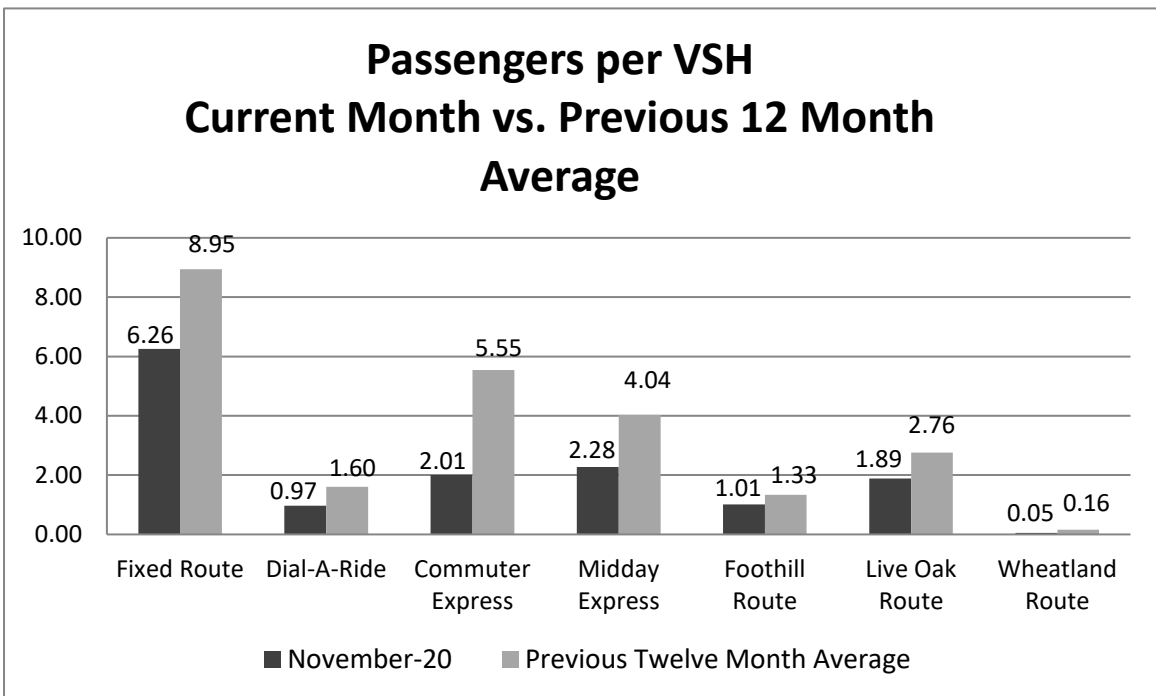
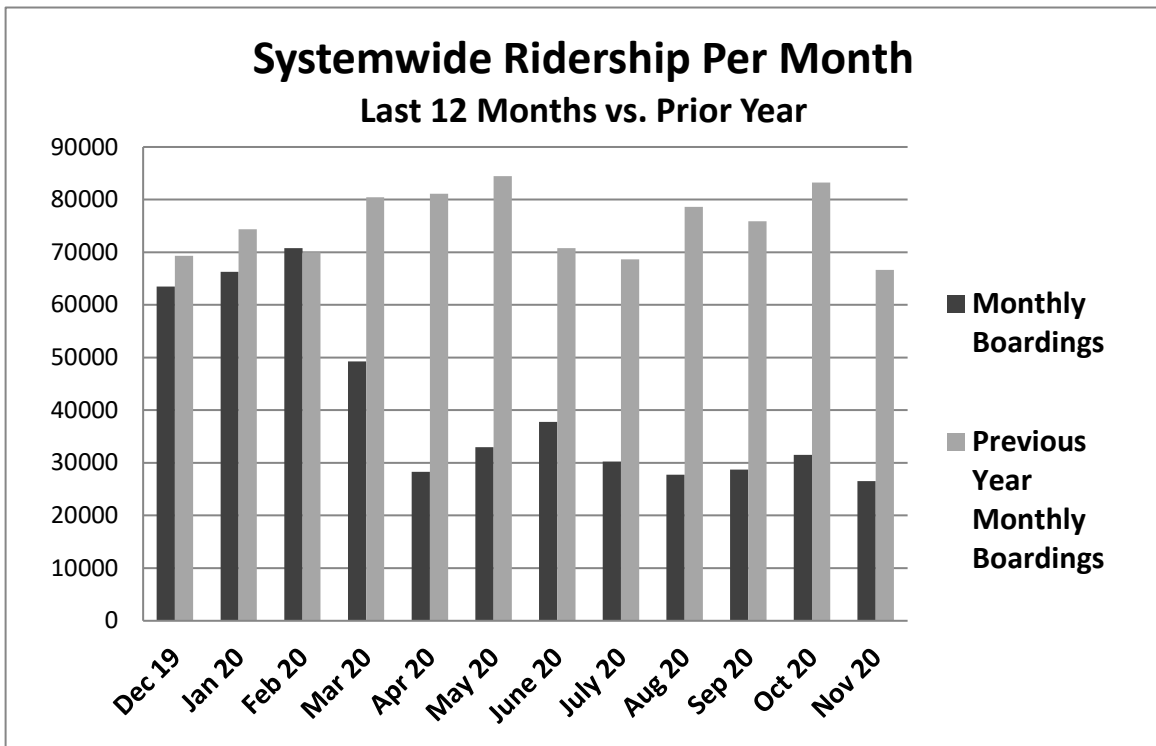
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AGENDA ITEM IV - D

NOVEMBER 2020 PERFORMANCE REPORT

Ridership:	November-20	Previous Twelve Month Average	Fiscal YTD	Previous Fiscal YTD
Fixed Route	23,432	36,353	127,050	286,835
Dial-A-Ride	1,406	2,428	7,559	22,682
Commuter Express	1,222	4,759	7,137	55,142
Midday Express	298	616	1,686	5,686
Foothill Route	69	102	464	717
Live Oak Route	128	214	858	1,914
Wheatland Route	2	7	21	62
Total Ridership:	26,557	44,479	144,775	373,038
Vehicle Service Hours:				
Fixed Route	3,745.66	4,063.97	19,977.92	21,337.89
Dial-A-Ride	1,447.58	1,517.28	7,548.28	9,603.25
Commuter Express	609.09	858.21	3,524.49	5,305.10
Midday Express	130.78	152.49	748.54	819.16
Foothill Route	68.52	76.78	379.85	402.81
Live Oak Route	67.88	77.28	373.54	395.79
Wheatland Route	38.89	44.52	210.66	231.08
Total VSH's:	6,108.40	6,790.54	32,763.28	38,095.08
Passengers Per Hour:				
Fixed Route	6.26	8.95	6.36	13.44
Dial-A-Ride	0.97	1.60	1.00	2.36
Commuter Express	2.01	5.55	2.02	10.39
Midday Express	2.28	4.04	2.25	6.94
Foothill Route	1.01	1.33	1.22	1.78
Live Oak Route	1.89	2.76	2.30	4.84
Wheatland Route	0.05	0.16	0.10	0.27
Total Passengers Per VSH:	4.35	6.55	4.42	9.79

NOVEMBER 2020 PERFORMANCE REPORT



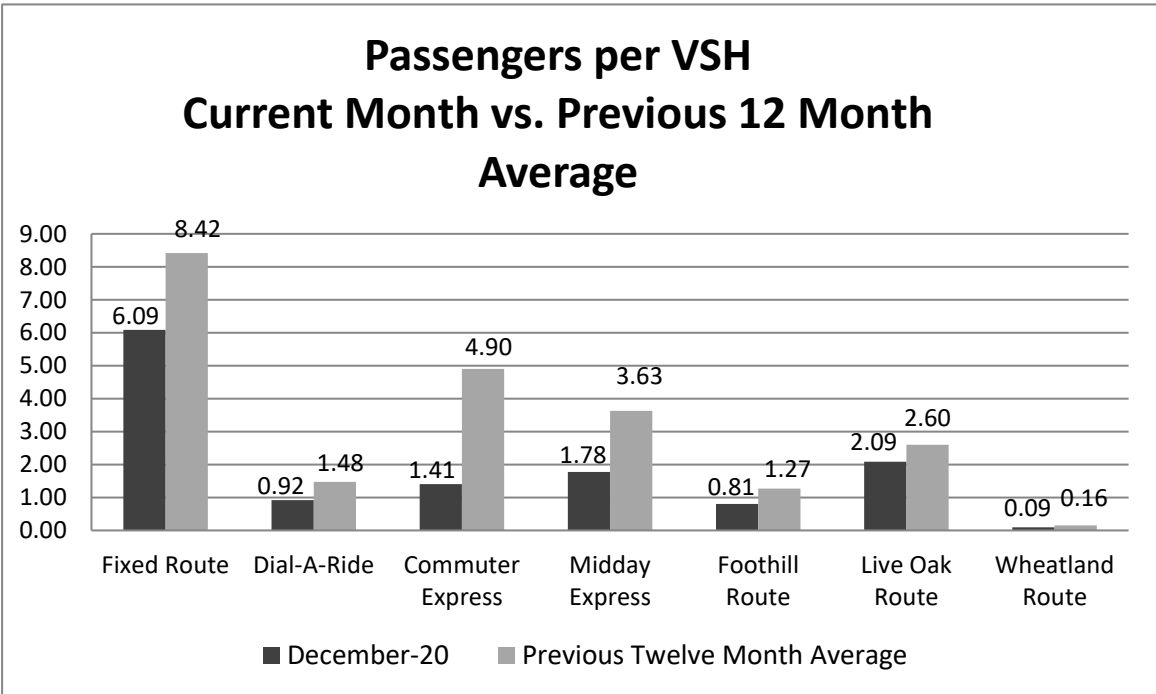
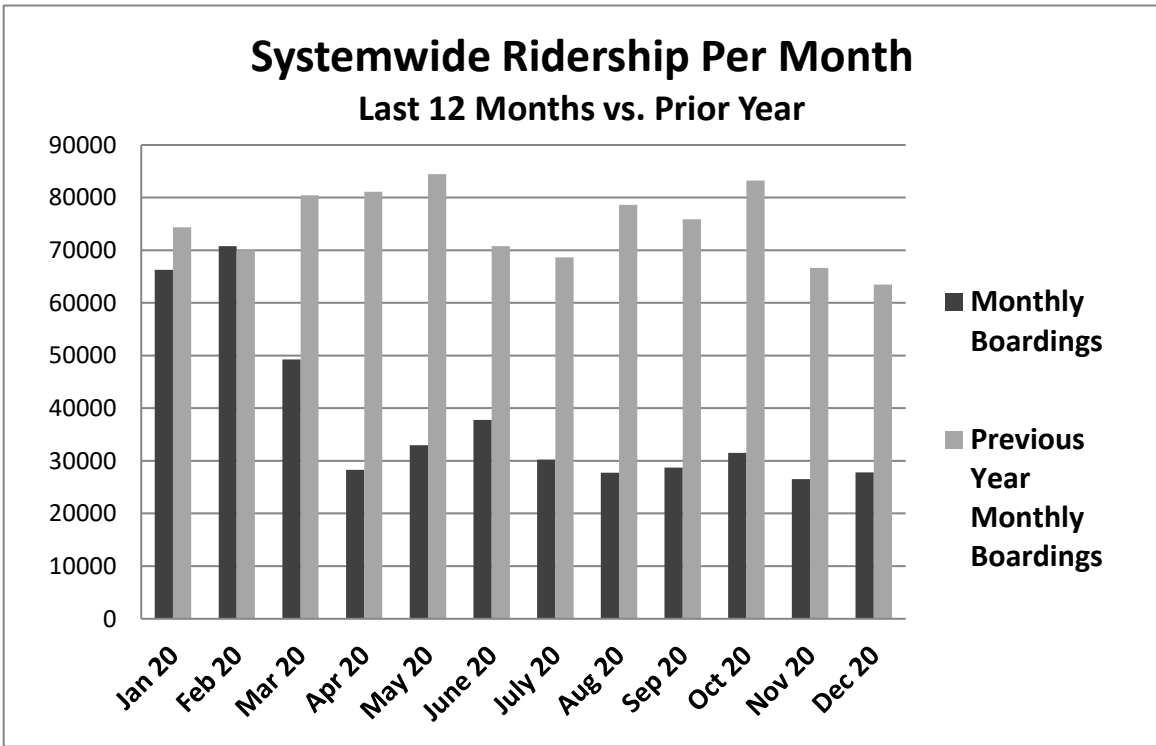
AGENDA ITEM IV - E

December 2020 PERFORMANCE REPORT

Corrected 1-20-21

Ridership:	December-20	Previous Twelve Month Average	Fiscal YTD	Previous Fiscal YTD
Fixed Route	24,870	34,007	151,920	334,674
Dial-A-Ride	1,422	2,200	8,981	26,867
Commuter Express	1,027	4,078	8,164	65,052
Midday Express	278	550	1,964	6,891
Foothill Route	75	98	539	849
Live Oak Route	160	199	1,018	2,137
Wheatland Route	4	7	25	67
Total Ridership:	27,836	41,140	172,611	436,537
Vehicle Service Hours:				
Fixed Route	4,084.41	4,040.76	24,062.33	25,421.14
Dial-A-Ride	1,548.48	1,489.01	9,096.76	11,488.50
Commuter Express	728.77	832.18	4,253.26	6,372.11
Midday Express	156.57	151.61	905.11	987.37
Foothill Route	93.00	76.89	472.85	479.11
Live Oak Route	76.58	76.50	450.12	474.50
Wheatland Route	43.77	44.17	254.43	274.42
Total VSH's:	6,731.58	6,711.12	39,494.86	45,497.15
Passengers Per Hour:				
Fixed Route	6.09	8.42	6.31	13.17
Dial-A-Ride	0.92	1.48	0.99	2.34
Commuter Express	1.41	4.90	1.92	10.21
Midday Express	1.78	3.63	2.17	6.98
Foothill Route	0.81	1.27	1.14	1.77
Live Oak Route	2.09	2.60	2.26	4.50
Wheatland Route	0.09	0.16	0.10	0.24
Total Passengers Per VSH:	4.14	6.13	4.37	9.59

December 2020 PERFORMANCE REPORT



AGENDA ITEM V – A
STAFF REPORT

COVID-19 RELATED SERVICE AND POLICY UPDATE

Policies, Procedures & Services

In response to the COVID-19 pandemic, Yuba-Sutter Transit and our service contractor, Storer Transit Systems, have over the last 10 months made many changes to our policies, procedures, and services to help protect passengers and transit personnel alike. In March, these steps included reducing the amount of Dial-A-Ride service being operated in response to the sudden drop in ridership; suspending the Yuba College student shuttle service; ramping up the frequency and intensity of vehicle cleaning; increasing related public and operating personnel education and training; eliminating fare collection on all but the Sacramento schedules; implementing rear door boarding on local fixed-route buses; and, closing the administrative office except by appointment.

In April, in response to a revised health order, we expanded the public education campaign to encourage essential travel only; established passenger capacity limits on local fixed route and Dial-A-Ride buses to allow for social distancing; and strongly encouraged the use of facial coverings by all passengers. Storer also provided personal protective equipment (PPE) and hand sanitizer for operating personnel and installed aisle barrier straps and large plexiglass sneeze guards near the driver's compartment on local fixed route buses.

On May 1st, the local fixed route and Sacramento commuter services were reduced in response to steep ridership declines on both services. In June, some of those local fixed route service hours were redirected to provide express service on Route 1 to reduce the frequency of passengers being passed by due to the capacity limits. With the addition of plexiglass driver barriers, front door boarding also resumed in June to improve passenger flow as ridership increased over time due to the fare free service.

As the summer began, fare collection resumed on the local fixed route system on July 1st to free up space for essential travel and reduce the number of passengers being passed by due to on-board capacity limitations. (Fare collection resumed on the Dial-A-Ride and rural route services on September 1st.) In advance of the resumption of fare collection, the Administrative Office was reopened to the public in June with COVID-19 protocols in place to provide the necessary pass and product support sales and services. In addition, the Yuba College student shuttle demonstration service was permanently canceled in July and the state grant funding that was being used for this service was transferred to other projects to keep them from lapsing.

Ridership

Yuba-Sutter Transit's systemwide ridership in December 2020 was down approximately 60 percent compared to December 2019 which is generally comparable to the experience of similarly sized transit agencies elsewhere. However, the pandemic has impacted some services more than others. December ridership on the Sacramento commuter service was down 90 percent from pre-pandemic levels which is also comparable to what has been experienced elsewhere by operators of intercity commuter services. Dial-A-Ride ridership which is almost exclusively seniors and persons with disabilities was off around 70 percent from last year.

The local fixed route system, which in non-pandemic years would typically carry around 80 percent of all one-way passenger trips while operating more than 55 percent of all service hours, has experienced the most significant ridership impact in terms of actual numbers. As shown in the table below, after an initial 65 percent drop in average

weekday ridership (58 percent on Saturdays) from February (pre-COVID) to the last two weeks of March, local fixed route ridership climbed rather quickly with the suspension of fare collection (as noted by the boxed area on chart) before falling again in July and August with the resumption of fare collection. Since then, ridership has held steady through December with the normal seasonal holiday fluctuations due to the continued closure of most local schools and special programs.

**Average Daily Local Fixed Route Ridership Change
(Month Over Previous Month)**

	Average Weekday	Percent Change	Average Saturday	Percent Change
February 2020	2,558		1,279	
March 23 - 31	900	-64.8%	538	-57.9%
April 2020	1,044	16.0%	640	19.0%
May 2020	1,280	22.6%	913	42.7%
June 2020	1,380	7.8%	973	6.6%
July 2020	1,064	-22.9%	641	-34.1%
August 2020	992	-6.8%	664	3.6%
September 2020	1,074	8.3%	688	3.6%
October 2020	1,084	0.9%	780	13.4%
November 2020	1,037	-4.3%	674	-13.6%
December 2020	1,009	-2.7%	623	-7.6%
February to December Change		-60.6%		-51.3%

Current Status

Little systemwide ridership growth is expected until most middle school, high school and Yuba College students attend class in person; until day programs for seniors and persons with disabilities resume; and until downtown Sacramento workers return to their workplaces in large numbers. Because these events are now unlikely to occur before the fall of this year at best, Yuba-Sutter Transit expects to continue to operate at the current reduced level of service with full COVID-19 protocols through FY 2021. This includes the continued weekday operation of the Route 1 Express to supplement capacity on our primary cross-town route which helps to maintain 12-passenger on-board capacity limits allowing for social distancing with minimal passenger pass-bys. In the meantime, systemwide health protocols will remain in place along with reinforcing public education messaging to protect the safety of our passengers and transit personnel.

To help keep the message fresh and our operation focused, staff is now recommending that Yuba-Sutter Transit join the nationwide “Health and Safety Commitments Program” that was developed last year by the American Public Transit Association. This program represents our industry’s overarching pledge to our passengers and staff that public transit systems are taking the necessary measures to operate safely as the nation recovers from the COVID-19 pandemic. This free program which does not require APTA membership offers access to a host of professional marketing materials (example attached). It was developed after asking transit users from across the country what measures would make them feel more confident riding public transportation amid concerns about COVID-19. From this research, four key areas were identified for transit systems to address to earn riders’ confidence:

- Following public health guidelines from official sources
- Cleaning and disinfecting transit vehicles frequently and requiring face coverings and other protections
- Keeping passengers informed
- Putting health first by requiring riders and employees to avoid public transit if they have been exposed to COVID-19 or feel ill

By signing on to this nationwide industry pledge, Yuba-Sutter Transit and our service contractor would join hundreds of other operators in renewing our commitment to maintain and continuously evaluate the policies and practices that have already been put in place to minimize the continuing risk to our riders, our employees, and our community. Included among these are protective driver barriers on most buses; daily fogging of buses with disinfectant; frequent cleaning of high touch areas; providing and requiring the use of personal protection equipment by staff; establishing an enforcing on-board passenger capacity limits; encouraging the use of face coverings by passengers; and setting specific policy and procedural changes on our buses and in our facility that have been adjusted over time as conditions warranted. As displayed on the attached poster, a key component of the “Health and Safety Commitments Program” is the shared responsibility of the transit agency, its employees, and its passengers to follow the guidelines that have been put in place for our mutual protection.

Staff will be prepared at the meeting to discuss these issues in more detail.

RECOMMENDATION: Authorize participation in the American Public Transit Association (APTA) “Health & Safety Commitments Program”.



Our Commitments To Health & Safety

Our system has joined public transit agencies across the country in committing to making every ride safer — and we need your help.

WE'RE DOING OUR PART

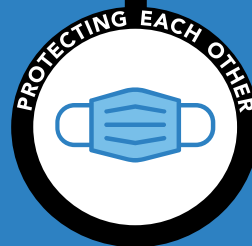
YOU'RE DOING YOURS

Creating science-based policies



Following all health & safety rules

Cleaning & disinfecting more frequently



Wearing face coverings & washing hands

Sharing information about safe rides



Respecting fellow riders' space

Keeping our employees healthy



Staying home if you're sick

AGENDA ITEM V – B
STAFF REPORT

FY 2021/22 CALTRANS PLANNING GRANT APPLICATION

Local transit plans are used to evaluate both the existing public transportation system and the potential for new or revised services for the purpose of guiding the development of the system over a five-to-ten-year period. These plans are typically updated every three-to-five years or so as conditions warrant. The most recent Yuba-Sutter Short-Range Transit Plan (SRTP) was adopted in April 2015. An update of this plan is already overdue, but new trends in transit planning, changing regulations (zero emission bus purchase mandates), emerging disruptive technologies (micro-transit, transportation network companies, etc.), increased state funding (SB 1), declining ridership and a pandemic induced collapse over the last few years make it essential.

For some perspective, many of the recommendations from the 2015 SRTP have been implemented. These included modifications to Routes 1 and 4; expansion of the Live Oak and Wheatland services; fleet replacement upgrades; fare and fare policy changes; increased number of commuter schedules; various bus stop improvements; and the Yuba College Student Shuttle demonstration service that ran for just eight weeks before succumbing to the pandemic in March 2020. This list also includes technology enhancements such as the Connect Card electronic fare payment system; on-board Wi-Fi service; and the bus tracker application. While there are a few service and policy items that remain for future consideration, the dramatically changing transit landscape deserves another in-depth systemwide analysis especially in what we hope will soon be a post-pandemic world.

To fund this effort, staff is now recommending that the Board authorize the preparation and submittal of a grant application under the Sustainable Communities Grant Program through Caltrans. On December 10th, Caltrans issued a call for projects under this program for which grant applications are due on February 12th. Successful applicants will be notified in the spring of 2021 with work to begin by the fall of 2021. These grants require a local match of 11.47 percent. If awarded, this grant will be used to update and replace the current SRTP with a comprehensive operational analysis (COA) which is more modern planning exercise that has been conducted by many transit agencies nationwide. An unsuccessful application was submitted for the last round of funding from this same program in 2019, but lessons learned from that experience combined with an extra year and the extraordinary conditions should all improve the chance of success in this round.

A COA is more performance based than a Short-Range Transit Plan and would include a top-to-bottom evaluation of the current system (pre-pandemic, pandemic, and post-pandemic) as well as the potential for local implementation of some of the new service models such as on-demand service, micro-transit, macro-transit, first mile/last mile solutions and others that are now being tested at various locations around the country. This process, which would include multiple policy and public input opportunities, will look at the system from top to bottom including route efficiency and effectiveness; route design and frequency of service; span of service and service boundaries; financial capacity and mode alternatives. Ultimately, the purpose of this effort will be to optimize the services being offered in light of local priorities and fiscal realities to provide a foundational planning document for the next five-to-seven years. Staff is currently envisioning a project budget of up to \$250,000 for which a local match of up to \$28,675 would be required.

Staff will be prepared to discuss the Caltrans Sustainable Communities Grant application in detail at the meeting.

RECOMMENDATION: Authorize the submittal of a Caltrans Sustainable Communities Planning grant application as proposed or amended.

AGENDA ITEM V – C
STAFF REPORT

FY 2019-2020 FINANCIAL AUDIT REPORT

Attached for Board review and acceptance is a copy of Yuba-Sutter Transit's Independent Audit Report and related letters for FY 2019-2020. This report is completed annually on behalf of the Sacramento Area Council of Governments (SACOG) in accordance with the provisions of the State Transportation Development Act. The report was prepared by the firm of Richardson & Company of Sacramento.

As noted in the financial statements and letters, there are no audit findings or Management Letter comments for the year ended June 30, 2020, and any prior year findings have been resolved.

Staff will be prepared to discuss the report in detail at the meeting.

RECOMMENDATION: Accept the FY 2019-2020 audit report as presented.

YUBA-SUTTER TRANSIT AUTHORITY

Audited Financial Statements
and Compliance Reports

June 30, 2020

YUBA-SUTTER TRANSIT AUTHORITY

Audited Financial Statements
and Compliance Reports

June 30, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Yuba-Sutter Transit Authority
Marysville, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Yuba-Sutter Transit Authority (the Authority) as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2020 and 2019, and changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

To the Board of Directors
Yuba-Sutter Transit Authority

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that required supplementary information, as listed in the accompanying 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 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing 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. Our opinion on the financial statements is not affected by this missing information.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards 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. Such 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 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 December 29, 2020 on our consideration of the Authority'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 Transportation Development Act and other state grant program guidelines. 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 the Authority'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 the Authority's internal control over financial reporting and compliance.

Richardson & Company, LLP

December 29, 2020

YUBA-SUTTER TRANSIT AUTHORITY

BALANCE SHEETS

June 30, 2020 and 2019

	2020	(Restated) 2019
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,762,716	\$ 2,267,339
Accounts receivable	3,570	6,141
Interest receivable	3,837	3,007
Due from other governmental agencies	2,055,151	2,019,885
Prepaid expenses and other assets	45,498	45,877
TOTAL CURRENT ASSETS	<u>4,870,772</u>	<u>4,342,249</u>
NONCURRENT ASSETS		
Restricted cash and cash equivalents	395,956	511,185
Capital assets:		
Nondepreciable	905,570	1,708,681
Depreciable, net	15,583,011	10,992,476
Total Capital Assets	<u>16,488,581</u>	<u>12,701,157</u>
TOTAL NONCURRENT ASSETS	<u>16,884,537</u>	<u>13,212,342</u>
TOTAL ASSETS	<u>21,755,309</u>	<u>17,554,591</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension plan	482,198	127,450
Other post employment benefits	3,869	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 22,241,376</u>	<u>\$ 17,682,041</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 524,505	\$ 1,373,937
Accrued payroll	37,305	35,415
Accrued compensated absences	42,058	37,539
Unearned revenue	1,964,638	786,734
Deposits payable	25,050	25,075
TOTAL CURRENT LIABILITIES	<u>2,593,556</u>	<u>2,258,700</u>
NONCURRENT LIABILITIES		
Net pension liability	367,031	338,485
Other post employment benefits liability	78,575	60,109
TOTAL LIABILITIES	<u>3,039,162</u>	<u>2,657,294</u>
DEFERRED INFLOWS OF RESOURCES		
Pension plan	15,049	15,547
NET POSITION		
Investment in capital assets	16,488,581	12,701,157
Restricted for operations in specified service areas	109,496	56,126
Unrestricted	2,589,088	2,251,917
TOTAL NET POSITION	<u>19,187,165</u>	<u>15,009,200</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 22,241,376</u>	<u>\$ 17,682,041</u>

The accompanying notes are an integral part of these financial statements.

YUBA-SUTTER TRANSIT AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>(Restated) 2019</u>
OPERATING REVENUES		
Passenger fares	\$ 1,045,646	\$ 1,187,342
Special transit fares	25,811	21,433
TOTAL OPERATING REVENUES	<u>1,071,457</u>	<u>1,208,775</u>
OPERATING EXPENSES		
Operations		
Purchased transportation	5,524,708	5,108,024
Depreciation	1,738,696	1,324,374
Fuel and lubricants	615,092	732,863
Maintenance and supplies	303,771	364,482
Vehicle insurance	277,224	292,429
Total operations	<u>8,459,491</u>	<u>7,822,172</u>
General administration		
Personnel costs	623,572	564,507
Services	172,835	113,985
Utilities	55,757	62,525
Casualty and liability insurance	30,872	30,354
Materials	14,338	8,593
Miscellaneous	21,151	23,610
Total general and administration	<u>918,525</u>	<u>803,574</u>
TOTAL OPERATING EXPENSES	<u>9,378,016</u>	<u>8,625,746</u>
NET LOSS FROM OPERATIONS	(8,306,559)	(7,416,971)
NONOPERATING REVENUES (EXPENSES)		
Federal transit administration operating grants	3,445,760	2,325,329
Local Transportation Fund	2,800,000	2,789,800
State Transit Assistance Fund operating	244,421	1,530,001
State operating grants	297,211	96,008
Advertising	43,039	50,064
Other revenues	85,266	76,320
Interest	15,464	5,939
Gain (loss) on disposal of capital assets	4,539	(70,437)
Intergovernmental expenses	(16,707)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>6,918,993</u>	<u>6,803,024</u>
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	(1,387,566)	(613,947)
CAPITAL CONTRIBUTIONS		
Federal Transit Administration capital grants	4,488,867	688,626
State Proposition 1B Transit Security grant	-	330,262
State of California PTMISEA grant	87,639	158,808
Low Carbon Transit Operations Program grant	-	125,405
State Transit Assistance Fund and the State of Good Repair capital	989,025	66,551
Sacramento Metropolitan Air Quality Management District capital grant	-	12,000
TOTAL CAPITAL CONTRIBUTIONS	<u>5,565,531</u>	<u>1,381,652</u>
CHANGE IN NET POSITION	4,177,965	767,705
Net position at beginning of year - as previously reported	15,009,200	14,301,604
Restatement for change in accounting principle - Note K		(60,109)
Net position at beginning of year - as restated	<u>15,009,200</u>	<u>14,241,495</u>
NET POSITION AT END OF YEAR	<u>\$ 19,187,165</u>	<u>\$ 15,009,200</u>

The accompanying notes are an integral part of these financial statements.

YUBA-SUTTER TRANSIT AUTHORITY

STATEMENTS OF CASH FLOWS

For the Year Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 1,074,028	\$ 1,207,308
Cash paid to suppliers for goods and services	(8,397,883)	(10,898,068)
Cash paid to employees for services	(396,209)	(386,459)
NET CASH USED FOR OPERATING ACTIVITIES	<u>(7,720,064)</u>	<u>(10,077,219)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating grants and subsidies	6,115,444	6,745,634
Cash paid to other government agencies	(16,707)	
Other nonoperating revenue	128,305	126,384
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>6,227,042</u>	<u>6,872,018</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grants received	7,380,117	4,498,035
Proceeds from sale of capital assets	43,950	11,345
Purchase of capital assets	(5,565,531)	(515,166)
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>1,858,536</u>	<u>3,994,214</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earnings received	14,634	5,389
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>14,634</u>	<u>5,389</u>
INCREASE IN CASH AND CASH EQUIVALENTS	380,148	794,402
Cash and cash equivalents at beginning of year	<u>2,778,524</u>	<u>1,984,122</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,158,672</u>	<u>\$ 2,778,524</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEETS		
Cash and cash equivalents	\$ 2,762,716	\$ 2,267,339
Restricted cash and cash equivalents	395,956	511,185
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,158,672</u>	<u>\$ 2,778,524</u>
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:		
Net loss from operations	\$ (8,306,559)	\$ (7,416,971)
Adjustments to reconcile net loss from operations to net cash used for operating activities:		
Depreciation	1,738,696	1,324,374
Changes in operating assets, deferred outflows, liabilities and deferred inflows:		
Accounts receivable	2,571	(1,467)
Prepaid expenses	379	(36,615)
Deferred outflows of resources	(358,617)	19,835
Accounts payable	(849,432)	(3,951,755)
Accrued payroll	1,890	123
Accrued compensated absences	4,519	1,067
Rental income received in advance		
Deposits payable	(25)	
Net pension liability	28,546	(17,556)
OPEB liability	18,466	
Deferred inflows of resources	(498)	1,746
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (7,720,064)</u>	<u>\$ (10,077,219)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Capital asset purchases payable	\$ -	\$ 866,486

The accompanying notes are an integral part of these financial statements.

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Yuba-Sutter Transit Authority (the Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting principles of the Authority are described below.

Description of Reporting Entity: The Authority is a joint powers agency formed by Yuba and Sutter Counties and the Cities of Marysville and Yuba City, to provide transportation services in the Yuba-Sutter Bi-County Area. The Authority is governed by an eight member Board of Directors consisting of two members each from the Board of Supervisors of the counties of Yuba and Sutter and the City Councils of the cities of Yuba City and Marysville. The Authority operates a wide range of public transit services in both the rural and urbanized areas of Yuba and Sutter Counties, including the cities of Marysville, Yuba City, Wheatland, and Live Oak through the use of a transit contractor. These services include fixed routes and dial-a-ride in the urban areas, rural route deviation service to Live Oak, Wheatland, and the Yuba County foothills, and both commuter and midday service to Sacramento.

Basis of Presentation: The Authority's resources are allocated to and accounted for in these financial statements as an enterprise fund type of the proprietary fund group. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Unrestricted net position for the enterprise fund represents the net position available for future operations.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of this fund are included on the balance sheet. Net position is segregated into the investment in capital assets, amounts restricted and amounts unrestricted. Enterprise fund-type operating statements present increases (i.e., revenue) and decreases (i.e., expenses) in net position.

The Authority uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. When such funds are received they are recorded as unearned revenues until earned. Transportation Development Act (TDA) revenues are recognized when all eligibility requirements have been met.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for transportation services. Operating expenses include the cost of purchased transportation, fuel and lubricants, administrative expenses, maintenance, insurance and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Cash and Cash Equivalents: For the purposes of reporting cash flows, the Authority considers all cash and highly liquid investments purchased with an original maturity of three months or less and the investment in the Local Agency Investment Fund (LAIF) to be cash equivalents.

Restricted Cash and Cash Equivalents: Restricted cash and cash equivalents represents the unexpended amounts received under the Low Carbon Transit Operations Program.

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets: Capital assets are valued at historical cost. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of one year or more. Provision is made for depreciation on the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Buildings and improvements	5-30 years
Vehicles	4-12 years
Equipment	5-10 years

Maintenance and repairs are charged to operations when incurred. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement.

Unearned Revenue: Unearned revenue represents resources received before the Authority has legal claim to them (i.e. when cost reimbursement grant revenues are received prior to the incurrence of qualifying expenditures) or when exchange revenues are received before the exchange takes place. Unearned revenue at June 30, 2020 and 2019 consisted of unspent State Transit Assistance capital allocations of \$203,978 and \$457,547, respectively, unspent Transportation Development Act funds of \$1,354,775 as of June 30, 2020 and Low Carbon Transit Operations Program revenue received prior to the qualifying expenses being incurred as disclosed in Note J.

Compensated Absences: It is the Authority's policy to permit employees to accumulate earned but unused annual leave benefits up to a maximum of 384 hours. Unused annual leave is paid to the employees upon termination. The Authority considers the entire balance of compensated absences to be a current liability.

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net position by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earning process is complete. Deferred outflows and inflows of resources represent amounts deferred related to the Authority's pension and OPEB plan as described in Notes G and H.

Pension Plan: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to the pension plan, and pension expense, information about the fiduciary net position of the Authority's California Public Employees' Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. 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.

Postemployment Benefits Other Than Pensions (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they were reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Restricted Net Position: Restrictions of net position show amounts that are legally restricted for specific uses. The amount restricted for operations is for State Transit Assistance funds claimed on behalf of Wheatland and Live Oak that have not been spent.

Use of Estimates: The preparation of the 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 contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

YUBA-SUTTER TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassification: Certain revenues were reclassified from special transit fares to other revenues as of June 30, 2019 to conform with the current presentation. This reclassification had no effect on total assets, liabilities, net position or change in net position.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents reported on the balance sheet was as follows at June 30:

	2020	2019
Cash and cash equivalents	\$ 2,762,716	\$ 2,267,339
Restricted cash and cash equivalents	395,956	511,185
Total cash and cash equivalents	\$ 3,158,672	\$ 2,778,524

Cash and cash equivalents consisted of the following at June 30:

	2020	2019
Cash on hand	\$ 200	\$ 200
Deposits in financial institutions:		
Unrestricted	480,635	643,755
Restricted	395,956	257,640
Total	876,791	901,595
Investment in Local Agency Investment Fund (LAIF)		
Unrestricted	2,281,881	1,623,384
Restricted	-	253,545
Total	2,281,881	1,876,929
Total cash and cash equivalents	\$ 3,158,672	\$ 2,778,524

Investment Policy: California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The Authority's investment policy permits investments only in time deposits and the State of California Local Agency Investment Fund (LAIF).

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. As of June 30, 2020 and 2019, the weighted average maturity of the investments contained in the LAIF investment pool was approximately 191 and 173 days, respectively.

Credit Risk: Generally, 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 rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government 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. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2020 and 2019, the carrying amount of the Authority’s deposits was \$876,591 and \$901,395 and the balance in financial institutions was \$877,843 and \$1,076,908, respectively. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance. The remaining amount of \$627,843 and \$826,908 at June 30, 2020 and 2019, respectively, was collateralized by securities pledged by the financial institution, but not in the name of the Authority.

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF was \$101,607,078,218, which is managed by the State Treasurer. Of that amount, 3.37% was invested in asset-back securities and structured financial instruments. The Local Investment Advisory Board (the Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the Authority’s investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority’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.

NOTE C – DUE FROM OTHER GOVERNMENTAL AGENCIES

Amounts due from other governmental agencies consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Sacramento Area Council of Governments (STA)	\$ 891,653	\$ 402,363
Federal Transit Administration (FTA) grants	400,000	479,486
Sacramento Area Council of Governments (LTF)	388,115	282,772
State Department of Transportation (FTA pass-through) grants	320,531	707,196
Other	<u>54,852</u>	<u>148,068</u>
Total due from other governmental agencies	<u>\$ 2,055,151</u>	<u>\$ 2,019,885</u>

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE D – CAPITAL ASSETS

Capital asset activity was as follows for the years ended June 30:

	Balance at July 1, 2019	Additions	Retirements	Transfers	Balance at June 30, 2020
Capital assets, not being depreciated					
Land	\$ 905,570				\$ 905,570
Work in progress	803,111			\$ (803,111)	
Total capital assets not being depreciated	<u>1,708,681</u>			<u>(803,111)</u>	<u>905,570</u>
Capital assets, being depreciated:					
Buildings and improvements	4,691,997				4,691,997
Vehicles	17,061,917	\$ 5,565,531	\$ (4,261,158)	803,111	19,169,401
Maintenance tools and equipment	260,344				260,344
Office equipment	146,732				146,732
Total capital assets being depreciated	<u>22,160,990</u>	<u>5,565,531</u>	<u>(4,261,158)</u>	<u>803,111</u>	<u>24,268,474</u>
Less accumulated depreciation for:					
Buildings and improvements	(1,785,697)	(176,261)			(1,961,958)
Vehicles	(9,146,168)	(1,536,134)	4,221,747		(6,460,555)
Maintenance tools and equipment	(105,227)	(20,338)			(125,565)
Office equipment	(131,422)	(5,963)			(137,385)
Total accumulated depreciation	<u>(11,168,514)</u>	<u>(1,738,696)</u>	<u>4,221,747</u>		<u>(8,685,463)</u>
Total capital assets being depreciated, net	<u>10,992,476</u>	<u>3,826,835</u>	<u>(39,411)</u>	<u>803,111</u>	<u>15,583,011</u>
Capital assets, net	<u>\$ 12,701,157</u>	<u>\$ 3,826,835</u>	<u>\$ (39,411)</u>	<u>\$ -</u>	<u>\$ 16,488,581</u>
	Balance at July 1, 2018	Additions	Retirements	Transfers	Balance at June 30, 2019
Capital assets, not being depreciated					
Land	\$ 905,570				\$ 905,570
Work in progress	3,962,607	\$ 803,111		\$ (3,962,607)	803,111
Total capital assets not being depreciated	<u>4,868,177</u>	<u>803,111</u>		<u>(3,962,607)</u>	<u>1,708,681</u>
Capital assets, being depreciated:					
Buildings and improvements	4,507,685	184,312			4,691,997
Vehicles	14,814,558	237,526	\$ (1,952,774)	3,962,607	17,061,917
Maintenance tools and equipment	114,818	145,526			260,344
Office equipment	149,095	11,177	(13,540)		146,732
Total capital assets being depreciated	<u>19,586,156</u>	<u>578,541</u>	<u>(1,966,314)</u>	<u>3,962,607</u>	<u>22,160,990</u>
Less accumulated depreciation for:					
Buildings and improvements	(1,614,470)	(171,227)			(1,785,697)
Vehicles	(9,883,641)	(1,134,542)	1,872,015		(9,146,168)
Maintenance tools and equipment	(91,751)	(13,476)			(105,227)
Office equipment	(138,810)	(5,129)	12,517		(131,422)
Total accumulated depreciation	<u>(11,728,672)</u>	<u>(1,324,374)</u>	<u>1,884,532</u>		<u>(11,168,514)</u>
Total capital assets being depreciated, net	<u>7,857,484</u>	<u>(745,833)</u>	<u>(81,782)</u>	<u>3,962,607</u>	<u>10,992,476</u>
Capital assets, net	<u>\$ 12,725,661</u>	<u>\$ 57,278</u>	<u>\$ (81,782)</u>	<u>\$ -</u>	<u>\$ 12,701,157</u>

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE E – FARE REVENUE RATIO

The Authority is required by the Sacramento Area Council of Governments (SACOG) to maintain a fare revenue ratio to operating expense ratio of 14.6% in accordance with the Transportation Development Act (TDA). The operating exemption is based on the net operation expense per vehicle service hour. The fare revenue ratios were as follows for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Fare revenues	\$ 1,071,457	\$ 1,208,775
Local funds:		
Advertising	43,039	50,064
Other revenues	85,266	76,320
Interest	15,464	5,939
Proceeds from sale of capital assets	<u>43,950</u>	<u>11,345</u>
Total fare revenues and local funds	<u>\$ 1,259,176</u>	<u>\$ 1,352,443</u>
Total operating expenses	\$ 9,378,016	\$ 8,625,746
Less: New service exemptions	(41,841)	
Less: depreciation	<u>(1,738,696)</u>	<u>(1,324,374)</u>
Net operating expenses	<u>\$ 7,597,479</u>	<u>\$ 7,301,372</u>
Fare revenue ratio	<u>16.57%</u>	<u>18.52%</u>

The Authority was in compliance with the required minimum fare revenue ratio at June 30, 2020 and 2019.

NOTE F – INSURANCE

The Authority is exposed to the ordinary risk of loss in the normal course of business: general liability, automobile, and property. Commercial insurance is purchased to cover these potential areas of risk. There have been no significant reductions in insurance coverage from coverage in the prior fiscal year. Also, there have not been any settlements in excess of the insurance coverage for the past three fiscal years.

NOTE G – PENSION PLAN

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the Authority's cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). The Authority participates in the Miscellaneous Risk Pool and the following rate plans:

- Miscellaneous rate plan
- PEPRA Miscellaneous rate plan

Benefit provisions under the Plan are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the 1959 Survivor

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE G – PENSION PLAN (Continued)

Benefit level 3, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees’ Retirement Law. The Plan’s provisions and benefits in effect at June 30, 2020 and 2019 are summarized as follows:

CalPERS membership date	Miscellaneous	PEPRA
	Prior to January 1, 2013	Miscellaneous On or after January 1, 2013
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Final average compensation period	Three years	Three years
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.426% to 2.418%
Required employee contribution rates 2019	7.000%	6.250%
Required employer contribution rates 2019	8.892%	6.842%
Required employee contribution rates 2020	7.000%	6.750%
Required employer contribution rates 2020	9.680%	6.985%

The Miscellaneous rate plan is closed to new members that are not already CalPERS participants. The Miscellaneous rate plan contribution percentages above do not include the required payment of the Employer Unfunded Accrued Liability (UAL). The contribution percentages, including the UAL payment, would have been 22.270% and 19.794% for the years ended June 30, 2020 and 2019, respectively, for the miscellaneous plan and 7.982% and 9.479%, respectively, for the PEPRA plan.

Contributions: Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The employer contributions for the Plan were \$424,303 and \$58,912 for the years ended June 30, 2020 and 2019, respectively.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2020 and 2019, the Authority reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$367,031 and \$338,485, respectively.

The Authority’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan for the years ended June 30, 2020 and 2019 was measured as of June 30, 2019 and 2018, respectively, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2018 and 2017 rolled forward to June 30, 2019 and 2018, respectively, using standard update procedures. The Authority’s proportion of the net pension liability was based on a projection of the Authority’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Authority’s proportionate share of the net pension liability as of the June 30, 2019, 2018 and 2017 measurement dates were as follows:

Proportion - June 30, 2018	0.00903%
Proportion - June 30, 2019	0.00898%
Change - Increase	0.00005%
Proportion - June 30, 2020	0.00917%
Change - Increase	0.00014%

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE G – PENSION PLAN (Continued)

For the years ended June 30, 2020 and 2019, the Authority recognized pension expense of \$97,603 and \$62,937, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources as of June 30:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 424,303		\$ 58,912	
Differences between expected and actual experience	25,492	\$ (1,975)	12,987	\$ (4,419)
Changes in assumptions	17,502	(6,204)	38,588	(9,457)
Net differences between projected and actual earnings on pension plan investments		(6,417)	1,673	
Adjustments due to differences in proportions	8,561	(453)	9,077	(1,671)
Difference between actual and allocated contribution	6,340		6,213	
Total	<u>\$ 482,198</u>	<u>\$ (15,049)</u>	<u>\$ 127,450</u>	<u>\$ (15,547)</u>

The amounts above reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized as pension expense as follows as of June 30:

Year Ended June 30	2020	2019
2020		\$ 40,287
2021	\$ 36,678	25,119
2022	588	(9,370)
2023	5,284	(3,045)
2024	1,296	
	<u>\$ 43,846</u>	<u>\$ 52,991</u>

Actuarial Assumptions: The total pension liabilities in actuarial valuations for the Plan was determined using the following actuarial assumptions at June 30:

	2020	2019
Valuation Date	June 30, 2018	June 30, 2017
Measurement Date	June 30, 2019	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.5%	2.5%
Payroll Growth	2.9%	2.5%
Projected Salary Increase	4.0% - 8.5% (1)	3.2% - 12.2% (1)
Mortality	CalPERS Table	CalPERS Table

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE G – PENSION PLAN (Continued)

The underlying mortality assumptions and all other actuarial assumptions at the June 30, 2019 measurement date were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. These assumptions at the June 30, 2018 measurement date were based on the January 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 7.15% in the June 30, 2019 and 2018 accounting valuations used for the years ended June 30, 2020 and 2019. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is appropriate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) were developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class for the Plan for the years ended June 30. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	2020			2019		
	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%	1.0%	0.00%	-0.92%
Total	<u>100.0%</u>			<u>100.0%</u>		

- (a) An expected inflation of 2.0% used for this period.
- (b) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Authority's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Authority's proportionate share of the 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:

YUBA-SUTTER TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE G – PENSION PLAN (Continued)

	2020	2019
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 592,958	\$ 550,065
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 367,031	\$ 338,485
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 180,543	\$ 163,829

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

Payable to the Pension Plan: At June 30, 2020 and 2019, the Authority reported a payable of \$5,134 and \$4,646, respectively, for the outstanding amount of contributions to the Plan.

NOTE H – OTHER POST-RETIREMENT BENEFITS

Plan Description: The Authority administers a single-employer defined benefit postemployment healthcare plan. Healthcare benefits are provided to eligible retirees and their dependents through the California Public Employees’ Retirement System healthcare program (PEMHCA). Benefit provisions are established and may be amended by the Authority. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. No prefunding contributions are being made to the Plan.

Benefits Provided: The Authority provides a retiree medical contribution for employees who retire within 120 days of separation from the Authority under CalPERS. The Authority’s contribution is capped at the CalPERS Minimum Employer Contribution, which was \$1,668 for fiscal year 2020. The benefit continues to surviving spouses and dependents. Retirees may select any retiree medical plan and coverage category offered by CalPERS, including spouse and family coverage, but must incur the cost of premiums exceeding the Authority’s contribution.

For employees hired by the Authority on or before January 1, 2013, upon retirement from Authority service, regular full-time or eligible part-time employees who have reached age fifty (50), have served a minimum of five (5) years of accumulated CalPERS service, may be eligible for benefits. For employees hired by the Authority after January 1, 2013, upon retirement from Authority service, regular full-time or eligible part-time employees who have reached age fifty (52), have served a minimum of five (5) years of continuous service with the Authority are eligible.

Employees Covered by Benefit Terms: As of the June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Inactive participants with deferred benefits	2	
Active employees	5	
Total	7	

Total OPEB Liability: The Authority's total OPEB liability was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2019.

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE H – OTHER POST-RETIREMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial assumptions:

Inflation	2.26%
Salary increases	3.25%
Discount rate	3.50%
Mortality rate	CalPERS 2017 Experience Study
Mortality improvement	Post-retirement mortality projected fully generational with Scale MP-2018
Healthcare trend rate	7.2% for 2021, decreasing to an ultimate rate of 4.5% in 2032
Participation rate	100.00%

The discount rate was based on a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets.

Retirement mortality information was derived from data during 2017 CalPERS experience study. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

Changes in the Total OPEB Liability: The changes in the net OPEB liability for the plan are as follows:

	<u>Total OPEB Liability</u>
Balance at July 1, 2019	\$ 60,109
Changes in the year:	
Service cost	11,483
Interest	2,770
Assumption changes	4,213
Net changes	<u>18,466</u>
Balance at June 30, 2020	<u>\$ 78,575</u>
(June 30, 2019 measurement date)	

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB 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 discount rate:

	2020		
	Current		
	1% Decrease <u>2.5%</u>	Discount Rate <u>3.5%</u>	1% Increase <u>4.5%</u>
Net OPEB liability	\$ 67,885	\$ 78,575	\$ 91,734

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

YUBA-SUTTER TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE H – OTHER POST-RETIREMENT BENEFITS (Continued)

	2020		
	1% Decrease (6.2% Medical decreasing to 3.50%)	Current Healthcare Cost Trend Rates (7.2% Medical decreasing to 4.50%)	1% Increase (8.2% Medical decreasing to 5.50%)
Net OPEB liability	\$ 95,125	\$ 78,575	\$ 65,646

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the years ended June 30, 2020, the Authority recognized OPEB expense of \$14,597.

At June 30, 2020, the Authority reported deferred outflows of resources related to OPEB from the following sources. There were no deferred inflows of resources at June 30, 2020.

	<u>Deferred Outflows of Resources</u>
Employer contributions subsequent to measurement date	
Differences between actual and expected experience	
Changes in assumptions	\$ 3,869
Total	<u>\$ 3,869</u>

The amount reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction of the net OPEB liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2021	\$ 344
2022	344
2023	344
2024	344
2025	344
Thereafter	2,149
	\$ 3,869

Recognition of Deferred Outflows and Deferred Inflows of Resources: Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss. The net difference between projected and actual earnings on OPEB plan investments is recognized over 5 years. All other amounts are recognized over the expected average remaining service lifetime (EARSL), which was 12.258 years at June 30, 2020.

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE I – CONTINGENT LIABILITIES AND COMMITMENTS

Contingencies: The Authority has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the Authority believes such disallowance, if any, will be immaterial.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Authority’s operation and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on customers, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain.

Commitments: On August 19, 2019, the Authority entered into a four-year agreement with Storer Transit Systems to provide transit services through September 30, 2023. The amounts payable to Storer for the period of October 1, 2019 through September 30, 2023 will not exceed \$26,013,770. This agreement, upon approval from the Authority, may be extended for up to two option terms of two years each for a maximum contract term of eight years through September 30, 2027.

Concentration: A significant amount of the Authority’s revenue is obtained under the Transportation Development Act (Local Transportation Fund and State Transit Assistance) and from the Federal Transit Administration. A significant reduction of these revenue sources would have a significant impact on the Authority’s operations.

NOTE J – OTHER STATE GRANTS

Proposition 1B Transit Grant: As approved by the voters in the November 2006 general election, Proposition 1B enacts the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 to authorize \$19.925 billion of state general obligation bonds for specified purposes, including, among other purposes, transit and passenger rail improvements, state-local partnership transportation projects, and transit security projects. Qualifying expenses must be encumbered within three years from the date of the allocation and expended within three years from the date of the encumbrance.

The Authority did not receive any additional Proposition 1B funds during the years ended June 30, 2020 and 2019 and did not have any unspent funds at June 30, 2020 and 2019. The Authority had unspent funds from prior years as described below. Grant funds recognized were spent for the purposes described in the following table. Proposition 1B Transit Grant funds received and expended were verified in the course of the audit as follows for the year ended June 30, 2019:

	Emergency Generator	Mobile Video Retrofit	Facility Security Upgrade	Automatic Vehicle Location Phase I	Automatic Vehicle Location Phase II	Total
Beginning Balance	\$ 107,459	\$ 36,207	\$ 51,248	\$ 44,342	\$ 134,727	\$ 373,983
Changes in unspent interest	(31)	(146)	(58)	(40)	(425)	(700)
Expenses incurred:						
Emergency generator	(107,428)		(38,108)			(145,536)
Facility security upgrade			(3,269)			(3,269)
Automatic vehicle location		(36,061)	(9,813)	(44,302)	(134,302)	(224,478)
Unexpended proceeds, including interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payables at June 30, 2019	\$ -	\$ -	\$ 7,851	\$ -	\$ 7,718	\$ 15,569
Restricted cash	\$ -	\$ -	\$ 7,851	\$ -	\$ 7,718	\$ 15,569

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE J – OTHER STATE GRANTS (Continued)

Unearned revenue at June 30, 2019 were less than the restricted cash balance due to payables outstanding of \$15,569.

PTMISEA: Of the \$19.925 billion of State general obligation bonds authorized by Proposition 1B discussed above, \$4 billion was set aside by the State as instructed by the statute as the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA). These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation or replacement. There were no PTMISEA funds received during the year ended June 30, 2020. As of June 30, funds received and expended were verified in the course of the audit as follows:

	2020	2019
Beginning balance	\$ 87,116	
PTMISEA funds received		\$ 248,576
Interest earnings	523	4,969
Expenses incurred:		
One fixed route bus	(52,142)	
Demand response/rural route buses	(35,497)	(166,429)
	\$ -	\$ 87,116
Unexpended proceeds		
Payables at June 30	\$ -	\$ 166,429
Restricted cash	\$ -	\$ 253,545

There is no unearned revenue at June 30, 2020.

State of Good Repair: State of Good Repair (SGR) was established by the California Legislature in 2017 by Senate Bill 1. SGR provides public transportation agencies with a consistent and dependable revenue source to invest in the upgrade, repair, and improvement of the transportation infrastructure and improve transportation services. Sacramento Area Council of Governments (SACOG) has elected to treat these funds on a cost reimbursement basis. No SGR funds were received or expended during the year ended June 30, 2019. Unclaimed SGR funds held by SACOG at June 30, 2019 were \$488,348. As of June 30, 2020, SGR funds received and expended were verified in the course of the of the audit as follows:

Beginning balance	\$ -
SGR received	735,455
Expenses incurred:	
Fixed route bus purchases	(735,455)
	\$ -
Unexpended proceeds	

LCTOP: The Low Carbon Transit Operations Program (LCTOP) was established by the California Legislature in 2014 by Senate Bill 862. The LCTOP provides funds to transit agencies to reduce greenhouse gas emission and improve mobility through operating and capital grants. Projects approved for LCTOP will support bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions. The Authority received \$40,331 of LCTOP funding for Yuba College shuttle service and \$296,631 for the Enhanced Sacramento Commuter Peak Service during the year ended June 30, 2020. The Authority received \$226,068 of LCTOP funding

YUBA-SUTTER TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE J – OTHER STATE GRANTS (Continued)

for zero-emission bus purchases during the year ended June 30, 2019. LCTOP funds received and expended were verified in the course of the audit as follows for the years ended June 30:

	2020				2019				
	FY17/18	FY18/19					FY16/17	Zero-	
	Zero-Emissions				Transit	Connect	Emission		
	FY16/17	Bus	Enhanced		Stop	Card	Bus		
	Connect	Changed to	Sac Com		Enhancements	Program	Purchases		Total
	Card	Yuba College	Peak	Total					
	Program	Shuttle	Service						
Beginning balance	\$ 15,888	\$ 226,183		\$ 242,071	\$ 125,349	\$ 53,966			\$ 179,315
LCTOP funds received		40,331	\$ 296,631	336,962			\$ 226,068		226,068
Changes in unspent interest	(58)	135	125	202	(182)	20	115		(47)
Expenses incurred:									
Transit stop enhancements					(125,167)				(125,167)
Yuba College Shuttle		(36,563)		(36,563)					-
Enhanced Sacramento Service			(130,886)	(130,886)					-
Connect Card program	(15,830)			(15,830)		(38,098)			(38,098)
Unexpended proceeds, including interest	\$ -	\$ 230,086	\$ 165,870	\$ 395,956	\$ -	\$ 15,888	\$ 226,183		\$ 242,071

NOTE K – CHANGES IN ACCOUNTING PRINCIPLES

During the year ended June 30, 2020, the Authority adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement required the Authority to recognize in its financial statements total OPEB liability, deferred outflows of resources and deferred inflows of resources for the Authority's OPEB plan. Due to implementation of this Statement, the OPEB liability increased by \$60,109 and net position decreased by \$60,109 as of June 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

YUBA-SUTTER TRANSIT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

For the Years Ended June 30, 2020 and 2019

SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MISCELLANEOUS PLAN (UNAUDITED)

Last 10 Years

	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability at measurement date	0.00917%	0.00898%	0.00903%	0.008904%	0.008949%	0.003920%
Proportionate share of the net pension liability	\$ 367,031	\$ 338,485	\$ 356,041	\$ 309,326	\$ 245,520	\$ 243,615
Covered payroll for measurement period	\$ 371,157	\$ 370,163	\$ 323,320	\$ 301,224	\$ 290,280	\$ 279,533
Proportionate share of the net pension liability as a percentage of covered payroll	98.89%	91.44%	110.12%	102.69%	84.58%	87.15%
Plan fiduciary net position	\$ 1,312,693	\$ 1,225,636	\$ 1,075,838	\$ 959,081	\$ 923,112	\$ 876,269
Plan fiduciary net position as a percentage of the total pension liability	78.15%	78.36%	75.13%	75.61%	78.99%	78.25%

Notes to Schedule:

Valuation date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Benefit changes: There were no changes to benefit terms.

Changes in assumptions: The discount rate used for financial reporting purposes was changed from 7.50% in 2016 to 7.65% in 2017 and 2018 and to 7.15% in 2019.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)

Last 10 Years

	2020	2019	2018	2017	2016	2015
Contractually required contribution during employer's fiscal year (actuarially determined)	\$ 65,976	\$ 58,912	\$ 51,091	\$ 45,090	\$ 40,421	\$ 42,571
Contributions in relation to the actuarially determined contributions	(424,303)	(58,912)	(51,091)	(45,090)	(40,421)	(42,571)
Contribution deficiency (excess)	\$ (358,327)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll for employer's fiscal year	\$ 385,549	\$ 371,157	\$ 370,163	\$ 323,320	\$ 301,224	\$ 290,280
Contributions as a percentage of covered payroll	17.11%	15.87%	13.80%	13.95%	13.42%	14.67%

Notes to Schedule:

Valuation date for contribution percentages	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
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Methods and assumptions used to determine contribution rates:

Actuarial method						
Amortization method						
Remaining amortization period						
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	15-year smoothed market
Inflation	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases						
Payroll growth	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment rate of return	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Additional years will be added prospectively as they become available until 10 years are reported.

YUBA-SUTTER TRANSIT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

June 30, 2020

	<u>2020</u>
Service cost	\$ 11,483
Interest	2,770
Assumption changes	<u>4,213</u>
Net change in total OPEB liability	18,466
Total OPEB liability - beginning	<u>60,109</u>
Total OPEB liability - ending	<u>\$ 78,575</u>
Covered-employee payroll - measurement period	<u>\$ 371,157</u>
Total OPEB liability as percentage of covered-employee payroll	<u>21.17%</u>
Notes to schedule:	
Valuation date	June 30, 2019
Measurement period	June 30, 2019
Discount Rate	3.5%

Note: No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4, to pay related benefits.

Benefit changes: Contribution increased to \$139 per month from \$136.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2020. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

COMPLIANCE REPORTS

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 OTHER STATE PROGRAM GUIDELINES

To the Board of Directors
Yuba-Sutter Transit Authority
Marysville, California

We have audited, 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, the financial statements of the Yuba-Sutter Transit Authority (the Authority), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 29, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 (including State grant programs)

As part of obtaining reasonable assurance about whether the Authority'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. Our audit was further made to determine that Transportation Development Act (TDA) Funds allocated and received by the Authority were expended in conformance with the applicable statutes, rules and regulations of the TDA and Section 6667 of the California Code of Regulations. We also tested the receipt and appropriate expenditures of other state grant funds, as presented in Note J of the financial statements, in accordance with State grant program statutes and guidelines. 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*, the TDA or State grant program requirements.

To the Board of Directors
Yuba-Sutter Transit Authority

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 the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards*, the TDA and State grant programs in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

December 29, 2020



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Yuba-Sutter Transit Authority
Marysville, California

Report on Compliance for Each Major Federal Program

We have audited the Yuba-Sutter Transit Authority's, (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2020. The Authority'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 the Authority'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 the Authority'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 the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority 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, 2020.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal

To the Board of Directors
Yuba-Sutter Transit Authority

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 the Authority'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.

Richardson & Company, LLP

December 29, 2020

YUBA-SUTTER TRANSIT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2020

A. Summary of Auditor's Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Reported |
| 3. Noncompliance material to financial statements under <i>Government Auditing Standards</i> noted? | No |

Federal Awards

- | | |
|--|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditor's report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular 2 CFR Section 200.516(a)? | No |

4. Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
20.507 and 20.526	Federal Transit Cluster

- | | |
|---|------------|
| 5. Dollar Threshold used to distinguish between Type A and Type B programs? | \$ 750,000 |
| 6. Auditee qualified as a low-risk auditee under 2 CFR Section 200.516(a)? | Yes |

B. Current Year Findings – Financial Statements

Internal Control Over Financial Reporting

None

Compliance and Other Matters

None

YUBA-SUTTER TRANSIT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

For the Year Ended June 30, 2020

C. Current year Findings and Questioned Costs – Federal Awards Programs

None

D. Prior Year Findings

Finding 2019-001

Criteria: Section 6634 of the California Code of Regulations limits the amount of Local Transportation Fund and State Transit Assistance Fund revenues a transit operator or transit service claimant may claim to the amount of eligible expenses incurred, less other specified revenues available for those expenses.

Condition: The Authority claimed TDA revenues in excess of actual transit operation expenses by \$686,099.

Effect: The Authority's claim was in excess of the allowable amount.

Cause: It appears the Authority did not limit the claim for transit operations to actual expenses incurred when additional revenues were available.

Recommendation: We recommend the Authority discuss with SACOG whether it should return the excess funds claimed, amend its June 30, 2020 claim to reduce the amount by the amount overclaimed during the year ended June 30, 2019 or whether the amount may be retained for an operation reserve.

Status: The Authority obtained approval from SACOG to retain the excess amount for future operating reserves.

YUBA-SUTTER TRANSIT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor, if Applicable/ Program Title/Grant or Pass-through Number	Federal CFDA Number	Pass-through Entity Identifying Number	Award Amount	Expenditures
U. S. Department of Transportation, Federal Transit Administration				
Formula Grants for Rural Areas				
Section 5311	20.509	64VO20-01054	\$ 542,445	\$ 130,000
Section 5311	20.509	Applied for	200,000	115,760
Total CFDA 20.509			<u>742,445</u>	<u>245,760</u>
Total passed-through the State of California, Department of Transportation			<u>742,445</u>	<u>245,760</u>
Federal Transit Cluster				
Federal Transit Formula Grants, Direct Program				
Section 5307	20.507	CA-2020-083-00	7,366,125	1,000,000
Section 5307	20.507	CA-2020-032-00	2,200,000	2,200,000
Section 5307	20.507	CA-2019-026-01	3,567,868	3,541,993
Total CFDA 20.507			<u>13,133,993</u>	<u>6,741,993</u>
Bus and Bus Facilities Formula Program, Direct Program				
Section 5339	20.526	CA-2019-026-01	194,228	64,742
Section 5339	20.526	CA-2019-026-01	541,377	541,377
Section 5339	20.526	CA-2017-048-00	458,940	340,755
Total CFDA 20.526			<u>1,194,545</u>	<u>946,874</u>
Total Federal Transit Cluster			<u>14,328,538</u>	<u>7,688,867</u>
Total U. S. Department of Transportation, Federal Transit Administration			<u>15,070,983</u>	<u>7,934,627</u>
TOTAL FEDERAL AWARDS			<u>\$ 15,070,983</u>	<u>\$ 7,934,627</u>

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule.

YUBA-SUTTER TRANSIT AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2020

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Yuba-Sutter Transit Authority under programs of the federal government for the year ended June 30, 2020. 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 Authority's operations, it is not intended to be and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COSTS

The Authority did not charge indirect costs to its federal programs.

NOTE D – SUBRECIPIENTS

There were no subrecipients of the Authority's programs during the year ended June 30, 2020.



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MANAGEMENT LETTER

To the Board of Directors and Management
Yuba-Sutter Transit Authority
Marysville, California

In planning and performing our audit of the financial statements of the Yuba-Sutter Transit Authority (the Authority) as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 financial statements will not be prevented, or detected and corrected on a timely basis.

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

We noted no matters that warrant consideration.

* * * * *

This communication is intended solely for the information and use of the Board of Directors, management and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Richardson & Company, LLP

December 29, 2020



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GOVERNANCE LETTER

Board of Directors
Yuba Sutter Transit Authority
Marysville, California

We have audited the financial statements of Yuba Sutter Transit Authority (the Authority) for the year ended June 30, 2020, and have issued our report thereon dated December 29, 2020. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to a member of the Board of Directors on December 29, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 21, 2020 our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to Schedule of the Proportionate Share of the Net Pension Liability and Schedule of Contributions to the Pension Plan, which supplement(s) the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note A to the financial statements. The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions as of July 1, 2019, which resulted in the Authority recording a restatement of beginning net position at July 1, 2019 to increase the other postemployment benefit (OPEB) liability related to health benefits provided to retirees as discussed in Note K of the financial statements. Implementation of GASB No. 75 resulted in an increase in the OPEB liability of \$60,109 as of July 1, 2019. Additional required disclosures under GASB Statement No. 75 were also added to Note H to the financial statements due to the adoption of this Statement. No other new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transaction entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the determination of qualifying expenses incurred under grant agreements, which may be changed by the grantor, the computation of the net pension liability and related deferred inflows and outflows, the computation of the other postretirement healthcare benefits (OPEB) liability and the useful lives used to calculate depreciation on capital assets. Management's estimate of qualifying expenses incurred under grant agreements is based on management's understanding of the qualifying expenses under the agreements. The pension and OPEB liabilities are based on actuarial valuations and the lives of capital assets is based on past experience and Federal Transit Administration guidance. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures about the defined benefit pension plan, other post-retirement benefits, contingent liabilities and commitments and state grants described in notes G, H, I and J, respectively.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. An adjustment was made during the audit to defer a portion of the Transportation Development funds received in excess of the amount eligible as a result of CARES Act funds being received.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 29, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require

the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to required supplementary information (RSI), as reported in the table of contents of the financial statements that supplements the basic financial statements. Our procedures consisted of inquires of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Richardson & Company, LLP

December 29, 2020

AGENDA ITEM V – D
STAFF REPORT

MID-YEAR FY 2021 BUDGET UPDATE

The Yuba Sutter Transit Joint Powers Agreement (JPA) stipulates that a proposed budget be submitted to the Board by the end of March prior to the start of each fiscal year and that a final budget be adopted by the end of May. This adoption schedule provides early notice to the member jurisdictions of the annual apportionment of Local Transportation Fund (LTF) contributions for inclusion in their own budget process.

In a typical year, a brief mid-year budget report would be provided in February as part of a preview of the upcoming fiscal year budget process. That preview would also include a discussion of anticipated funding and operational issues in the upcoming budget year and an invitation for Board input on other issues that staff should consider when preparing the preliminary draft budget for presentation at the March meeting. With a world-wide pandemic and only two returning Board members, this is not a typical year. In response, staff has chosen to expand the annual budget process with this early mid-year budget update.

Attached for Board review and information are Yuba-Sutter Transit's current year-end revenue and expense projections by line-item for FY 2021. Projected year-end expenditures are now expected to be 5 percent (\$416,000) below budget. The major contributing factors are lower than expected fuel prices to-date and hourly contract costs that are running well below what was budgeted for COVID-19 related expenses even though annual vehicle service hours are being projected at 6 percent above the amount budgeted. Because fuel is always the most volatile expense item and COVID remains a factor, both line items could still change significantly over the next five months.

On the revenue side, the most significant variance by far is in passenger fares with a year-end projection of \$520,000 in fare revenue which would be up 280 percent (\$383,000) over the amount that was budgeted. This is due to the budget assumption that the March decision to suspend fare collection for all but our Sacramento services would continue for all of FY 2021. Instead, fare collection resumed in July on the local fixed route service and in September on the Dial-A-Ride and rural routes. The additional fare revenue will allow more Federal CARES Act funds to be carried over to FY 2022 assuming expenses continue as projected through the end of FY 2021.

In summary, given the extremely uncertain conditions that were present during the preparation of the FY 2021 budget, the projected year-end budget picture is currently looking pretty good, but it will be continually tracked and evaluated over the next few months as the basis for the upcoming development of the FY 2022 budget.

Staff will be prepared to discuss this mid-year budget update in more detail at the meeting.

RECOMMENDATION: Information only.

**YUBA-SUTTER TRANSIT AUTHORITY
FY 2020/2021 MID-YEAR BUDGET REVIEW**

Prepared 1-12-2021

	FY 2020/2021 Budget	7/1/20-12/31/20 Year to Date	% of Budget	FY 2020/2021 Projected
Operations Expenditures				
Services - Other Maintenance	\$ 200,000	\$ 87,800	44%	\$ 175,600
Fuel and Lubricants	596,000	230,000	39%	460,000
Tires and Tubes	57,000	19,050	33%	40,000
Other Materials and Supplies Consumed	90,000	30,640	34%	61,280
Utilities - Electric and Gas	52,000	25,090	48%	50,180
Utilities - Water and Sewer	6,500	3,760	58%	7,520
Casualty and Liability Costs - Operations	270,500	134,530	50%	270,410
Services - Contract Operations	5,780,000	2,740,250	47%	5,547,250
Services - Out of Contract	17,000	70,080	412%	140,160
Subtotal - Operations	\$ 7,069,000	\$ 3,341,200	47%	\$ 6,752,400
Administration Expenditures				
Salaries and Wages - Admin. Staff	\$ 411,000	\$ 213,060	52%	413,000
Fringe Benefits - Admin. Staff	155,000	72,490	47%	145,200
Fringe Benefits - Unfunded CalPERS Liability Payments	-	-	-	-
Services - Accounting	3,000	3,730	124%	5,000
Services - Legal	12,000	1,950	16%	8,000
Services - Printing and Copying	20,000	7,000	35%	14,000
Services - Miscellaneous Professional	170,000	64,937	38%	105,000
Materials and Supplies - Office & Postage	16,000	4,140	26%	8,280
Utilities - Telephone & Internet	10,000	3,920	39%	7,840
Miscellaneous Expense - Insurance and Bond	36,000	36,080	100%	36,080
Miscellaneous Expense - Dues & Subscriptions	5,000	4,730	95%	5,000
Miscellaneous Expense - Travel and Meetings	5,000	770	15%	1,540
Miscellaneous Expense - Board of Directors	5,000	1,800	36%	4,200
Miscellaneous Expense - Media Adv. and Promo.	10,000	8,830	88%	10,000
Miscellaneous Expense - Other	6,000	730	12%	1,460
Subtotal - Administration	\$ 864,000	\$ 424,167	49%	\$ 764,600
Total Expenditures	\$ 7,933,000	\$ 3,765,367		\$ 7,517,000
Operating Revenue				
Passenger Fares	\$ 120,000	\$ 260,310	217%	\$ 517,640
Special Transit Fares	17,000	1,180	7%	2,360
Auxiliary Revenue (Bus, Shelter & Bench Advertising)	42,000	19,120	46%	37,120
Non-Transportation Revenue (Interest)	15,000	9,700	65%	19,400
Non-Transportation Revenue (RWMA, Misc.)	36,000	22,350	62%	43,700
Local Transportation Funds (LTF)	2,800,000	1,026,377	37%	2,800,000
Local Cash Grants/Reimbursements	35,000	19,220	55%	33,930
State Transit Assistance Funds (STA)	-	-	-	-
State Cash Grants/Reimbursements	289,000	119,610	41%	215,850
General Operating Assistance - FTA Sect. 5307 (Urban)	-	-	-	-
General Operating Assistance - FTA Sect. 5307 CARES Act (Urban)	4,284,000	2,140,000	50%	3,552,000
General Operating Assistance - FTA Sect. 5311 (Rural)	-	84,240	-	84,240
General Operating Assistance - FTA Sect. 5311 CARES Act (Rural)	295,000	63,260	21%	210,760
Rural/Small Urban Planning Grant - FTA Sect. 5304 (Planning)	-	-	-	-
Total Operating Revenue	\$ 7,933,000	\$ 3,765,367	47%	\$ 7,517,000

AGENDA ITEM V – E
STAFF REPORT

ANNUAL INVESTMENT POLICY REVIEW

It is recommended that the Yuba-Sutter Transit investment policy be reviewed at least annually and amended as needed. The review should ensure that the policy is consistent with the overall objectives of preservation of principal, liquidity, and return, and is in conformance with the law, financial and economic trends, and the cash flow needs of the agency.

The Yuba-Sutter Transit investment policy (copy attached) was adopted in April 2014 and provides formal guidelines and objectives for the investment of funds not immediately required to meet the agency's financial obligations. These investments are limited to passbook savings and money market accounts; the State Local Agency Investment Fund (LAIF); and certificates of deposit.

At December 31, 2020, the Authority's account balances in financial institutions and LAIF were \$1,215,965 and \$2,290,574, respectively. Of the amount in financial institutions, \$681,359 is Low Carbon Transit Operations Program (LCTOP) funds being held in a Money Market account until earned. Staff considers these deposits to be in alignment with the current policy and is not recommending any policy modifications at this time.

Staff will be prepared to discuss the agency investment policy in detail at the meeting.

RECOMMENDATION: Direct staff as desired.

YUBA-SUTTER TRANSIT AUTHORITY INVESTMENT POLICY

Adopted April 17, 2014

I. INTRODUCTION

The following is the investment policy and guidelines of the Yuba-Sutter Transit Authority, presented in accordance with California Government Code Sections 53600 et seq.

This investment policy is intended to provide a guideline for the prudent investment of Yuba-Sutter Transit funds not immediately required to meet the financial obligations of the Authority.

II. SCOPE

This policy applies to the investment of all funds, excluding the investment of employees' retirement funds.

III. OBJECTIVES

The primary objectives, in priority order, of the investment activities of the Authority shall be:

- 1) **Safety.** Safety of principal is the foremost objective of the investment program. Investments of the Authority shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
- 2) **Liquidity.** The investment portfolio of the Authority will remain sufficiently liquid to enable the Authority to meet its cash flow requirements.
- 3) **Return on Investment.** Investments shall be undertaken to attain market rates of return consistent with constraints imposed by the safety objectives and cash flow consideration.

IV. PRUDENCE

Section 53600.3 of the California Government Code identifies as trustees those persons authorized to make investment decisions on behalf of a local agency. As a trustee, the standard of prudence shall be the "prudent investor" standard. When investing, reinvesting,

purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

V. DELEGATION OF AUTHORITY

The management responsibility for the investment program is hereby delegated to the Transit Manager who shall monitor and review all investments for consistency with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy.

VI. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.

VII. PERMITTED INVESTMENT INSTRUMENTS

- 1. Passbook Savings Accounts and Money Market Accounts:** These savings accounts may be maintained in local branches of commercial banks and/or savings and loans associations. Amounts maintained in such accounts shall be fully insured by the United States Government or collaterally in a manner acceptable to the Authority.
- 2. State Local Agency Investment Fund (LAIF):** The LAIF was established by the State of California to enable treasurers to place funds in a pool for investments. There is a limitation of \$50 million per agency subject to a maximum of 15 transactions per month.
- 3. Certificates of Deposit:** Cash may be invested only in federally insured or fully collateralized certificates of deposit. Collateral for given investment, when applicable, must be in accordance with California Government Code Section 53600 et seq.

VIII. PROHIBITED INVESTMENT PRACTICES AND INSTRUMENTS

Certain investment practices and instruments are inconsistent with the first objective of this policy (safety of invested funds), and therefore are prohibited.

Yuba-Sutter Transit Authority shall not engage in leveraged investing, such as margin accounts or any form of borrowing for the purpose of investment.

IX. SUMMARY

Yuba-Sutter Transit Authority will strive to maintain the level of investment of funds not immediately active as near to 100% as possible. However, the basic premise underlying the Authority's investment policy is to insure the safety of principal and to provide funds when needed.

In order that the Yuba-Sutter Transit Authority Board of Directors may monitor the handling of invested funds, a full report detailing all investments will be submitted on at least an annual basis or as required by law.

The Authority will review the Policy at least once a year and may modify the Policy as appropriate to the Authority's needs and current law.