



**Regular Meeting of the Board of Directors**

**Tuesday, November 23, 2021**

**10:00 a.m.**

Antelope Valley Transit Authority Community Room  
42210 6<sup>th</sup> Street West, Lancaster, California  
[www.avta.com](http://www.avta.com)

**AGENDA**

For record keeping purposes, and if staff may need to contact you, we request that a speaker card, located at the Community Room entrance, be completed and deposited with the AVTA Clerk of the Board. This will then become public information. Please note that you do not have to complete this form or state your name to speak. A three-minute time limit will be imposed on all speakers other than staff members.

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please contact the Clerk of the Board at (661) 729-2206 at least 72 hours prior to the scheduled Board of Directors meeting. All accommodation requests will be handled swiftly and resolving all doubts in favor of access.

Translation services for Limited English Proficiency (LEP) persons are also available by contacting the Clerk of the Board at least 72 hours prior to the meeting.

**Please turn off, or set to vibrate, cell phones, pagers, and other electronic devices for the duration of this meeting.**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL:**

Chairman Marvin Crist, Vice Chair Dianne Knippel, Director Steve Hofbauer, Director Richard Loa, Director Raj Malhi, Director Michelle Flanagan

**APPROVAL OF AGENDA**

**PUBLIC BUSINESS FROM THE FLOOR – AGENDIZED AND NON-AGENDIZED ITEMS:**

If you would like to address the Board on any agendized or non-agendized items, you may present your comments at this time. For record keeping purposes and so that staff may contact you if needed, we request that a speaker card, located in the Community Room lobby, be completed and provided to the Clerk of the Board. This will then become public information. Please note that you do not have to complete this form or state your name to speak.

State law generally prohibits the Board of Directors from taking action on or discussing non-agenda items; therefore, your matter will be referred to the authority's Executive Director/CEO for follow-up. A three-minute time limit will be imposed on all speakers other than staff members.

**CONSENT CALENDAR (CC):** Consent Calendar items may be received and filed and/or approved by the Board in a single motion. If any member of the Executive Board wishes to discuss a consent item, please request that the item be pulled for further discussion and potential action.

CC 1 BOARD OF DIRECTORS MEETING MINUTES OF OCTOBER 26, 2021 – KAREN DARR

*Recommended Action: Approve the Board of Directors Regular Meeting Minutes of October 26, 2021.*

CC 2 FINANCIAL REPORT FOR OCTOBER 2021 – JUDY VACCARO-FRY

*Recommended Action: Receive and file the Financial Report, including Quarterly Treasurer, Capital Reserve and Farebox Recovery information, for October 2021.*

CC 3 BOARD OF DIRECTORS MEETING CALENDAR FOR 2022 – KAREN DARR

*Recommended Action: Approve the Board of Directors meeting calendar for 2022.*

CC 4 AUTHORITY'S CLASSIFICATION AND SALARY SCHEDULE – JUDY VACCARO-FRY

*Recommended Action: Approve amending the Authority's Classification and Salary Schedule to include the Project Manager position.*

**CLOSED SESSION (CS):**

**PRESENTATION BY LEGAL COUNSEL OF ITEM(S) TO BE DISCUSSED IN CLOSED SESSION:**

- CS 1 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(d)(2)  
Significant exposure to litigation (two potential cases)
- CS 2 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(d)(4)  
Consideration of whether to initiate litigation (one potential case)
- CS 3 Public Employee Appointment – Pursuant to Government Code Sections 54954.5(e) and 54957(b))  
Title: Executive Director/CEO

**RECESS TO CLOSED SESSION**

**RECONVENE TO PUBLIC SESSION**

**REPORT BY LEGAL COUNSEL OF ACTION TAKEN IN CLOSED SESSION**

**NEW BUSINESS (NB):**

- NB 1 EXECUTIVE DIRECTOR/CHIEF EXECUTIVE OFFICER (CEO) EMPLOYMENT AGREEMENT – ALLISON BURNS

*Recommended Action: Approve the terms and conditions and authorize the Chairman to execute the Executive Director/CEO Employment Agreement.*

**SPECIAL REPORTS, PRESENTATIONS, AND REQUESTS FOR DIRECTION (SRP):** During this portion of the meeting, staff will present information not normally covered under regular meeting items. This information may include, but is not limited to budget presentations, staff conference presentations, or information from outside sources that relates to the transit industry. **Staff will seek direction as is necessary from the Board with regard to the following item(s).**

- SRP 1 DRAFT AUDITED FINANCIAL STATEMENTS AND SINGLE AUDIT REPORT OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2021 – JUDY VACCARO-FRY

*Recommended Action: Approve the Draft Audited Financial Statements and Single Audit Report of Federal Awards for the Year Ended June 30, 2021.*

- SRP 2 PRESENTATION OF CALIFORNIA TRANSIT ASSOCIATION'S SMALL OPERATORS TRANSIT AGENCY OF THE YEAR AWARD FOR 2021 TO THE BOARD OF DIRECTORS – MACY NESHATI
- SRP 3 PRESENTATION TO CUSTOMER SERVICE REPRESENTATIVE II DIANE TUMINARO ACKNOWLEDGING HER RETIREMENT – CARLOS LOPEZ ARUCHA
- SRP 4 PRESENTATION TO ACCOUNTING TECHNICIAN GLORIA DELGADO FOR 10 YEARS OF DEDICATED AND EXEMPLARY SERVICE – JUDY VACCARO-FRY
- SRP 5 PRESENTATION TO TRANSDEV OPERATOR AND EMPLOYEE OF THE MONTH FOR OCTOBER 2021 – DENIS JACKSON
- SRP 6 PRESENTATION TO ANTELOPE VALLEY TRANSPORTATION SERVICES EMPLOYEE OF THE MONTH FOR OCTOBER 2021 – ART MINASYAN
- SRP 7 MICROTRANSIT AND DIAL-A-RIDE KEY PERFORMANCE INDICATORS (KPI) REPORT – ART MINASYAN
- SRP 8 LEGISLATIVE REPORT FOR NOVEMBER 2021 – JUDY VACCARO-FRY
- SRP 9 OPERATIONS KPI REPORT – ESTEBAN RODRIGUEZ
- SRP 10 MAINTENANCE KPI REPORT – CECIL FOUST

**NEW BUSINESS (NB):**

- NB 2 LETTER OPPOSING THE DEFUNDING EFFORT FOR LA METRO POLICING – MACY NESHATI

*Recommended Action: Authorize the Chairman of the Board to submit a letter to the Metro Board expressing AVTA's concerns regarding the defunding effort and our opposition.*

**REPORTS AND ANNOUNCEMENTS (RA):**

- RA 1 REPORT BY THE EXECUTIVE DIRECTOR/CEO

**MISCELLANEOUS BUSINESS – NON-AGENDA BOARD OF DIRECTORS ITEMS:**

During this portion of the meeting, Board Members may address non-agenda items by briefly responding to statements made or questions posed by the public, asking a question for clarification, making a brief announcement, or making a brief report on their own activities. **State law generally prohibits the AVTA Board of Directors from taking action on or discussing items not on the agenda.** Matters will be referred to the Executive Director/CEO for follow-up.

**ADJOURNMENT:**

Adjourn to the Regular Meeting of the Board of Directors on January 25, 2022 at 10:00 a.m. in the Antelope Valley Transit Authority Community Room, 42210 6<sup>th</sup> Street West, Lancaster, CA.

**The agenda was posted by 6:00 p.m. on November 19, 2021 at the entrance to the Antelope Valley Transit Authority, 42210 6<sup>th</sup> Street West, Lancaster, CA 93534.**

Copies of the staff reports and attachments or other written documentation relating to each proposed item of business on the agenda presented for discussion by the Board of Directors are on file in the Office of the Executive Director/CEO. Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the AVTA to the Board of Directors less than 72 hours prior to that meeting are on file in the Office of the Executive Director/CEO. These documents are available for public inspection during regular business hours at the Customer Service window of the AVTA at 42210 6<sup>th</sup> Street West, Lancaster or by contacting the Clerk of the Board at (661) 729-2206.



**Regular Meeting of the Board of Directors**

**Tuesday, October 26, 2021**

**10:00 a.m.**

Antelope Valley Transit Authority Community Room  
42210 6<sup>th</sup> Street West, Lancaster, California  
www.avta.com

**UNOFFICIAL MINUTES**

**CALL TO ORDER:**

Chairman Crist called the meeting to order at 10:01 a.m.

**PLEDGE OF ALLEGIANCE:**

Former Board Member Angela Underwood-Jacobs led the Pledge of Allegiance.

**ROLL CALL:**

Present

Chairman Marvin Crist, Vice Chair Dianne Knippel, Director Steve Hofbauer, Director Raj Malhi, Director Michelle Flanagan

Absent

Director Richard Loa

**Motion: Excuse the absence of Director Richard Loa.**

Moved by Vice Chair Knippel, seconded by Director Malhi

Vote: Motion carried (5-0-0-1)

Ayes: Chairman Crist, Vice Chair Knippel, Directors Hofbauer, Malhi, Flanagan

Nays: None

Abstain: None

Absent: Director Loa

Director Hofbauer stated Alternate Director Kathryn Mac Laren, alternate representative for the city of Palmdale, was unable to attend for Director Loa.

**Motion: Excuse the absence of Alternate Director Kathryn Mac Laren.**

Moved by Director Hofbauer, seconded by Director Flanagan

Vote: Motion carried (5-0-0-1)

Ayes: Chairman Crist, Vice Chair Knippel, Directors Hofbauer, Malhi, Flanagan

Nays: None

Abstain: None

Absent: Director Loa

**APPROVAL OF AGENDA**

**Motion: Approve the agenda as comprised.**

Moved by Vice Chair Knippel, seconded by Director Flanagan

Vote: Motion carried (5-0-0-1)

Ayes: Chairman Crist, Vice Chair Knippel, Directors Hofbauer, Malhi, Flanagan

Nays: None

Abstain: None

Absent: Director Loa

**PUBLIC BUSINESS FROM THE FLOOR – AGENDIZED AND NON-AGENDIZED ITEMS:**

Fran Sereseres – thanked the Board for all they do for the community and commended the Dial-A-Ride operators.

David Paul – thanked the Board for all they do for the community.

Milcah E. White – complimented Transdev’s dispatch staff and bus operators. She also spoke about improving the communication with passengers when there are service changes, noting that many riders do not have smartphones. She also mentioned that the vaccination notification signage is placed too high and the wording is too small for some disabled passengers. Chief Operating Officer Martin Tompkins explained the passenger notification process when the Authority implements service changes.

**SPECIAL REPORTS, PRESENTATIONS, AND REQUESTS FOR DIRECTION (SRP):**

**SRP 1 RECOGNITION OF ANGELA UNDERWOOD-JACOBS FOR HER SERVICE AS AN AVTA BOARD MEMBER REPRESENTING THE CITY OF LANCASTER**

Executive Director/CEO Macy Neshati presented a plaque to Angela Underwood-Jacobs and thanked her for her service as an AVTA Board

Member. Ms. Underwood-Jacobs thanked the Board and stated it was an honor to work with the Board and staff.

**SRP 2 PRESENTATION TO AVTA EMPLOYEE OF THE FIRST QUARTER FOR FISCAL YEAR 2021/2022 (JULY 1 – SEPTEMBER 30, 2021)**

Mr. Neshati presented Customer Satisfaction Manager Carlos Lopez Arucha with AVTA's Employee of the First Quarter award.

**SRP 3 PRESENTATION TO TRANSDEV OPERATOR AND EMPLOYEE OF THE MONTH FOR SEPTEMBER 2021**

Transdev Manager Clarence Shipp presented awards to the Operator of the Month Melvin Lopez and Employee of the Month Ebony Ervin. In addition, Mr. Shipp announced that Jimmy Blackwell, Louise Hines and James Istillart received \$500 for providing excellent customer service; and Allah Kballah, Daniel Fabela and Ebony Ervin received \$250 for perfect attendance. He added that employees who receive the COVID-19 vaccination would be provided a \$25 gift card.

**SRP 4 PRESENTATION TO ANTELOPE VALLEY TRANSPORTATION SERVICES EMPLOYEE OF THE MONTH FOR SEPTEMBER 2021**

AV Transit Management President Art Minasyan presented an award to the Employee of the Month Raymond Rojas.

**SRP 5 MICROTRANSIT AND DIAL-A-RIDE KEY PERFORMANCE INDICATORS (KPI) REPORT**

Mr. Minasyan presented the report.

**SRP 6 LEGISLATIVE REPORT FOR OCTOBER 2021**

Chief Financial Officer Judy Vaccaro-Fry updated the Board regarding the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program, Transit and Intercity Rail Capital Program 2022 Award Cycle, Public Employees' Pension Reform Act, debt limit extension and local grant opportunities. The Board briefly discussed Assembly Bill 917 - Vehicles: video imaging of parking violations.

**SRP 7 OPERATIONS KPI REPORT**

Director of Operations and Maintenance Esteban Rodriguez presented the report.



## **SRP 8 MAINTENANCE KPI REPORT**

Maintenance Compliance Manager Cecil Foust presented the report.

## **CONSENT CALENDAR (CC):**

Chairman Crist requested that CC 4 be pulled and addressed separately.

**CC 1 BOARD OF DIRECTORS MEETING MINUTES OF SEPTEMBER 28, 2021**  
Approve the Board of Directors Regular Meeting Minutes of September 28, 2021.

**CC 2 FINANCIAL REPORT FOR SEPTEMBER 2021**  
Receive and file the Financial Report for September 2021.

**CC 3 FISCAL YEAR 2021/2022 FIRST QUARTER LOS ANGELES COUNTY SHERIFF'S DEPARTMENT (LASD) REPORT (JULY 1 – SEPTEMBER 30, 2021)**  
Receive and file the FY 2022 First Quarter Los Angeles County Sheriff's Department Report for the period covering July 1 through September 30, 2021.

**Motion: Approve Consent Calendar items 1 through 3.**  
Moved by Vice Chair Knippel, seconded by Director Flanagan

Vote: Motion carried (5-0-0-1)  
Ayes: Chairman Crist, Vice Chair Knippel, Directors Hofbauer, Malhi, Flanagan  
Nays: None  
Abstain: None  
Absent: Director Loa

**CC 4 RESOLUTION NO. 2021-017 PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY EXECUTIVE ORDERS N-25-20, N-29-20 AND N-35-20, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS FOR A THIRTY (30) DAY PERIOD PURSUANT TO BROWN ACT PROVISIONS**

Chairman Crist recommended returning to business as usual. General Counsel Allison Burns explained that if the Board determines the need to return to telephonic meetings due to an emergency, such as a spike in COVID-19 cases, then the Board would need to adopt a resolution, such as the one presented as CC 4, within 30 days of that meeting. A resolution could be adopted at the meeting and be in full compliance with the Brown Act. The Board can adopt amended Resolution 2021-017 or wait until a situation arises and adopt a resolution at that time or within 30 days thereafter.

The Board discussed whether COVID-19 relief funding could be impacted if the Board does not adopt the resolution. Ms. Burns responded that she does not recommend that the Board declare there is no longer an emergency, but deciding to wait to adopt a resolution should not have an impact.

**Motion: Do not adopt Resolution No. 2021-017 and allow the Chairman the ability to call for a telephonic meeting at the time it is necessary. A resolution would then be adopted at that meeting or 30 days thereafter.**

Moved by Director Flanagan, seconded by Director Malhi

Vote: Motion carried (5-0-0-1)  
Ayes: Chairman Crist, Vice Chair Knippel, Directors Hofbauer, Malhi, Flanagan  
Nays: None  
Abstain: None  
Absent: Director Loa

#### **NEW BUSINESS (NB):**

#### **NB 1 CONTRACT #2022-24 TO BYD MOTORS LLC THROUGH THE STATE OF GEORGIA CONTRACT #99999-001-SPD0000138-0008, FOR EIGHT (8) K9M 40-FOOT ELECTRIC HEAVY-DUTY LOW FLOOR TRANSIT BUSES**

Procurement and Contracts Officer Lyle Block presented the staff report. Ms. Vaccaro-Fry clarified the Build America requirement.

**Motion: Authorize the Executive Director/CEO to execute Contract #2022-24 to BYD Motors LLC through the State of Georgia Contract #99999-001-SPD0000138-0008, for eight (8) K9M 40-foot electric heavy-duty low floor transit buses for an amount not to exceed \$6,530,862.09, plus applicable sales tax.**

Moved by Director Flanagan, seconded by Director Malhi

Vote: Motion carried (5-0-0-1)  
Ayes: Chairman Crist, Vice Chair Knippel, Directors Hofbauer, Malhi, Flanagan  
Nays: None  
Abstain: None  
Absent: Director Loa

**NB 2 AMENDMENT NO. 11 TO CONTRACT #2011-032 WITH TRANSDEV SERVICES, INC. FOR FIXED-ROUTE OPERATIONS AND MAINTENANCE SERVICES**

Mr. Tompkins presented the staff report.

**Motion: Authorize the Executive Director/CEO to negotiate and execute Amendment No. 11 to Contract #2011-032, with Transdev Services, Inc. for fixed-route operations and maintenance services, effective January 1, 2022 through June 30, 2022, for an amount not to exceed \$10,000,000.00.**

Moved by Vice Chair Knippel, seconded by Director Flanagan

Vote: Motion carried (5-0-0-1)

Ayes: Chairman Crist, Vice Chair Knippel, Directors Hofbauer, Malhi, Flanagan

Nays: None

Abstain: None

Absent: Director Loa

**NB 3 WAVE SYSTEM FOR AVTA MAINTENANCE DEPOT**

Mr. Neshati presented the staff report. The Board discussed the estimated time of completion.

**Motion: Authorize the Executive Director/CEO to execute a purchase agreement with WAVE for a single WAVE charging system to be installed at the main facility. The system has been negotiated down to WAVE's current best pricing in the amount of \$255,000, plus applicable sales tax. Another \$150,000 is being requested to be reserved for installation.**

Moved by Director Hofbauer, seconded by Vice Chair Knippel

Vote: Motion carried (5-0-0-1)

Ayes: Chairman Crist, Vice Chair Knippel, Directors Hofbauer, Malhi, Flanagan

Nays: None

Abstain: None

Absent: Director Loa

**REPORTS AND ANNOUNCEMENTS (RA):**

**RA 1 REPORT BY THE EXECUTIVE DIRECTOR/CEO**

No report was provided.

**MISCELLANEOUS BUSINESS – NON-AGENDA BOARD OF DIRECTORS ITEMS:**

Director Hofbauer thanked staff for assisting high school students with transportation challenges. Director Flanagan reminded everyone about the upcoming annual Stuff-a-Bus event.

**ADJOURNMENT:**

Chairman Crist adjourned the meeting at 11:08 a.m. to the Regular Meeting of the Board of Directors on November 23, 2021 at 10:00 a.m. in the Antelope Valley Transit Authority Community Room, 42210 6<sup>th</sup> Street West, Lancaster, CA.

PASSED, APPROVED, and ADOPTED this 23<sup>rd</sup> day of NOVEMBER 2021

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Marvin Crist, Chairman of the Board

ATTEST:

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Karen S. Darr, Clerk of the Board

Audio recordings of the Board of Directors Meetings are maintained in accordance with state law and AVTA's Records Retention Policy. Please contact the Clerk of the Board at (661) 729-2206 to arrange to review a recording.



**DATE: November 23, 2021**

**TO: BOARD OF DIRECTORS**

**SUBJECT: Financial Report for October 2021**

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### **RECOMMENDATION**

That the Board of Directors receive and file the Financial Report, including First Quarter Treasurer, Capital Reserve and Farebox Recovery information, for October 2021.

### **FISCAL IMPACT**

	<b>October</b>
PAYROLL	\$383,638
CASH DISBURSEMENTS	\$7,643,960

### **FY 2021 Farebox Recovery Ratio**

	<b>Q1</b>
Directly Generated Revenue	\$894,236
Operating Expenses	\$7,054,488
Farebox Recovery Ratio	12.7%

Notes: Revenue includes Farebox, Advertisements, Gain on Sale, LCFS Credits and Investment Income.

### **BACKGROUND**

To comply with the provisions required by Sections 37202, 37208 and 6505.5 of the Government Code, the Chief Financial Officer in conjunction with the Controller, provides a monthly payroll total and cash disbursements.

On a quarterly basis, farebox recovery ratio data and a Treasurer's Report, including capital reserve information (Attachment A), will be included as part of the financial report. The Executive Director/CEO and Treasurer certify the availability of funds.

**I, Macy Neshati, Executive Director/CEO of AVTA, declare that the above information is accurate.**

Prepared by:

Submitted by:

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Judy Vaccaro-Fry  
Chief Financial Officer

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Macy Neshati  
Executive Director/CEO


Attachment: A – First Quarter Treasurer's Report

**ANTELOPE VALLEY TRANSIT AUTHORITY**  
**Treasurer's Report**  
**For the quarter ended 9/30/2021**

Investment Type	Description	Beginning Balance 7/1/21	Deposits & Transfers	Disbursements & Transfers	Interest	Ending Balance 9/30/21
<b>Cash and Investments Under the Direction of the Treasurer</b>						
	Local Agency Investment Fund (LAIF) - Cap & Op Reserve	16,353,552		(10,195,000)	6,637	6,165,189
	Mission Bank- Reserve Investments	7,235,365	8,000,000	(3,224,053)	11,075	12,022,387
<b>Total Capital &amp; Op. Reserves and Restricted Funds</b>		<b>23,588,917</b>	<b>8,000,000</b>	<b>(13,419,053)</b>	<b>17,711</b>	<b>18,187,575</b>
	General Account- Mission Bank	5,071,262	21,198,969	(20,058,043)	708	6,212,897
	Petty Cash Balance	750				750
<b>Operating Accounts Total</b>		<b>5,072,012</b>	<b>21,198,969</b>	<b>(20,058,043)</b>	<b>708</b>	<b>6,213,647</b>
<b>TOTAL CASH AND INVESTMENTS</b>		<b>\$ 28,660,929</b>	<b>\$ 29,198,969</b>	<b>\$ (33,477,096)</b>	<b>\$ 18,420</b>	<b>\$ 24,401,222</b>

\* AVTA has changed the name of the LCTOP account to Reserve Investments following the end of LCTOP funds.

I hereby certify that the investment portfolio of AVTA complies with its investment policy and the California Government Code Sections pertaining to the investment of local agency funds, Mission Bank. Pending any future actions by the AVTA Board or any and unforeseen occurrences, AVTA has cash flow adequate to meet its expenditure requirements for the next three months.

Prepared by:  
  
 KJ Alcuran  
 Controller

Submitted by:  
 \_\_\_\_\_  
 Judy Vaccaro-Fry  
 Chief Finance Officer



**DATE: November 23, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: Board of Directors Meeting Calendar for 2022**

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**RECOMMENDATION**

That the Board of Directors approve the attached Board of Directors meeting calendar for 2022.

**FISCAL IMPACT**

This item does not have any fiscal impact.

**BACKGROUND**

The Board of Directors meetings are held on the fourth Tuesday of the month at 10:00 a.m. Due to the holidays in December, the Board members typically do not meet. If a special meeting is required or a meeting is cancelled during the year, the Clerk of the Board will post the necessary meeting notices.

Prepared by:

Submitted by:

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Karen Darr  
Clerk of the Board

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Macy Neshati  
Executive Director/CEO

Attachment: A – 2022 Board of Directors Meeting Calendar





## **BOARD OF DIRECTORS 2022 MEETING CALENDAR**

<b>BOARD OF DIRECTORS</b>
1/25/2022
2/22/2022
3/22/2022
4/26/2022
5/24/2022
6/28/2022
7/26/2022
8/23/2022
9/27/2022
10/25/2022
11/22/2022

**Board of Directors meetings are held the fourth Tuesday of the month at 10:00 a.m.**



**DATE: November 23, 2021**

**TO: BOARD OF DIRECTORS**

**SUBJECT: Authority's Classification and Salary Schedule**

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**RECOMMENDATION**

That the Board of Directors approve amending the Authority's Classification and Salary Schedule to include the Project Manager position.

**FISCAL IMPACT**

The Project Manager position will be established at Range 50 (Min. \$87,419 – Max. \$113,644). The position has been budgeted to assume the maximum allowable merit increase to the employee's wages. The increase will be reflected in the proposed FY 2021/2022 Mid-Year Budget adjustments and future fiscal year proposed budgets.

**BACKGROUND**

At the April 27<sup>th</sup> Board meeting, the Board approved the third amended and restated executive director employment agreement and Mr. Neshati's title and role to Project Manager effective January 1, 2022 and continuing until January 1, 2025. The position is being added to provide for Mr. Neshati's retirement from the role of Executive Director and a smooth transition to a new Executive Director. Mr. Neshati's pay would decrease to \$100,000/year. This title must be added to the Authority's Classification and Salary Schedule in preparation for this upcoming change.

Prepared by:

Submitted by:

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Judy Vaccaro-Fry  
Chief Financial Officer

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Macy Neshati  
Executive Director/CEO

Attachment: A – Classification and Salary Schedule

Antelope Valley Transit Authority  
Fiscal Year 2022 Classification and Salary Schedule

Range	Annual Salary Range-FY 2022			Monthly Salary Range-FY 2022			Bi-Weekly Salary Range-FY 2022			Hourly Salary Range-FY 2022			
	Min	Mid	Max	Min	Mid	Max	Min	Mid	Max	Min	Mid	Max	
Groundskeeper	1	26,070	29,980	33,891	\$2,172	\$2,498	\$2,824	\$1,003	\$1,153	\$1,303	\$12.53	\$14.41	\$16.29
Janitor	1	26,070	29,980	33,891	\$2,172	\$2,498	\$2,824	\$1,003	\$1,153	\$1,303	\$12.53	\$14.41	\$16.29
	2	26,721	30,730	34,738	\$2,227	\$2,561	\$2,895	\$1,028	\$1,182	\$1,336	\$12.85	\$14.77	\$16.70
	3	27,389	31,498	35,606	\$2,282	\$2,625	\$2,967	\$1,053	\$1,211	\$1,369	\$13.17	\$15.14	\$17.12
	4	28,075	32,285	36,497	\$2,340	\$2,690	\$3,041	\$1,080	\$1,242	\$1,404	\$13.50	\$15.52	\$17.55
	5	28,776	33,092	37,409	\$2,398	\$2,758	\$3,117	\$1,107	\$1,273	\$1,439	\$13.83	\$15.91	\$17.98
	6	29,495	33,920	38,344	\$2,458	\$2,827	\$3,195	\$1,134	\$1,305	\$1,475	\$14.18	\$16.31	\$18.43
	7	30,233	34,768	39,302	\$2,519	\$2,897	\$3,275	\$1,163	\$1,337	\$1,512	\$14.54	\$16.72	\$18.90
	8	30,988	35,637	40,285	\$2,582	\$2,970	\$3,357	\$1,192	\$1,371	\$1,549	\$14.90	\$17.13	\$19.37
	9	31,763	36,528	41,293	\$2,647	\$3,044	\$3,441	\$1,222	\$1,405	\$1,588	\$15.27	\$17.56	\$19.85
Facilities Maintenance Worker	10	32,558	37,442	42,325	\$2,713	\$3,120	\$3,527	\$1,252	\$1,440	\$1,628	\$15.65	\$18.00	\$20.35
	11	33,371	38,377	43,383	\$2,781	\$3,198	\$3,615	\$1,284	\$1,476	\$1,669	\$16.04	\$18.45	\$20.86
	12	34,206	39,336	44,467	\$2,850	\$3,278	\$3,706	\$1,316	\$1,513	\$1,710	\$16.45	\$18.91	\$21.38
	13	35,061	40,320	45,580	\$2,922	\$3,360	\$3,798	\$1,348	\$1,551	\$1,753	\$16.86	\$19.38	\$21.91
	14	35,938	41,328	46,719	\$2,995	\$3,444	\$3,893	\$1,382	\$1,590	\$1,797	\$17.28	\$19.87	\$22.46
	15	36,835	42,361	47,887	\$3,070	\$3,530	\$3,991	\$1,417	\$1,629	\$1,842	\$17.71	\$20.37	\$23.02
Customer Service Representative I	16	37,756	43,420	51,142	\$3,146	\$3,618	\$4,262	\$1,452	\$1,670	\$1,967	\$18.15	\$20.88	\$24.59
Field Services Technician I	17	38,700	44,506	50,311	\$3,225	\$3,709	\$4,193	\$1,488	\$1,712	\$1,935	\$18.61	\$21.40	\$24.19
Facilities Maintenance Technician I	18	39,668	45,619	51,568	\$3,306	\$3,802	\$4,297	\$1,526	\$1,755	\$1,983	\$19.07	\$21.93	\$24.79
Security Officer	18	39,668	45,619	51,568	\$3,306	\$3,802	\$4,297	\$1,526	\$1,755	\$1,983	\$19.07	\$21.93	\$24.79
	19	40,660	46,759	52,858	\$3,388	\$3,897	\$4,405	\$1,564	\$1,798	\$2,033	\$19.55	\$22.48	\$25.41
Customer Service Representative II	20	41,677	47,928	54,180	\$3,473	\$3,994	\$4,515	\$1,603	\$1,843	\$2,084	\$20.04	\$23.04	\$26.05
	21	42,718	49,126	55,534	\$3,560	\$4,094	\$4,628	\$1,643	\$1,889	\$2,136	\$20.54	\$23.62	\$26.70
	22	43,787	50,354	56,922	\$3,649	\$4,196	\$4,744	\$1,684	\$1,937	\$2,189	\$21.05	\$24.21	\$27.37
Administrative Assistant	23	44,881	51,613	58,345	\$3,740	\$4,301	\$4,862	\$1,726	\$1,985	\$2,244	\$21.58	\$24.81	\$28.05
Accounting Technician	24	46,003	52,903	59,804	\$3,834	\$4,409	\$4,984	\$1,769	\$2,035	\$2,300	\$22.12	\$25.43	\$28.75
Fleet & Facilities Administrative Technician	24	46,003	52,903	59,804	\$3,834	\$4,409	\$4,984	\$1,769	\$2,035	\$2,300	\$22.12	\$25.43	\$28.75
Senior Customer Service Representative	24	46,003	52,903	59,804	\$3,834	\$4,409	\$4,984	\$1,769	\$2,035	\$2,300	\$22.12	\$25.43	\$28.75
Records Management Technician I	24	46,003	52,903	59,804	\$3,834	\$4,409	\$4,984	\$1,769	\$2,035	\$2,300	\$22.12	\$25.43	\$28.75
Field Services Technician II	25	47,153	54,226	61,299	\$3,929	\$4,519	\$5,108	\$1,814	\$2,086	\$2,358	\$22.67	\$26.07	\$29.47
Facilities Maintenance Technician II	25	47,153	54,226	61,299	\$3,929	\$4,519	\$5,108	\$1,814	\$2,086	\$2,358	\$22.67	\$26.07	\$29.47
	26	48,332	55,581	62,831	\$4,028	\$4,632	\$5,236	\$1,859	\$2,138	\$2,417	\$23.24	\$26.72	\$30.21
	27	49,540	56,971	64,402	\$4,128	\$4,748	\$5,367	\$1,905	\$2,191	\$2,477	\$23.82	\$27.39	\$30.96
	28	50,779	58,395	66,012	\$4,232	\$4,866	\$5,501	\$1,953	\$2,246	\$2,539	\$24.41	\$28.07	\$31.74
IT Technician I	29	52,048	59,856	67,662	\$4,337	\$4,988	\$5,639	\$2,002	\$2,302	\$2,602	\$25.02	\$28.78	\$32.53
Records Management Technician II	29	52,048	59,856	67,662	\$4,337	\$4,988	\$5,639	\$2,002	\$2,302	\$2,602	\$25.02	\$28.78	\$32.53
Electronic Technician	30	53,349	61,352	69,354	\$4,446	\$5,113	\$5,780	\$2,052	\$2,360	\$2,667	\$25.65	\$29.50	\$33.34
	31	54,683	62,886	71,087	\$4,557	\$5,240	\$5,924	\$2,103	\$2,419	\$2,734	\$26.29	\$30.23	\$34.18
Accountant I	32	56,050	64,458	72,865	\$4,671	\$5,372	\$6,072	\$2,156	\$2,479	\$2,802	\$26.95	\$30.99	\$35.03
Customer Service Supervisor	33	57,451	66,069	74,687	\$4,788	\$5,506	\$6,224	\$2,210	\$2,541	\$2,873	\$27.62	\$31.76	\$35.91
Grants Coordinator	33	57,451	66,069	74,687	\$4,788	\$5,506	\$6,224	\$2,210	\$2,541	\$2,873	\$27.62	\$31.76	\$35.91
IT Technician II	33	57,451	66,069	74,687	\$4,788	\$5,506	\$6,224	\$2,210	\$2,541	\$2,873	\$27.62	\$31.76	\$35.91
Operations Analyst	33	57,451	66,069	74,687	\$4,788	\$5,506	\$6,224	\$2,210	\$2,541	\$2,873	\$27.62	\$31.76	\$35.91
Transit Analyst	33	57,451	66,069	74,687	\$4,788	\$5,506	\$6,224	\$2,210	\$2,541	\$2,873	\$27.62	\$31.76	\$35.91
	34	58,887	67,721	76,554	\$4,907	\$5,643	\$6,379	\$2,265	\$2,605	\$2,944	\$28.31	\$32.56	\$36.80
	35	70,652	69,414	78,468	\$5,888	\$5,784	\$6,539	\$2,717	\$2,670	\$3,018	\$33.97	\$33.37	\$37.72
Accountant II	36	61,869	71,149	80,430	\$5,156	\$5,929	\$6,702	\$2,380	\$2,737	\$3,093	\$29.74	\$34.21	\$38.67
Executive Assistant	37	63,416	72,928	82,441	\$5,285	\$6,077	\$6,870	\$2,439	\$2,805	\$3,171	\$30.49	\$35.06	\$39.63
Management Analyst	37	63,416	72,928	82,441	\$5,285	\$6,077	\$6,870	\$2,439	\$2,805	\$3,171	\$30.49	\$35.06	\$39.63
	38	65,001	74,751	84,501	\$5,417	\$6,229	\$7,042	\$2,500	\$2,875	\$3,250	\$31.25	\$35.94	\$40.63

Antelope Valley Transit Authority  
Fiscal Year 2022 Classification and Salary Schedule

	Range	Annual Salary Range-FY 2022			Monthly Salary Range-FY 2022			Bi-Weekly Salary Range-FY 2022			Hourly Salary Range-FY 2022		
		Min	Mid	Max	Min	Mid	Max	Min	Mid	Max	Min	Mid	Max
Community Outreach Specialist	39	66,626	76,620	86,614	\$5,552	\$6,385	\$7,218	\$2,563	\$2,947	\$3,331	\$32.03	\$36.84	\$41.64
Customer Service Manager	39	66,626	76,620	86,614	\$5,552	\$6,385	\$7,218	\$2,563	\$2,947	\$3,331	\$32.03	\$36.84	\$41.64
Graffic Designer	39	66,626	76,620	86,614	\$5,552	\$6,385	\$7,218	\$2,563	\$2,947	\$3,331	\$32.03	\$36.84	\$41.64
Planning Manager	40	68,292	78,536	88,779	\$5,691	\$6,545	\$7,398	\$2,627	\$3,021	\$3,415	\$32.83	\$37.76	\$42.68
Field Services Supervisor	41	69,998	80,498	90,998	\$5,833	\$6,708	\$7,583	\$2,692	\$3,096	\$3,500	\$33.65	\$38.70	\$43.75
Project Coordinator	42	71,749	82,512	93,273	\$5,979	\$6,876	\$7,773	\$2,760	\$3,174	\$3,587	\$34.49	\$39.67	\$44.84
Facilities Superintendent	43	73,543	84,574	95,605	\$6,129	\$7,048	\$7,967	\$2,829	\$3,253	\$3,677	\$35.36	\$40.66	\$45.96
Finance Supervisor	44	75,381	86,688	97,995	\$6,282	\$7,224	\$8,166	\$2,899	\$3,334	\$3,769	\$36.24	\$41.68	\$47.11
Electric Fleet Supervisor	45	77,266	88,856	100,446	\$6,439	\$7,405	\$8,370	\$2,972	\$3,418	\$3,863	\$37.15	\$42.72	\$48.29
Human Resources and Benefits Coordinator	45	77,266	88,856	100,446	\$6,439	\$7,405	\$8,370	\$2,972	\$3,418	\$3,863	\$37.15	\$42.72	\$48.29
Clerk of the Board	46	79,198	91,077	102,957	\$6,600	\$7,590	\$8,580	\$3,046	\$3,503	\$3,960	\$38.08	\$43.79	\$49.50
Maintenance Compliance Manager	46	79,198	91,077	102,957	\$6,600	\$7,590	\$8,580	\$3,046	\$3,503	\$3,960	\$38.08	\$43.79	\$49.50
Safety and Facilities Manager	47	81,178	93,354	105,530	\$6,765	\$7,780	\$8,794	\$3,122	\$3,591	\$4,059	\$39.03	\$44.88	\$50.74
Senior Accountant	47	81,178	93,354	105,530	\$6,765	\$7,780	\$8,794	\$3,122	\$3,591	\$4,059	\$39.03	\$44.88	\$50.74
Project Manager (NEW)	48	83,206	95,688	108,169	\$6,934	\$7,974	\$9,014	\$3,200	\$3,680	\$4,160	\$40.00	\$46.00	\$52.00
Grants Coordinator	49	85,286	98,080	110,872	\$7,107	\$8,173	\$9,239	\$3,280	\$3,772	\$4,264	\$41.00	\$47.15	\$53.30
DBE/EEO Compliance Manager	50	87,419	100,532	113,644	\$7,285	\$8,378	\$9,470	\$3,362	\$3,867	\$4,371	\$42.03	\$48.33	\$54.64
Information Technology Supervisor	51	89,605	103,045	116,486	\$7,467	\$8,587	\$9,707	\$3,446	\$3,963	\$4,480	\$43.08	\$49.54	\$56.00
Marketing Specialist	51	89,605	103,045	116,486	\$7,467	\$8,587	\$9,707	\$3,446	\$3,963	\$4,480	\$43.08	\$49.54	\$56.00
Procurement and Contracts Officer	51	89,605	103,045	116,486	\$7,467	\$8,587	\$9,707	\$3,446	\$3,963	\$4,480	\$43.08	\$49.54	\$56.00
Finance Manager	52	91,844	105,621	119,397	\$7,654	\$8,802	\$9,950	\$3,532	\$4,062	\$4,592	\$44.16	\$50.78	\$57.40
Fleet Maintenance Manager	53	94,141	108,262	122,383	\$7,845	\$9,022	\$10,199	\$3,621	\$4,164	\$4,707	\$45.26	\$52.05	\$58.84
Marketing Manager	53	94,141	108,262	122,383	\$7,845	\$9,022	\$10,199	\$3,621	\$4,164	\$4,707	\$45.26	\$52.05	\$58.84
Director of Operations and Maintenance	54	96,494	110,968	125,442	\$8,041	\$9,247	\$10,453	\$3,711	\$4,268	\$4,825	\$46.39	\$53.35	\$60.31
	55	98,907	113,743	128,579	\$8,242	\$9,479	\$10,715	\$3,804	\$4,375	\$4,945	\$47.55	\$54.68	\$61.82
	56	101,379	116,587	131,793	\$8,448	\$9,716	\$10,983	\$3,899	\$4,484	\$5,069	\$48.74	\$56.05	\$63.36
	57	103,636	119,501	135,088	\$8,636	\$9,958	\$11,257	\$3,986	\$4,596	\$5,196	\$49.83	\$57.45	\$64.95
	58	106,512	122,488	138,464	\$8,876	\$10,207	\$11,539	\$4,097	\$4,711	\$5,326	\$51.21	\$58.89	\$66.57
	59	109,174	125,551	141,927	\$9,098	\$10,463	\$11,827	\$4,199	\$4,829	\$5,459	\$52.49	\$60.36	\$68.23
	60	111,904	128,690	145,474	\$9,325	\$10,724	\$12,123	\$4,304	\$4,950	\$5,595	\$53.80	\$61.87	\$69.94
	61	114,701	131,906	149,112	\$9,558	\$10,992	\$12,426	\$4,412	\$5,073	\$5,735	\$55.14	\$63.42	\$71.69
	62	117,568	135,205	152,839	\$9,797	\$11,267	\$12,737	\$4,522	\$5,200	\$5,878	\$56.52	\$65.00	\$73.48
Controller	63	120,508	138,585	156,660	\$10,042	\$11,549	\$13,055	\$4,635	\$5,330	\$6,025	\$57.94	\$66.63	\$75.32
Director of Communications	63	120,508	138,585	156,660	\$10,042	\$11,549	\$13,055	\$4,635	\$5,330	\$6,025	\$57.94	\$66.63	\$75.32
Director of Finance and Administration	63	120,508	138,585	156,660	\$10,042	\$11,549	\$13,055	\$4,635	\$5,330	\$6,025	\$57.94	\$66.63	\$75.32
Director of Fleet & Facilities	63	120,508	138,585	156,660	\$10,042	\$11,549	\$13,055	\$4,635	\$5,330	\$6,025	\$57.94	\$66.63	\$75.32
Director of Marketing	63	120,508	138,585	156,660	\$10,042	\$11,549	\$13,055	\$4,635	\$5,330	\$6,025	\$57.94	\$66.63	\$75.32
	64	123,520	142,049	160,577	\$10,293	\$11,837	\$13,381	\$4,751	\$5,463	\$6,176	\$59.38	\$68.29	\$77.20
	65	126,609	145,600	164,591	\$10,551	\$12,133	\$13,716	\$4,870	\$5,600	\$6,330	\$60.87	\$70.00	\$79.13
	66	129,774	149,240	168,706	\$10,814	\$12,437	\$14,059	\$4,991	\$5,740	\$6,489	\$62.39	\$71.75	\$81.11
Senior Director of Operations and Planning	67	133,018	152,971	172,923	\$11,085	\$12,748	\$14,410	\$5,116	\$5,884	\$6,651	\$63.95	\$73.54	\$83.14
	68	136,344	156,796	177,247	\$11,362	\$13,066	\$14,771	\$5,244	\$6,031	\$6,817	\$65.55	\$75.38	\$85.21
	69	139,752	160,716	181,678	\$11,646	\$13,393	\$15,140	\$5,375	\$6,181	\$6,988	\$67.19	\$77.27	\$87.35
Chief Financial Officer	70	143,246	164,734	186,220	\$11,937	\$13,728	\$15,518	\$5,509	\$6,336	\$7,162	\$68.87	\$79.20	\$89.53
Chief Operating Officer	71	146,828	168,852	190,876	\$12,236	\$14,071	\$15,906	\$5,647	\$6,494	\$7,341	\$70.59	\$81.18	\$91.77
	72	150,498	173,074	195,647	\$12,541	\$14,423	\$16,304	\$5,788	\$6,657	\$7,525	\$72.35	\$83.21	\$94.06

**Antelope Valley Transit Authority  
Fiscal Year 2022 Classification and Salary Schedule**

Range	Annual Salary Range-FY 2022			Monthly Salary Range-FY 2022			Bi-Weekly Salary Range-FY 2022			Hourly Salary Range-FY 2022		
	Min	Mid	Max	Min	Mid	Max	Min	Mid	Max	Min	Mid	Max
73	154,261	177,400	200,538	\$12,855	\$14,783	\$16,712	\$5,933	\$6,823	\$7,713	\$74.16	\$85.29	\$96.41
74	158,117	181,835	205,552	\$13,176	\$15,153	\$17,129	\$6,081	\$6,994	\$7,906	\$76.02	\$87.42	\$98.82
<b>Executive Director/CEO</b>	162,070	186,381	227,115	\$13,506	\$15,532	\$18,926	\$6,233	\$7,169	\$8,735	\$77.92	\$89.61	\$109.19



**DATE: November 23, 2021**

**TO: BOARD OF DIRECTORS**

**SUBJECT: Executive Director/Chief Executive Officer (CEO) Employment Agreement**

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**RECOMMENDATION**

That the Board of Directors approve the terms and conditions and authorize the Chairman to execute the Executive Director/CEO Employment Agreement.

**FISCAL IMPACT**

Funding for this item will be included in future Business Plans.

**BACKGROUND**

At the September 28, 2021 Board Meeting, the Board of Directors discussed the proposed employment of Martin Tompkins as the next Executive Director/CEO of the Antelope Valley Transit Authority. A copy of the Executive Director/CEO Employment Agreement is available at the AVTA office upon request.

Prepared and Submitted by:

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Allison E. Burns  
General Counsel, AVTA



**DATE: November 23, 2021**

**TO: BOARD OF DIRECTORS**

**SUBJECT: Draft Audited Financial Statements and Single Audit Report of Federal Awards for the Year Ended June 30, 2021**

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**RECOMMENDATION**

That the Board of Directors approve the Draft Audited Financial Statements (Attachment A) and Single Audit Report of Federal Awards (Attachment B) for the Year Ended June 30, 2021.

**FISCAL IMPACT**

None.

**BACKGROUND**

Representatives from Brown Armstrong Accountancy Corporation, the Authority's external audit firm, will be in attendance at the November 23, 2021 Board meeting to present the audit results and respond to any questions or concerns.

Based on the draft results, it is anticipated there will be no exceptions to the audited financial statements, and no findings or questioned costs reported in the Single Audit Report.

As a recipient of federal, state, and local funding, the Authority is required to have an annual audit conducted by independent auditors in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits in accordance with Government Auditing Standards, issued by the Comptroller General of the United States. These audited financial statements are required to be completed within six months of the close of the preceding fiscal year.

On May 28, 2019, the Authority's Board of Directors awarded a contract for audit services to Brown Armstrong Accountancy Corporation, CPAs. The contract requires Brown Armstrong to review and present the Authority's Draft Financial Statements and Single Audit Report to the Board of Directors. This is our second year working with the auditors from Brown Armstrong.

The audit expresses an opinion as to whether the financial statements prepared by management are presented fairly in all material respects and in conformity with U.S. generally accepted accounting principles.

The Finance staff prepared the supporting documentation, draft financial statements and provided the information required for the Single Audit Report. Staff provided assistance and complied in providing all information requested by the Brown Armstrong team conducting the audit fieldwork.

Brown Armstrong has issued the Draft Financial Statements with an unmodified ("clean") opinion, with no findings or questioned costs.

Prepared by:

Submitted by:

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Judy Vaccaro-Fry  
Chief Financial Officer

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Macy Neshati  
Executive Director/CEO

Attachments:      A – Draft Financial Statements as of June 30, 2021 and 2020  
                            B – Single Audit Report on Federal Awards (June 30, 2021)



**DRAFT**

**SRP 1 - ATTACHMENT A**

**ANTELOPE VALLEY TRANSIT AUTHORITY**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
JUNE 30, 2021 AND 2020**

ANTELOPE VALLEY TRANSIT AUTHORITY  
JUNE 30, 2021 AND 2020

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Antelope Valley Transit Authority  
Lancaster, California

### Report on the Basic Financial Statements

We have audited the accompanying basic financial statements of the Antelope Valley Transit Authority (AVTA) as of and for the years ended June 30, 2021 and 2020, and the related notes to the basic financial statements, which collectively comprise AVTA's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Basic Financial Statements

Management is responsible for the preparation and fair presentation of these basic 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 basic financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to AVTA's preparation and fair presentation of the basic 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 AVTA'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 basic financial statements.

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

**Opinion**

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of AVTA as of June 30, 2021 and 2020, and the respective 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.

**Other Matters**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, California Public Employees' Retirement System – Schedule of AVTA's Proportionate Share of the Net Pension Liability, and the California Public Employees' Retirement System – Schedule of Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated \_\_\_\_\_, 2021, on our consideration of AVTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of AVTA'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 AVTA's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

Bakersfield, California  
\_\_\_\_\_, 2021

**ANTELOPE VALLEY TRANSIT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021 AND 2020**

The management of the Antelope Valley Transit Authority (AVTA or the Authority) offers the readers of its financial statements this narrative overview and analysis of the financial activities of AVTA for the fiscal years ended June 30, 2021 and 2020. We encourage readers to consider the information presented here in conjunction with the accompanying the basic financial statements and accompanying notes.

### **FINANCIAL HIGHLIGHTS**

- AVTA's cash and investments at fiscal year-end June 30, 2021 was \$27,540,695.
- Due from governments at June 30, 2021, was \$4,242,895; of this, \$1,157,448 was due from the Federal Transit Administration, \$2,190,563 was from the Los Angeles Metropolitan Transportation Authority, and \$877,096 was from the State of California; and \$17,788 from various other sources.
- As of June 30, 2021, capital assets not subject to depreciation included \$1,897,766 in land value and \$4,384,053 in construction projects still in progress; capital assets being depreciated were \$128,701,725.
- Total revenues, including capital contributions, from all sources were \$44,858,294, reflecting a 7.2% decrease from the previous fiscal year.
- The total costs of all AVTA's transit services and projects, excluding depreciation expense, were \$33,335,086, reflecting an increase of just 0.6% over prior fiscal year.
- Due to concerns over revenue losses, Palmdale and Lancaster halted their contributions to AVTA during the entirety of fiscal 2021. However, in December the jurisdictions did contribute for Q4 FY 2020, whereas it was previously recognized as lost revenue.
- As of June 30, 2021, the net pension plan liability balance was \$1,141,859 reflecting an increase of \$192,303 from the prior year.
- AVTA's net position (the extent that assets exceeds liabilities) at the close of the fiscal year 2021 was \$104,756,216. Of this amount, \$76,787,656 reflects the net amount of funds invested in capital assets.

### **FINANCIAL STATEMENT OVERVIEW**

The AVTA is a government funded entity that follows enterprise fund accounting and presents its financial statements on the accrual basis of accounting. The enterprise fund concept is similar to how private business enterprises are financed and operated. These statements provide a top-level view of the Authority's financial picture in a format similar to that of private-sector companies. The following reports comprise AVTA's financial statements:

**Statement of Net Position.** Presents information on all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating, though it is important to consider other non-financial factors in accurately assessing the overall health of AVTA, such as the ridership, volatility of fuel cost, etc.

**Statement of Revenues, Expenses, and Changes in Net Position.** The information presented in this report shows how AVTA's net position changed during the two most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**Statement of Cash Flows.** This report presents the sources and uses of funds of AVTA. It shows the inflow and outflow of cash from AVTA's operating activities, noncapital financing activities, capital and related activities, and investing activities.

**Notes to the Basic Financial Statements.** The notes provide additional information essential to a full understanding of the data provided in the basic financial statements.

## FINANCIAL STATEMENT ANALYSIS

### STATEMENT OF NET POSITION

**Table 1 – Statements of Net Position – Year to Year Comparison**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b>Assets</b>			
Capital Assets, Net	\$ 76,787,656	\$ 77,919,888	\$ 74,420,035
All Other Assets	<u>32,558,914</u>	<u>37,781,025</u>	<u>32,704,901</u>
Total Assets	<u>109,346,570</u>	<u>115,700,913</u>	<u>107,124,936</u>
<b>Deferred Outflows of Resources</b>			
Pension Plan Contributions and Actuarial Changes	<u>717,467</u>	<u>678,603</u>	<u>677,049</u>
<b>Liabilities</b>			
Current Liabilities	3,276,360	14,897,172	14,574,606
Long-Term Liabilities	<u>2,021,177</u>	<u>1,661,725</u>	<u>1,413,475</u>
Total Liabilities	<u>5,297,537</u>	<u>16,558,897</u>	<u>15,988,081</u>
<b>Deferred Inflows of Resources</b>			
Pension Plan Assumption Differences	<u>10,284</u>	<u>49,692</u>	<u>54,474</u>
<b>Net Position</b>			
Net Investment in Capital Assets	76,787,656	77,919,888	74,420,035
Restricted for Capital Acquisition	3,821,320	6,917,827	5,517,936
Unrestricted	<u>24,147,240</u>	<u>14,933,212</u>	<u>11,821,459</u>
Total Net Position	<u>\$ 104,756,216</u>	<u>\$ 99,770,927</u>	<u>\$ 91,759,430</u>

**Discussion of Statement of Net Position.** AVTA has completed several Capital Projects in fiscal 2021 including installation of various WAVE chargers for the electric fleet at a cost of \$11,080,326. Additionally AVTA has acquired a new property in the Lake Los Angeles region to be used as another charging station. Current liabilities have reduced significantly in fiscal 2021 primarily due to the payment for several BYD 60'foot electric buses AVTA had held as a demonstration project.

The implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 requires governmental employers to reflect the net pension liability, defined as the difference between the present value of projected pension benefit payments to current active and inactive employees, less the amount of the pension plan's net position (assets less liabilities). Always one year in arrears, the figures reflected in the statements of net position for the Authority's net pension liability have increased due to lower market values.

Unrestricted net assets of over \$24 million are available to meet AVTA’s ongoing financial obligations, and just under \$4 million in restricted net position is for the replacement of capital assets are available to serve as local match requirements for transit fleet procurement. Approximately \$1.4 million of the jurisdictional capital reserve was used in fiscal 2021 toward the acquisition of electric buses. The replacement units planned for acquisition in fiscal years 2022 and beyond will make use of these capital reserve funds as AVTA replaces diesel commuter coaches with electric.

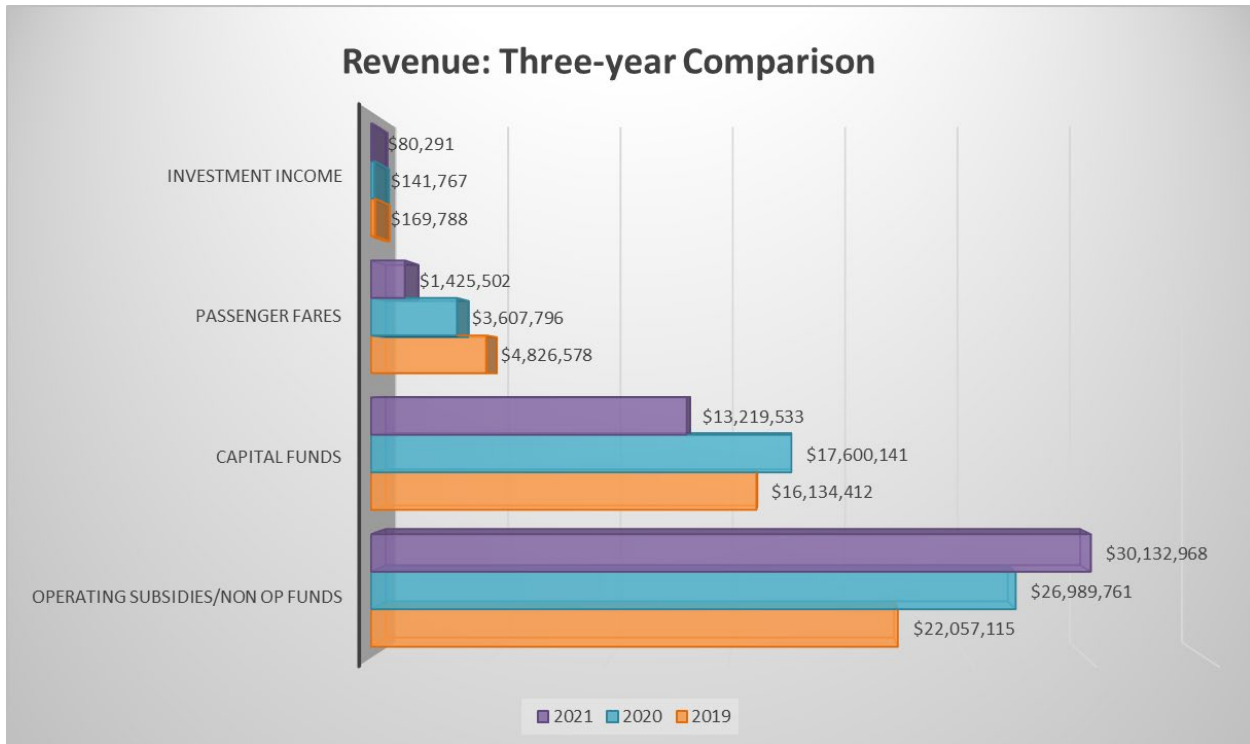
Overall, the Authority has seen a 5% increase in Net Position in fiscal year 2021. AVTA anticipates continued grant funding, primarily from the state of California, for the replacement and expansion of the local transit fleet in years to come.

## REVENUES AND EXPENSES: CHANGES IN NET POSITION

**Table 2 – Statements of Revenues, Expenses, and Changes in Net Position**

	June 30, 2021	June 30, 2020	June 30, 2019
<b>Revenues</b>			
Passenger Fares	\$ 1,425,502	\$ 3,607,796	\$ 4,826,578
Nonoperating Funds	30,132,968	26,989,761	22,057,115
Capital Funds	13,219,533	17,600,141	16,134,412
Investment Income and Other Revenue	80,291	141,767	169,788
<b>Total Revenues</b>	<b>44,858,294</b>	<b>48,339,465</b>	<b>43,187,893</b>
<b>Expenses</b>			
<b>Purchased Transportation Services</b>			
Outside Transit Contract	17,981,431	18,250,614	16,860,871
Fuel	808,080	1,358,555	2,036,716
E-Bus Energy Consumption	1,094,065	734,243	411,704
Other Operating Costs	6,607,055	7,432,142	1,010,306
General and Administrative	6,844,455	5,744,963	5,037,406
<b>Subtotal Expenses Before Depreciation</b>	<b>33,335,086</b>	<b>33,520,517</b>	<b>25,357,003</b>
Depreciation	6,537,919	6,807,451	6,478,020
<b>Total Expenses Including Depreciation</b>	<b>39,873,005</b>	<b>40,327,968</b>	<b>31,835,023</b>
<b>Change in Net Position</b>	<b>4,985,289</b>	<b>8,011,497</b>	<b>11,352,870</b>
<b>Net Position</b>			
Beginning of Year	99,770,927	91,759,430	80,406,560
End of Year	<u>\$ 104,756,216</u>	<u>\$ 99,770,927</u>	<u>\$ 91,759,430</u>

Figure 1 – Analysis of Revenues



**Discussion of Revenues.** For the fiscal year ended June 30, 2021, AVTA’s total revenues, including capital contributions, from all sources were \$44,858,294 down \$3,481,171, or 7.2% from fiscal year 2020. AVTA has begun to feel the effects of the COVID-19 pandemic. Fare revenues in fiscal year 2021 reduced by over 60% from the prior fiscal year. AVTA has seen a dramatic reduction in ridership as well as staffing shortages. AVTA used a reduced service schedule for several months of fiscal 2021

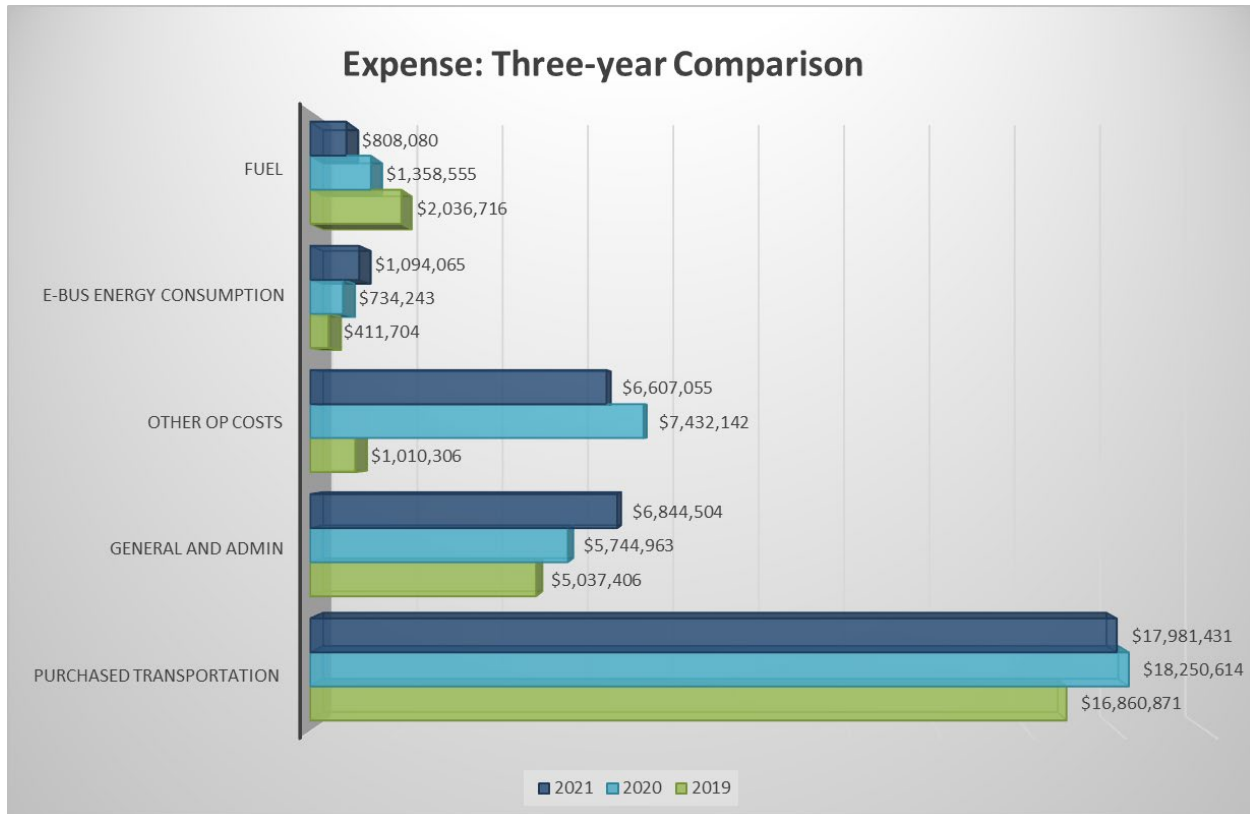
The passage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act has been a vital injection of operating revenue for AVTA in fiscal 2021 and will continue to help the agency recover from revenue loss in subsequent years. In fiscal year 2021 AVTA used \$15,537,082 from the CARES Act funds to subsidize operations.

AVTA receives significant operation funds from local taxes and Federal operating grants. In fiscal year 2021 AVTA received \$12,426,336 in local tax funding through Los Angeles County Metro, who facilitates the distribution of Los Angeles transportation tax funds to eligible operators. Additionally, AVTA received approximately \$220,633 in operational subsidies directly from the Federal Transportation Administration.

AVTA continues to expand its new revenue source from Low Carbon Fuel Standard (LCFS) Credits. These are credits AVTA earns from using electric vehicles in the state of California. AVTA began selling these credits in fiscal year 2020 and in fiscal year 2021 has earned \$1,461,592 this fiscal year which is an 83% increase over prior year LCFS credit earnings.



Figure 2 – Analysis of Expenditures



**Discussion of Expenses.** AVTA’s operating expenses are reported in the following major categories: purchased transportation services, fuel, E-bus energy consumption, other operating costs, and general and administrative expenses. The comparative level of expenditures for each operating expense category for fiscal years 2021, 2020, and 2019 are shown in Figure 2 above.

Total operating expenses prior to depreciation in fiscal year 2021 were \$33,335,086. This number is almost identical to prior year. That is reflective of a decrease in Loss on Sale due to the transfer of diesel engine buses with useful life to other transportation agencies that occurred in fiscal year 2020, while an increase in security spending in security in fiscal year 2021. In fiscal year 2021, AVTA entered in to an agreement with the City of Lancaster and the City of Palmdale for increased security services for a total of almost \$4 million dollars. This is anticipated to be a one-time transaction. Further, purchased transportation costs saw a reduction year over year primarily due to service reductions during the year due to the ongoing effects of COVID-19.

AVTA contracts with Transdev Transportation for fleet dispatch, field operations and maintenance of local and commuter routes. The total of purchased transportation for local and commuter in fiscal year 2021 is \$16,048,552, making up 89% of the Purchased Transportation total. AVTA also contracts with Antelope Valley Transportation Services (AVTS) for Dial-a-Ride services and a new On-Request Micro-transit Ride Service (ORMRS). ORMRS uses smaller vehicles and is only operated when customers have requested service. Dial-a-Ride services comprise a total of \$1,037,077 which is a reduction of prior year of over 27%. AVTA’s first year of ORMRS service has a total cost of \$843,332. Purchased Transportation overall decreased slightly by 1.5% from prior year primarily due to reduced ridership and total service hours.

Fuel in this chart is used to describe traditional fuels of diesel and unleaded. AVTA’s traditional fuel cost has continued to decrease for another year as we continue to transition to an all-electric fleet. Fiscal year 2021 saw a decrease of over 41% or a total of \$550,475 compared to fiscal year 2020.

For the fourth year in a row, AVTA has chosen to separate the E-Bus Energy consumption as its own operating cost. Electricity used for bus propulsion has increased by \$359,822 over fiscal year 2020 that represents a one-year savings of over \$190 thousand by switching to electric buses.

General & administrative expenses in fiscal year 2021 increased \$1,099,492 over fiscal year 2020. The majority of General and administrative costs were from personnel. AVTA has increased staff to a total of 60 individuals which represents the majority of this increase. Of the increase in personal are eight temporary staff members for a sanitization crew that is dedicated to keeping the buses clean in order to reduce the spread of COVID-19.

In addition to these operating expenses, depreciation expense decreased slightly from \$6,807,451 in fiscal year 2020 to \$6,537,919 remaining relatively stable as AVTA removes older buses from the fleet and replaces them with new electric buses.

**Analysis of Major Funds.** AVTA uses fund accounting to ensure and demonstrate compliance with finance-related reporting requirements. The general fund is the chief operating fund of AVTA. The focus of the general fund is to provide information on inflows, outflows and the balances of spendable resources. Fund accounting facilitates tracking the funding and expenses associated with specific projects, required for reporting whenever federal funds are used. As of June 30, 2021, unrestricted net position was just over \$24 million. The biggest contributor to this increase is the influx of federal operating assistance that has allowed AVTA to keep reserves instead of deplete them. Additionally the addition of LCFS credits as a new revenue source has contributed to the continued financial health of the agency.

## CAPITAL ASSETS

The details of the Authority's investment in capital assets as of June 30, 2021 and 2020, are presented in Table 3.

**Table 3 – Capital Assets, Net of Accumulated Depreciation**

	Balance July 1, 2020	Increases	Decreases	Transfers	Balance June 30, 2021
Land	\$ 1,816,616	\$ 81,150	\$ -	\$ -	\$ 1,897,766
Construction in Progress	12,802,607	3,160,435	-	(11,578,989)	4,384,053
Buildings	42,091,152	751,687	-	11,578,989	54,421,828
Equipment	10,016,092	334,483	-	-	10,350,575
Transportation Equipment	62,872,413	1,077,932	(21,023)	-	63,929,322
Total Capital Assets	129,598,880	5,405,687	(21,023)	-	134,983,544
Less Accumulated Depreciation	(51,678,992)	(6,537,919)	21,023	-	(58,195,888)
Total Assets, Net of Depreciation	<u>\$ 77,919,888</u>	<u>\$ (1,132,232)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,787,656</u>

As of June 30, 2021, the Authority had a book value of over \$77 million invested in capital assets. This total represents a slight decrease of \$1,132,232. The decrease is primarily attributed to the completion, of several projects under construction in the previous year including a long-time project in which WAVE chargers installation at several sites around the Antelope Valley valued at over \$11 million dollars.

Additional information concerning the Authority's capital assets can be found in Note 5 to the financial statements.

**Long-Term Debt.** AVTA has no direct or indirect bonded indebtedness.

## REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Antelope Valley Transportation Authority, Lancaster, California 93534.

**BASIC FINANCIAL STATEMENTS**

**ANTELOPE VALLEY TRANSIT AUTHORITY**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2021 AND 2020**

	June 30,	
	2021	2020
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and Cash Equivalents (Note 2)	\$ 27,540,695	\$ 22,390,573
Due from Other Governments (Note 3)	4,242,895	14,289,898
Other Receivables	41,646	74,388
Inventory	516,410	522,023
Prepaid Items	217,268	504,143
	<u>32,558,914</u>	<u>37,781,025</u>
NONCURRENT ASSETS		
Capital Assets, Depreciated, Net (Note 5)	76,787,656	77,919,888
	<u>109,346,570</u>	<u>115,700,913</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Plan Contributions and Actuarial Changes	717,467	678,603
	<u>717,467</u>	<u>678,603</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Accounts Payable	3,199,416	14,665,190
Accrued Payroll	36,973	105,951
Advances on Grant Revenue		
Proposition 1B (Note 4)	-	60,796
Other Advances	400	9,250
Compensated Absences (Note 6)	39,571	55,985
	<u>3,276,360</u>	<u>14,897,172</u>
NONCURRENT LIABILITIES		
Noncurrent Compensated Absences	579,318	412,169
Net Pension Liability	1,441,859	1,249,556
	<u>2,021,177</u>	<u>1,661,725</u>
	<u>5,297,537</u>	<u>16,558,897</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension Plan Assumption Differences	10,284	49,692
	<u>10,284</u>	<u>49,692</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	76,787,656	77,919,888
Restricted for Capital Acquisition	3,821,320	6,917,827
Unrestricted	24,147,240	14,933,212
	<u>\$ 104,756,216</u>	<u>\$ 99,770,927</u>

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

**ANTELOPE VALLEY TRANSIT AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	For the Year Ended June 30,	
	2021	2020
<b>OPERATING REVENUES</b>		
Charges for Services		
Passenger Fares	\$ 1,425,502	\$ 3,607,796
Total Operating Revenues	1,425,502	3,607,796
<b>OPERATING EXPENSES</b>		
Purchased Transportation Services		
Outside Transit Contract	17,981,431	18,250,614
Fuel	808,080	1,358,555
E-Bus Energy Consumption	1,094,065	734,243
Other Operating Costs	6,607,055	7,432,142
General and Administrative	6,844,455	5,744,963
Depreciation	6,537,919	6,807,451
Total Operating Expenses	39,873,005	40,327,968
<b>OPERATING LOSS</b>	<b>(38,447,503)</b>	<b>(36,720,172)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Income	80,291	141,767
Local Operating Grants - Los Angeles Metropolitan		
Transportation Authority	12,426,336	13,946,677
Federal Operating Grants	15,757,715	11,092,006
Member Agency Contributions	1,298,027	2,667,845
Capital Related Expenses	(1,055,150)	(1,766,172)
Other	1,706,040	1,049,405
Total Nonoperating Revenues (Expenses)	30,213,259	27,131,528
<b>LOSS BEFORE CAPITAL CONTRIBUTIONS</b>	<b>(8,234,244)</b>	<b>(9,588,644)</b>
<b>CAPITAL CONTRIBUTIONS</b>		
Capital Grants	13,032,475	17,230,524
Member Contributions	187,058	369,617
Total Capital Contributions	13,219,533	17,600,141
<b>CHANGE IN NET POSITION</b>	4,985,289	8,011,497
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>99,770,927</b>	<b>91,759,430</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 104,756,216</b>	<b>\$ 99,770,927</b>

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

**ANTELOPE VALLEY TRANSIT AUTHORITY  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	For the Year Ended June 30,	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers	\$ 1,458,244	\$ 3,687,118
Nonoperating Miscellaneous Cash Received	1,706,040	1,049,405
Cash Payments to Suppliers for Goods and Services	(37,663,917)	(26,563,588)
Cash Payments to Employees for Services	(6,648,667)	(5,465,070)
	(41,148,300)	(27,292,135)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Operating Grants Received	28,184,051	25,038,683
Contributions Received from Member Agencies	1,298,027	2,667,845
	29,482,078	27,706,528
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of Capital Assets	(5,405,687)	(15,426,365)
Proceeds from Sale of Capital Assets	-	5,119,061
Capital Grants Received	23,079,478	10,672,136
Grantable Expenses	(1,124,796)	(2,757,300)
Capital Contributions Received from Member Agencies	187,058	369,617
	16,736,053	(2,022,851)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	80,291	141,767
	80,291	141,767
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	5,150,122	(1,466,691)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	22,390,573	23,857,264
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 27,540,695	\$ 22,390,573

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

**ANTELOPE VALLEY TRANSIT AUTHORITY  
STATEMENTS OF CASH FLOWS (Continued)  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	For the Year Ended June 30,	
	2021	2020
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating Loss	\$ (38,447,503)	\$ (36,720,172)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities		
Depreciation	6,537,919	6,807,451
Miscellaneous Income	1,706,040	1,049,405
Decrease in Other Receivables	32,742	79,322
(Increase) Decrease in Inventory	5,613	(117,354)
Decrease in Prepaid Items	286,875	53,605
(Increase) in Deferred Outflows of Resources	(38,864)	(1,554)
Increase (Decrease) in Accounts Payable	(11,465,774)	1,275,715
Increase (Decrease) in Accrued Payroll	(68,978)	29,678
Increase in Compensated Absences Payable	150,735	78,979
Increase in Net Pension Liability	192,303	177,572
(Decrease) in Deferred Inflows of Resources	(39,408)	(4,782)
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>\$ (41,148,300)</b>	<b>\$ (27,292,135)</b>

**NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES**

There were no noncash investing, capital, or financing activities during the years ended June 30, 2021 and 2020.

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

**ANTELOPE VALLEY TRANSIT AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. The Reporting Entity

The Antelope Valley Transit Authority (AVTA) is located in southern California approximately 70 miles northeast of Los Angeles. AVTA was formed to provide and administer public transportation services in the Antelope Valley, including local passenger bus service, a commuter bus service, and a Paratransit service.

AVTA is a public entity organized on July 1, 1992, pursuant to Section 6506 of the Government Code of the State of California. AVTA is governed by a Joint Powers Agreement (JPA) whose members consist of the County of Los Angeles (a political subdivision of the State of California), the City of Palmdale, and the City of Lancaster (each a municipal corporation of the State of California). The JPA provides a cost sharing agreement among its members who jointly fund their jurisdictional share of transportation services provided to the Antelope Valley. AVTA operates under a Board of Directors/Manager form of government, with the Board of Directors (the Board) being comprised of two directors appointed from each participating member's jurisdiction.

AVTA accounts for its financial transactions in accordance with the policies and procedures of the State of California - Uniform System of Accounts for Special Districts. The accounting policies of AVTA conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants.

AVTA, for financial purposes, includes all operations of AVTA. The Board has governance responsibilities over all activities related to AVTA. AVTA receives funding from local, county, state, and federal government sources and must comply with requirements of these entities.

B. Basic Financial Statements

The basic financial statements (i.e., the Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows) report information on all of the enterprise activities of AVTA. These basic financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and related standards; GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The basic financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included on the Statements of Net Position. The Statements of Revenues, Expenses, and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.



**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

AVTA distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund’s principal operations. The principal operating revenues of AVTA consist of transit fees. Nonoperating revenues consist of federal, state, and county operating grants; investment income; and jurisdictional member contributions designated for use for operating and capital purposes. Operating expenses include outside transit contracts, which provide transportation and maintenance services; fuel expenses; administrative expenses; and depreciation on capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

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

D. Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near to their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of nine months or less.

E. Investments

All investments are stated at fair value. Money market investments are short-term, highly liquid debt instruments including commercial paper, bankers’ acceptances, and U.S. Treasury and Agency Obligations. Fair value is the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. All investment income, including changes in fair value, is included in nonoperating revenues.

F. Budgetary Information

Although AVTA prepares and approves an annual budget, budgetary information is not presented because AVTA is not required to present a budget.

G. Inventory and Prepaid Items

Inventory consists of fuel in storage held for consumption and parts used for the maintenance of transportation equipment and facilities and is valued at cost using the first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the accompanying basic financial statements.

H. Capital Assets

It is AVTA’s policy to capitalize all capital assets with a cost of more than \$5,000. Depreciation of all exhaustible property, plant, and equipment used by proprietary funds is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Transportation equipment	3-12
Vehicles	4-6
Buildings	34
Computer equipment	3
Furniture and fixtures	3-10
Equipment – other	3-12

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)I. Federal, State, and Local Grants

Federal, state, and local governments have made various grants available to AVTA for operating assistance and acquisition of capital assets. Grants for operating assistance, or for the acquisition of equipment or other capital outlays, are not formally recognized as revenue until the grant becomes a valid receivable. This occurs as a result of AVTA complying with appropriate grant requirements. Operating assistance grants are included in nonoperating revenues in the year in which the grant is applicable. Revenues earned under capital grants are included in capital contributions when the related expenses are incurred.

J. Compensated Absences

It is AVTA's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Upon termination, an employee will be paid for any unused vacation. Sick leave is payable when an employee is unable to work because of illness. Upon termination, AVTA employees are not paid for unused sick pay. Accumulated unpaid vacation and sick leave pay is recorded as an expense and a liability at the time the benefit is earned.

K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of AVTA's California Public Employees' Retirement System (CalPERS) pension 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.

L. Deferred Outflows of Resources

In addition to assets, the Statements of Net Position include a separate section for deferred outflows of resources. This separate financial statement section represents a disposition of net position that applies to future periods and will not be recognized as expense until that time.

M. Deferred Inflows of Resources

In addition to liabilities, the Statements of Net Position include a separate section for deferred inflows of resources. This separate financial statement section represents an acquisition of net position that applies to future periods and will not be recognized as revenue until that time.

N. Net Position

In the Statements of Net Position, net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvements of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)O. Use of Estimates

The preparation of the accompanying basic 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 certain assets, liabilities, revenues, and expenses, as well as to make disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. The principal area requiring the use of estimates includes the determination of the useful lives of capital assets and assumptions utilized in the actuarially determined net pension plan liability.

P. New Accounting Pronouncements – Implemented

**GASB Statement No. 84 – *Fiduciary Activities*.** The requirements of this statement were originally effective for periods beginning after December 15, 2018. There was no effect on AVTA's accounting and financial reporting as a result of implementing this standard.

**GASB Statement No. 90 – *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*.** There was no effect on AVTA's accounting and financial reporting as a result of implementing this standard.

Q. Future GASB Statements

**GASB Statement No. 87 – *Leases*.** The requirements of this statement were originally effective for periods beginning after December 15, 2019. GASB Statement No. 95 delayed the effective date to June 15, 2021. AVTA will implement GASB Statement No. 87 if and where applicable.

**GASB Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*.** The requirements of this statement were originally effective for periods beginning after December 15, 2019. GASB Statement No. 95 delayed the effective date to December 15, 2020. AVTA will implement GASB Statement No. 89 if and where applicable.

**GASB Statement No. 91 – *Conduit Debt Obligations*.** The requirements of this statement were originally effective for periods beginning after December 15, 2020. GASB Statement No. 95 delayed the effective date to December 15, 2021. AVTA will implement GASB Statement No. 91 if and where applicable.

**GASB Statement No. 92 – *Omnibus 2020*.** The requirements of this statement were originally effective for periods beginning after June 15, 2020. GASB Statement No. 95 delayed the effective date to June 15, 2021. AVTA will implement GASB Statement No. 92 if and where applicable.

**GASB Statement No. 93 – *Replacement of Interbank Offered Rates*.** The requirements of this statement were originally effective for periods beginning after June 15, 2020. GASB Statement No. 95 delayed the effective date to June 15, 2021. AVTA will implement GASB Statement No. 93 if and where applicable.

**GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.** The requirements of this statement are effective for periods beginning after June 15, 2022. AVTA will implement GASB Statement No. 94 if and where applicable.

**GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*.** The requirements of this statement are effective for periods beginning after June 15, 2022. AVTA will implement GASB Statement No. 96 if and where applicable.

**GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.** The requirements of this statement are effective for periods beginning after June 15, 2021. AVTA will implement GASB Statement No. 97 if and where applicable.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as of June 30, 2021 and 2020, consisted of the following:

	June 30,	
	2021	2020
Cash on hand	\$ 938	\$ 938
Deposits with financial Institutions	11,186,132	17,101,198
Investments	16,353,625	5,228,437
	<u>\$ 27,540,695</u>	<u>\$ 22,330,573</u>

**Investments Authorized by the California Government Code and AVTA's Investment Policy**

The table below identifies the investment types that are authorized for AVTA by the California Government Code (or AVTA's investment policy, whichever is more restrictive). The table also identifies certain provisions of the California Government Code (or AVTA's investment policy, whichever is more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of AVTA, rather than the general provisions of the California Government Code or the AVTA's investment policy.

Authorized Investment Type	Authorized by Investment Policy	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
Local Agency Bonds	No	N/A	N/A	N/A
U.S. Treasury Obligations	Yes	1 year	50%	None
U.S. Agency Securities	No	N/A	N/A	N/A
Bankers' Acceptances	Yes	180 days	15%	30%
Commercial Paper	Yes	180 days	10%	10%
Negotiable Certificates of Deposit	Yes	1 year	25-50%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	No	N/A	N/A	N/A
Medium-Term Notes	No	N/A	N/A	N/A
Mutual Funds	No	N/A	N/A	N/A
Money Market Mutual Funds	Yes	N/A	15%	10%
Mortgage Pass-Through Securities	No	N/A	N/A	N/A
County Pooled Investment Funds	No	N/A	N/A	N/A
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None

\* Based on State law requirements or investment policy requirements, whichever is more restrictive.

**Investments Authorized by Debt Agreements**

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements rather than the general provisions of the California Government Code or AVTA's investment policy. AVTA did not have any investments held by bond trustees as of June 30, 2021 and 2020.

**NOTE 2 – CASH AND CASH EQUIVALENTS** (Continued)**Disclosures Relating to Interest Risk**

Interest rate risk arises for investments depending on how sensitive the absolute level of interest rate is. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair value of AVTA's investments to market interest rate fluctuations is provided by the following table that shows the distribution of AVTA's investments by maturity as of June 30, 2021 and 2020:

2021		Remaining Maturity (in Months)
<u>Investment Type</u>	<u>Total</u>	<u>12 Months or Less</u>
Local Agency Investment Fund (LAIF)	\$ 16,353,552	\$ 16,353,552
Money Market Fund	73	73
Total	<u>\$ 16,353,625</u>	<u>\$ 16,353,625</u>
2020		Remaining Maturity (in Months)
<u>Investment Type</u>	<u>Total</u>	<u>12 Months or Less</u>
Local Agency Investment Fund (LAIF)	\$ 5,288,364	\$ 5,288,364
Money Market Fund	73	73
Total	<u>\$ 5,288,437</u>	<u>\$ 5,288,437</u>

Funds invested with the State Treasurer's LAIF may have maturities longer than 90 days; however, LAIF functions as a demand deposit account. Therefore, AVTA considers LAIF as cash equivalents.

AVTA has placed all reserve funds in LAIF at the end of Fiscal Year 2021.

**Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations**

As of June 30, 2021 and 2020, AVTA did not have any investments whose fair values are highly sensitive to interest rate fluctuations.

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of that investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF and the money market fund do not have a rating provided by a nationally recognized statistical rating organization.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude to AVTA's investment in a single issue or instrument. AVTA's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2021 and 2020, except for its investments in LAIF and Wells Fargo Bank, AVTA did not have any investments in any one issuer that represented 5% or more of its total investment portfolio.

**NOTE 2 – CASH AND CASH EQUIVALENTS** (Continued)**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 custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and AVTA's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investment, other than for the following provision for deposits: The California Government Code requires that a 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 local government unit. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

**Investment in State Investment Pool**

AVTA is a voluntary participant in the California State Treasurer's LAIF. LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of AVTA's investment in this pool is reported in the accompanying basic financial statements at amounts based upon AVTA'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, and is recorded on an amortized cost basis. Included in LAIF's investment portfolio are mortgage-backed securities, loans to certain state funds, securities with interest rates that vary according to changes in rates greater than a one-for-one basis, and structured notes. LAIF is not rated by a recognized statistical rating organization.

**NOTE 3 – DUE FROM OTHER GOVERNMENTS**

Due from other governments consisted of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Federal Grants	\$ 1,157,448	\$ 7,205,140
State Grants	877,096	6,389,672
Local Grants - Los Angeles Metropolitan Transportation Authority	2,190,563	616,313
Operating Contribution		
LA County	2,750	1,250
Other	<u>15,038</u>	<u>77,523</u>
Total Due From Other Governments	<u>\$ 4,242,895</u>	<u>\$ 14,289,898</u>

**NOTE 4 – ADVANCES**

The Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Fund is a part of the State of California's Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Bond Act), approved by California voters as Proposition 1B on November 7, 2006. A total of \$19.9 billion was deposited into the PTMISEA Fund, \$3.6 billion of which was made available to fund grants to project sponsors in California for approved eligible public transportation projects over a 10-year period. Proposition 1B funds can be used 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. It is AVTA's practice to record as unearned revenue any funds received prior to the incurrence of eligible expenses. PTMISEA activity during the years ended June 30, 2021 and 2020, was as follows:

Unspent PTMISEA Cash Receipts as of June 30, 2019	\$ 1,016,174
PTMISEA Funds Received During the Year Ended June 30, 2020	-
PTMISEA Expenses Incurred During the Year Ended June 30, 2020	<u>(955,378)</u>
Unspent PTMISEA Cash Receipts as of June 30, 2020	60,796
PTMISEA Funds Received During the Year Ended June 30, 2021	-
PTMISEA Expenses Incurred During the Year Ended June 30, 2021	<u>(60,796)</u>
Unspent PTMISEA Cash Receipts as of June 30, 2021	<u>\$ -</u>

**NOTE 5 – CAPITAL ASSETS**

A schedule of changes in capital assets for the years ended June 30, 2021 and 2020, are shown below.

	Balance at July 1, 2020	Increases	Decreases	Transfers	Balance at June 30, 2021
Capital Assets, Not Being Depreciated:					
Land	\$ 1,816,616	\$ 81,150	\$ -	\$ -	\$ 1,897,766
Construction-in-Progress	<u>12,802,607</u>	<u>3,160,435</u>	<u>-</u>	<u>(11,578,989)</u>	<u>4,384,053</u>
Total Capital Assets, Not Being Depreciated	<u>14,619,223</u>	<u>3,241,585</u>	<u>-</u>	<u>(11,578,989)</u>	<u>6,281,819</u>
Capital Assets Being Depreciated:					
Buildings	42,091,152	751,687	-	11,578,989	54,421,828
Equipment	10,016,092	334,483	-	-	10,350,575
Transportation Equipment	<u>62,872,413</u>	<u>1,077,932</u>	<u>(21,023)</u>	<u>-</u>	<u>63,929,322</u>
Total Capital Assets, Being Depreciated	<u>114,979,657</u>	<u>2,164,102</u>	<u>(21,023)</u>	<u>11,578,989</u>	<u>128,701,725</u>
Less Accumulated Depreciation:					
Buildings	(14,286,681)	(1,861,926)	-	-	(16,148,607)
Equipment	(9,686,895)	(572,640)	-	-	(10,259,535)
Transportation Equipment	<u>(27,705,416)</u>	<u>(4,103,353)</u>	<u>21,023</u>	<u>-</u>	<u>(31,787,746)</u>
Total Accumulated Depreciation	<u>(51,678,992)</u>	<u>(6,537,919)</u>	<u>21,023</u>	<u>-</u>	<u>(58,195,888)</u>
Total Capital Assets, Being Depreciated, Net	<u>63,300,665</u>	<u>(4,373,817)</u>	<u>-</u>	<u>11,578,989</u>	<u>70,505,837</u>
Capital Assets, Net	<u>\$ 77,919,888</u>	<u>\$ (1,132,232)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,787,656</u>

Depreciation expense for the year ended June 30, 2021, was \$6,537,919.

**NOTE 5 – CAPITAL ASSETS** (Continued)

	Balance at July 1, 2019	Increases	Decreases	Transfers	Balance at June 30, 2020
Capital Assets, Not Being Depreciated:					
Land	\$ 1,816,616	\$ -	\$ -	\$ -	\$ 1,816,616
Construction-in-Progress	8,852,311	4,263,001	-	(312,705)	12,802,607
<b>Total Capital Assets, Not Being Depreciated</b>	<b>10,668,927</b>	<b>4,263,001</b>	<b>-</b>	<b>(312,705)</b>	<b>14,619,223</b>
Capital Assets Being Depreciated:					
Buildings	41,228,488	862,664	-	-	42,091,152
Equipment	9,973,530	42,562	-	-	10,016,092
Transportation Equipment	68,971,199	10,258,138	(16,669,629)	312,705	62,872,413
<b>Total Capital Assets, Being Depreciated</b>	<b>120,173,217</b>	<b>11,163,364</b>	<b>(16,669,629)</b>	<b>312,705</b>	<b>114,979,657</b>
Less Accumulated Depreciation:					
Buildings	(12,625,045)	(1,661,636)	-	-	(14,286,681)
Equipment	(9,054,183)	(632,712)	-	-	(9,686,895)
Transportation Equipment	(34,742,881)	(4,513,103)	11,550,568	-	(27,705,416)
<b>Total Accumulated Depreciation</b>	<b>(56,422,109)</b>	<b>(6,807,451)</b>	<b>11,550,568</b>	<b>-</b>	<b>(51,678,992)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>63,751,108</b>	<b>4,355,913</b>	<b>(5,119,061)</b>	<b>312,705</b>	<b>63,300,665</b>
<b>Capital Assets, Net</b>	<b>\$ 74,420,035</b>	<b>\$ 8,618,914</b>	<b>\$ (5,119,061)</b>	<b>\$ -</b>	<b>\$ 77,919,888</b>

Depreciation expense for the year ended June 30, 2020, was \$6,807,451.

**NOTE 6 – LONG-TERM DEBT**

A schedule of changes in long-term debt for the years ended June 30, 2021 and 2020, are shown below:

	Balance at July 1, 2020	Increases	Decreases	Balance at June 30, 2021	Amount Due Within One Year
Compensated Absences	\$ 468,154	\$ 456,748	\$ 306,013	\$ 618,889	\$ 39,571
Net Pension Liability	1,249,556	192,303	-	1,441,859	-
<b>Total</b>	<b>\$ 1,717,710</b>	<b>\$ 649,051</b>	<b>\$ 306,013</b>	<b>\$ 2,060,748</b>	<b>\$ 39,571</b>
	Balance at July 1, 2019	Increases	Decreases	Balance at June 30, 2020	Amount Due Within One Year
Compensated Absences	\$ 389,175	\$ 323,967	\$ 244,988	\$ 468,154	\$ 55,985
Net Pension Liability	1,071,984	177,572	-	1,249,556	-
<b>Total</b>	<b>\$ 1,461,159</b>	<b>\$ 501,539</b>	<b>\$ 244,988</b>	<b>\$ 1,717,710</b>	<b>\$ 55,985</b>



**NOTE 7 – DEFINED BENEFIT PENSION PLAN (CalPERS)**

General Information about the Pension Plan

**Plan Description** – All qualified employees are eligible to participate in AVTA’s Miscellaneous Employee Pension Plan (the Plan), a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and AVTA resolution. CalPERS issues publicly available reports that include a full description of the Plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website. Eligible employees hired after January 1, 2013, that are considered new members as defined by the Public Employees’ Pension Reform Act (PEPRA) are participating in the PEPRA Miscellaneous Plan.

**Benefits Provided** – CalPERS provides retirement and disability benefits, annual cost of living adjustments (COLA), and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited services. Members with five years of total service are eligible to retire at age 55 or 62 if in the PEPRA Miscellaneous Plan with statutorily benefits. An optional benefit regarding sick leave was adopted. All members are eligible for non-duty disability benefits after 10 years of service. The system also provides for the Optional Settlement 2W Death Benefit. The COLAs for the Plan are applied as specified by the Public Employees’ Retirement Law.

The Plan’s provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Prior to January 1, 2013 (Classic Members)	On or after January 1, 2013 (PEPRA Members)
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Retirement age monthly benefits as a % of eligible compensation	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.75%
Required employer contribution rates	10.48%	7.73%

The Plan’s provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Prior to January 1, 2013 (Classic Members)	On or after January 1, 2013 (PEPRA Members)
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Retirement age monthly benefits as a % of eligible compensation	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.75%
Required employer contribution rates	9.68%	6.99%

**NOTE 7 – DEFINED BENEFIT PENSION PLAN (CalPERS)** (Continued)

General Information about the Pension Plan (Continued)

**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. AVTA is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, 2021 and 2020, the contributions recognized as part of pension expense for the Plan were as follows:

	June 30, 2021	June 30, 2020
Miscellaneous Classic	\$ 231,664	\$ 213,200
Miscellaneous PEPRA	171,127	113,968
	\$ 402,791	\$ 327,168

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

AVTA’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. As of June 30, 2021 and 2020, AVTA reported net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of the Net Pension Liability	
	For the Year Ended June 30, 2021	For the Year Ended June 30, 2020
Miscellaneous	\$ 1,441,859	\$ 1,249,556

For the years ended June 30, 2021 and 2020, the net pension liability of the Plan is measured as of June 30, 2020 and 2019, using an annual actuarial valuation as of June 30, 2019 and 2018, rolled forward to June 30, 2020 and 2019, using standard update procedures.

AVTA’s proportion of the net pension liability was based on a projection of its long-term share of contributions to the Plan relative to the projected contributions of all participating employers, actuarially determined. AVTA’s proportionate share of the net pension liability for the Plan with an actuarial valuation date of June 30, 2019 and 2018, was as follows:

	For the Year Ended June 30, 2021		For the Year Ended June 30, 2020
	Miscellaneous		Miscellaneous
Proportion - June 30, 2020	0.01219%	Proportion - June 30, 2019	0.01112%
Proportion - June 30, 2021	0.01325%	Proportion - June 30, 2020	0.01219%
Change - Increase (Decrease)	-0.00106%	Change - Increase (Decrease)	-0.00107%

**NOTE 7 – DEFINED BENEFIT PENSION PLAN (CalPERS)** (Continued)

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions  
(Continued)

For the years ended June 30, 2021 and 2020, AVTA recognized pension expense of \$516,822 and \$498,404, respectively. At June 30, 2021 and 2020, AVTA reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 74,303	\$ -
Changes of Assumptions	-	(10,284)
Net Difference Between Projected and Actual Earnings on Plan Investments	42,833	-
Change in Employer's Proportion	149,944	-
Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	47,596	-
Pension Contributions Subsequent to Measurement Date	402,791	-
	\$ 717,467	\$ (10,284)
2020	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 86,787	\$ (6,724)
Changes of Assumptions	59,585	(21,122)
Net Difference Between Projected and Actual Earnings on Plan Investments	-	(21,846)
Change in Employer's Proportion	168,343	-
Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	36,720	-
Pension Contributions Subsequent to Measurement Date	327,168	-
	\$ 678,603	\$ (49,692)

\$402,791 reported as deferred outflows of resources related to pensions are related to contributions made by AVTA subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources will be amortized into pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2022	\$ 117,725
2023	102,460
2024	63,663
2025	20,544
2026	-
Thereafter	-
	\$ 304,392

**NOTE 7 – DEFINED BENEFIT PENSION PLAN (CalPERS)** (Continued)

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions  
(Continued)

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2019 and 2018 actuarial valuations were determined using the following actuarial assumptions:

	<u>For the Year Ended June 30, 2021</u>	<u>For the Year Ended June 30, 2020</u>
	<u>Miscellaneous</u>	<u>Miscellaneous</u>
Valuation Date	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2020	June 30, 2019
Actuarial Cost Method	Entry age normal	Entry age normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Salary Increases	Varies by entry age and service	Varies by entry age and service
Investment Rate of Return	7.15%	7.15%
Mortality Tables	Derived using CalPERS' Membership Data for all Funds. The mortality rates include 15 years of projected ongoing mortality improvement using 90% of Scale MP 2016 published by the Society of Actuaries	Derived using CalPERS' Membership Data for all Funds. The mortality rates include 15 years of projected ongoing mortality improvement using 90% of Scale MP 2016 published by the Society of Actuaries
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

Further details of the Experience Study can be found on 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) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables:

2021			
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Current Target Allocation</u>	<u>Current Target Allocation</u>
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100%</u>		

**NOTE 7 – DEFINED BENEFIT PENSION PLAN (CalPERS)** (Continued)

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions  
(Continued)

2020	Target Allocation	Current Target Allocation	Current Target Allocation
<u>Asset Class</u>	<u>Allocation</u>	<u>Allocation</u>	<u>Allocation</u>
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
<b>Total</b>	<b>100%</b>		

**Discount Rate** – The discount rate used to measure the total pension liability for June 30, 2021 and 2020, was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from AVTA will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on the Plan’s investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

– The following presents AVTA’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as AVTA’s proportionate share of the net pension liability if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

<u>Miscellaneous Plan</u> <u>For the Year Ended June 30, 2021</u>		<u>Miscellaneous Plan</u> <u>For the Year Ended June 30, 2020</u>	
1% Decrease	6.15%	1% Decrease	6.15%
Net Pension Liability	\$ 2,471,911	Net Pension Liability	\$ 2,227,287
Current Discount Rate	7.15%	Current Discount Rate	7.15%
Net Pension Liability	\$ 1,441,859	Net Pension Liability	\$ 1,249,556
1% Increase	8.15%	1% Increase	8.15%
Net Pension Liability	\$ 590,760	Net Pension Liability	\$ 442,508

**Pension Plan Fiduciary Net Position** – Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**NOTE 8 – RISK MANAGEMENT**

AVTA is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; and natural disasters. AVTA protects itself against such losses by a balanced program of risk retention, risk transfers, and the purchase of commercial insurance. Loss exposures retained by AVTA are treated as normal expenditures and include any loss contingency not covered by AVTA’s purchased insurance policies.

**NOTE 8 – RISK MANAGEMENT** (Continued)

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. AVTA maintains workers' compensation insurance policies covering claims up to \$5,000,000. An excess coverage insurance policy covers individual claims in excess of \$5,000,000. AVTA does not have any liabilities for unpaid claims as of June 30, 2021. Settled claims have not exceeded insurance coverage limits during the years ended June 30, 2021 and 2020.

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

A. Litigation

AVTA contracts its transportation services. As part of this contract, the contractor operates and maintains all vehicles. The contract provides that the operator indemnify AVTA for all claims and litigation relating to the operation of AVTA vehicles. While AVTA has been named in several matters of litigation, the contract operator is responsible for defense and payment of any unfavorable settlement.

AVTA is subject to various legal proceedings and claims arising in the ordinary course of its business. While the ultimate outcome of these matters is difficult to predict, management believes that the ultimate resolution of these matters will not have a material adverse effect on AVTA's financial position or activities.

B. Federal, State, and Local Grants

AVTA receives federal, state, and local funds for specific purposes that are subject to audit by the granting agencies. Although the outcome of any such audits cannot be predicted, it is management's opinion that these audits would not have a material effect on AVTA's financial position or changes in financial position.

C. Purchase Contracts

AVTA has the following significant purchase commitments outstanding as of June 30, 2021. These purchase orders are for future buses AVTA has yet to receive as of June 30, 2021.

<u>Vendor</u>	<u>Project</u>	<u>Amount</u>	<u>Expected Completion</u>
BYD Motores, Inc. (BYD)	Electric Bus Fleet	\$ 22,631,865	End of Fiscal Year 2022
Motor Coach Industries (MCI)	Electric Bus Fleet	\$ 31,598,321	End of Fiscal Year 2022

**NOTE 10 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through \_\_\_\_\_, 2021, the date these financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**ANTELOPE VALLEY TRANSIT AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
A COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF AVTA'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
AS OF JUNE 30, 2021  
LAST 10 YEARS\***

	2021	2020	2019	2018	2017	2016	2015
Valuation Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Proportion of the Net Pension Liability	0.01325%	0.01219%	0.01112%	0.01109%	0.01018%	0.00916%	0.01027%
Proportionate Share of the Net Pension Liability	\$ 1,441,859	\$ 1,249,556	\$ 1,071,984	\$ 1,099,901	\$ 880,874	\$ 629,016	\$ 639,229
Covered Payroll	\$ 3,167,760	\$ 2,685,150	\$ 2,570,443	\$ 2,548,087	\$ 2,602,471	\$ 2,473,677	\$ 2,304,600
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	45.52%	46.54%	41.70%	43.17%	33.85%	25.43%	27.74%
Plan's Fiduciary Net Position	\$ 6,298,492	\$ 6,019,653	\$ 5,338,209	\$ 4,678,869	\$ 4,001,269	\$ 3,563,767	\$ 3,127,307
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	83.03%

\* Fiscal year 2015 was the 1<sup>st</sup> year of implementation; therefore, only seven years are shown.

Notes to Schedule:

Benefit changes: There have been no benefit changes.



**ANTELOPE VALLEY TRANSIT AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
A COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF CONTRIBUTIONS  
AS OF JUNE 30, 2021  
LAST 10 YEARS\***

	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	\$ 402,791	\$ 327,168	\$ 264,578	\$ 235,194	\$ 226,757	\$ 208,456	\$ 405,595
Contributions in Relation to the Actuarially Determined Contributions	402,791	327,168	264,578	235,194	226,757	208,456	405,595
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 3,624,812	\$ 3,167,760	\$ 2,570,443	\$ 2,548,087	\$ 2,602,471	\$ 2,473,677	\$ 2,304,600
Contributions as a Percentage of Covered Payroll	11.11%	10.33%	10.29%	9.23%	8.71%	8.43%	17.60%

\* Fiscal year 2015 was the 1<sup>st</sup> year of implementation; therefore, only seven years are shown.

**ANTELOPE VALLEY TRANSIT AUTHORITY**

**SINGLE AUDIT REPORT**

**JUNE 30, 2021**

**ANTELOPE VALLEY TRANSIT AUTHORITY**

**JUNE 30, 2021**

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

Board of Directors  
Antelope Valley Transit Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Antelope Valley Transit Authority (AVTA), as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise AVTA’s basic financial statements, and have issued our report thereon dated \_\_\_\_\_, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered AVTA’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of AVTA’s internal control. Accordingly, we do not express an opinion on the effectiveness of AVTA’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 AVTA’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

Bakersfield, California  
\_\_\_\_\_, 2021

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

Board of Directors  
Antelope Valley Transit Authority

**Report on Compliance for Each Major Federal Program**

We have audited the Antelope Valley Transit Authority's (AVTA) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of AVTA's major federal programs for the year ended June 30, 2021. AVTA'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 AVTA'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 AVTA'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 AVTA's compliance.

**Opinion on Each Major Federal Program**

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

## **Report on Internal Control over Compliance**

Management of AVTA 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 AVTA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of AVTA's internal control over compliance.

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

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

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

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

We have audited the basic financial statements of AVTA as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise AVTA's basic financial statements. We issued our report thereon dated \_\_\_\_\_, 2021, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

Bakersfield, California  
\_\_\_\_\_, 2021

## **FINANCIAL STATEMENTS**



**ANTELOPE VALLEY TRANSIT AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Grant Number	Passed Through to Subrecipients	Federal Portion of Eligible Expenditures	Total Eligible Expenditures
<b>U.S. Department of Transportation</b>					
Direct Assistance					
Federal Transit Cluster					
Federal Transit – Formula Grants	20.507	CA-90-Y968	\$ -	\$ 432,736	432,736
Federal Transit – Formula Grants	20.507	CA-90-063	-	7,419	7,419
Federal Transit – Formula Grants	20.507	CA-2019-108	-	74,327	74,327
Federal Transit – Formula Grants	20.507	CA-90-111	-	341,343	341,343
Federal Transit – Formula Grants	20.507	CA-90-049	-	1,809,688	1,809,688
Federal Transit – Formula Grants	20.507	CARES ACT	-	15,537,082	15,537,082
Total Federal Transit Cluster			-	18,202,595	18,202,595
Pass-Through Assistance from					
Los Angeles County Metropolitan Transportation Authority					
Job Access Reverse Commute Grant	20.516	FTA 5310	-	129,351	129,351
Job Access Reverse Commute Grant	20.516	FTA 5310	-	83,507	83,507
Total Job Access Reverse Commute Grant			-	212,858	212,858
<b>Total Expenditures of Federal Awards</b>			<b>\$ -</b>	<b>\$ 18,415,453</b>	<b>\$ 18,415,453</b>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards.

**ANTELOPE VALLEY TRANSIT AUTHORITY  
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLICABLE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

A. Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the Antelope Valley Transit Authority (AVTA) that are reimbursable under programs of federal agencies providing financial awards. For the purposes of this schedule, financial awards include federal awards received directly from a federal agency, as well as federal funds received indirectly by AVTA from a non-federal agency or other organizations. The portions of program expenditures reimbursable with such federal funds are reported in the accompanying schedule. Program expenditures in excess of the maximum reimbursement authorized or the portion of the program expenditures that were funded with other state, local or other non-federal funds are included in the accompanying schedule under total expenditures. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of AVTA, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of AVTA.

B. Basis of Accounting

The expenditures included in the accompanying schedule were reported on the accrual basis of accounting. Under the accrual basis of accounting, expenditures are recognized when incurred. Expenditures reported include any property or equipment acquisitions incurred under the federal program. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

C. Subrecipients

AVTA did not disburse any funds to subrecipients during the year ended June 30, 2021.

## **FINDINGS AND QUESTIONED COSTS SECTION**

**ANTELOPE VALLEY TRANSIT AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**I. Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? \_\_\_ Yes  X  No

Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_ Yes  X  None reported

Noncompliance material to financial statements noted? \_\_\_ Yes  X  No

**Federal Awards**

Internal control over major federal programs:

Material weakness identified? \_\_\_ Yes  X  No

Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_ Yes  X  None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? \_\_\_ Yes  X  No

Identification of major programs:

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

Dollar threshold used to distinguish Type A and B programs: \$750,000

Auditee qualified as low risk auditee?  X  Yes \_\_\_ No

**II. Findings Relating to Financial Statements Required Under Generally Accepted Government Auditing Standards (GAGAS)**

None.

**III. Federal Award Findings and Questioned Costs**

None.

**IV. State Award Findings and Questioned Costs**

None.

**V. Summary of Prior Audit (June 30, 2020) Findings and Current Year Status**

None.



**DATE: November 23, 2021**

**TO: BOARD OF DIRECTORS MEETING**

**SUBJECT: PRESENTATION OF CALIFORNIA TRANSIT ASSOCIATION'S  
SMALL OPERATORS TRANSIT AGENCY OF THE YEAR AWARD  
FOR 2021 TO THE BOARD OF DIRECTORS**

---

On November 2, 2021, the California Transit Association presented the Antelope Valley Transit Authority with the Transit Agency of the Year Award for 2021 during their Fall Conference & Expo in Sacramento, CA. The Transit Agency of the Year Award recognizes an outstanding program or service that demonstrates innovative concepts, effective problem-solving techniques, or promotes a positive image of transit in the community. Executive Director/CEO Macy Neshati accepted the award on behalf of the agency.

**October**

**SRP 7**

# **FY 2022 Monthly Operations Key Performance Indicators**

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Presentation to the Board of Directors

November 23, 2021

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# October Trip Accommodation



*Maria Guerra – Customer Service Agent*

91.35%  
Trips Accommodated

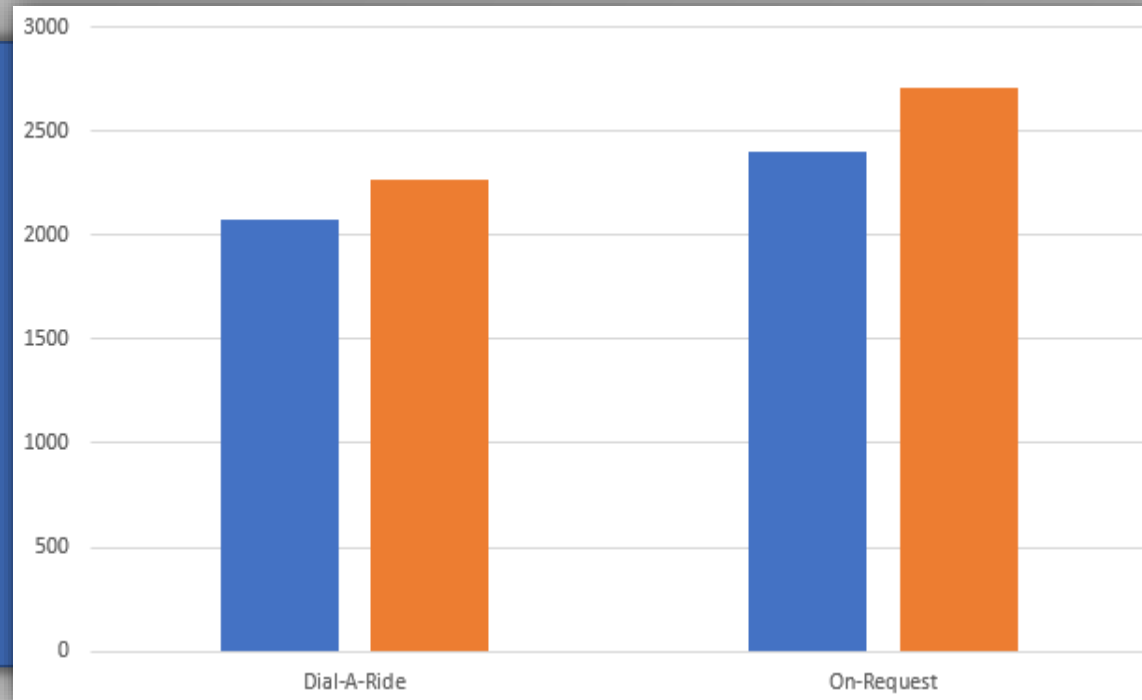
# October Ridership Data

## Total Passengers

Dial-A-Ride  
2,264

On-Request  
2,705

Grand Total  
4,969



## Total Completed Rides

Dial-A-Ride  
2,079

On-Request  
2,401

Grand Total  
4,480

160.29

Average Passengers Per Day

144.52

Average Trips Per Day

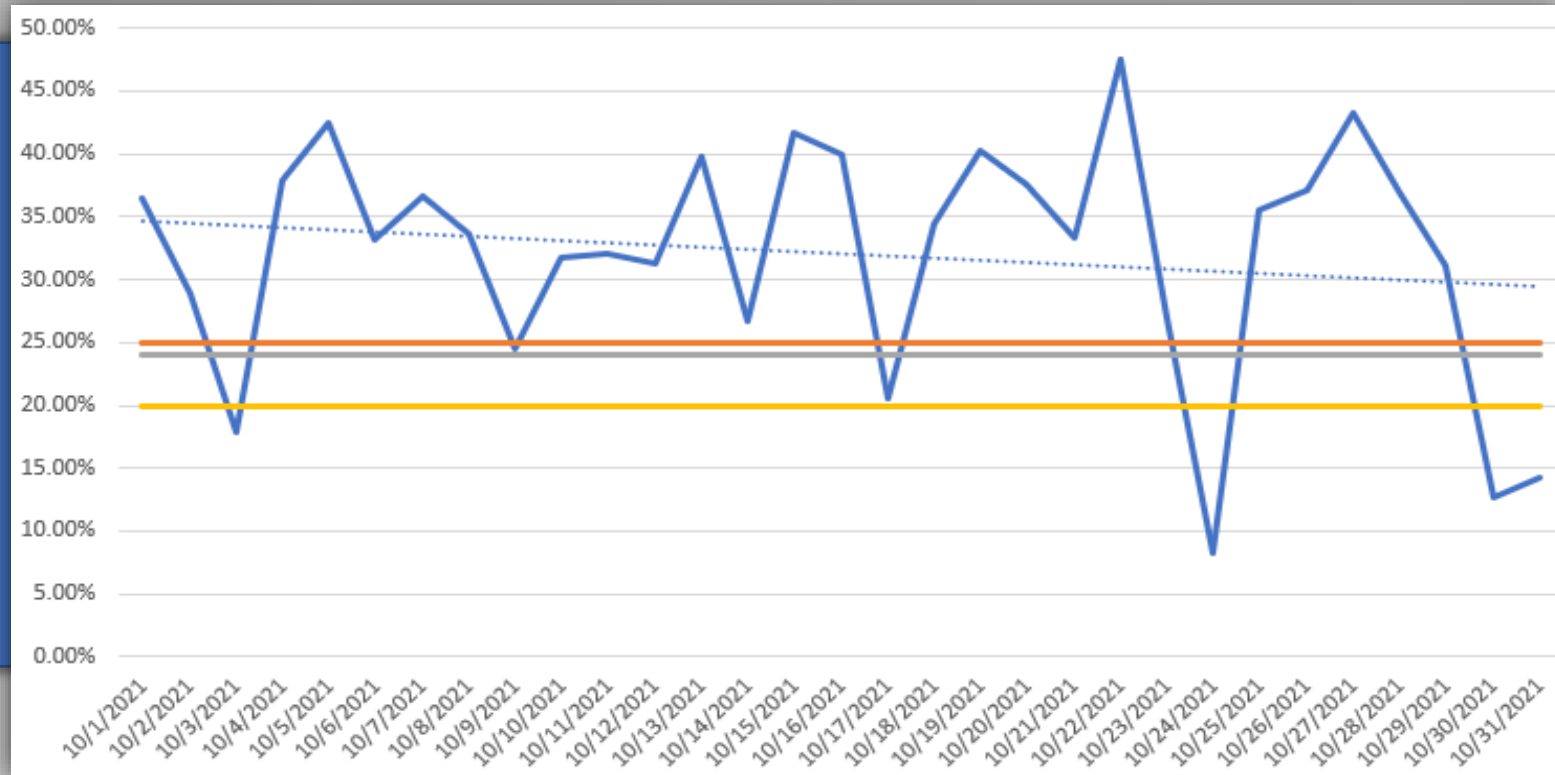


# October Average Shared Ride Percentage

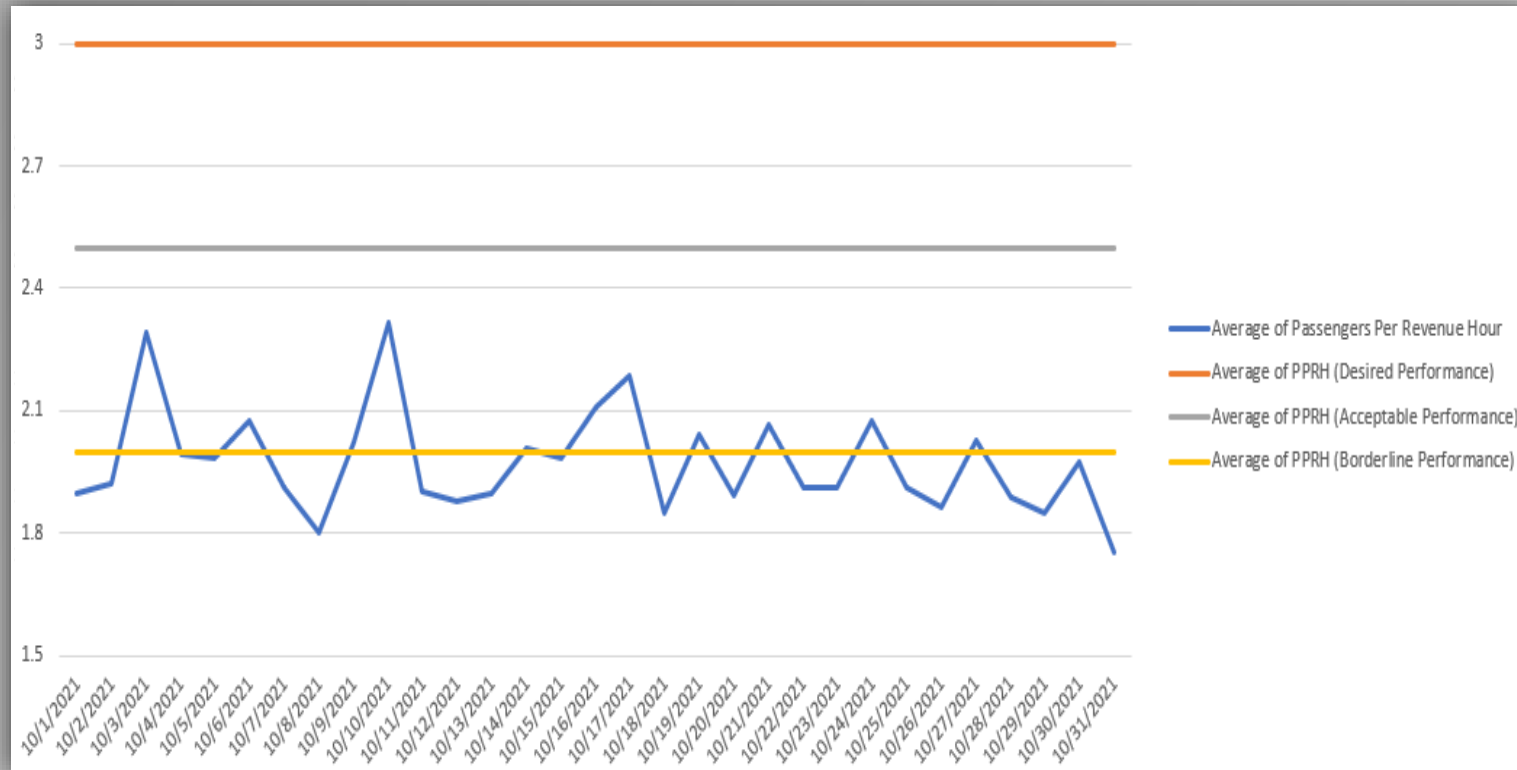
Daily Avg  
Shared Rides  
48.48

Avg Shared Ride %  
32.31%

Total  
Shared Rides  
1,503



# October Passengers Per Revenue Hour



Avg Passengers  
Per Rev Hour

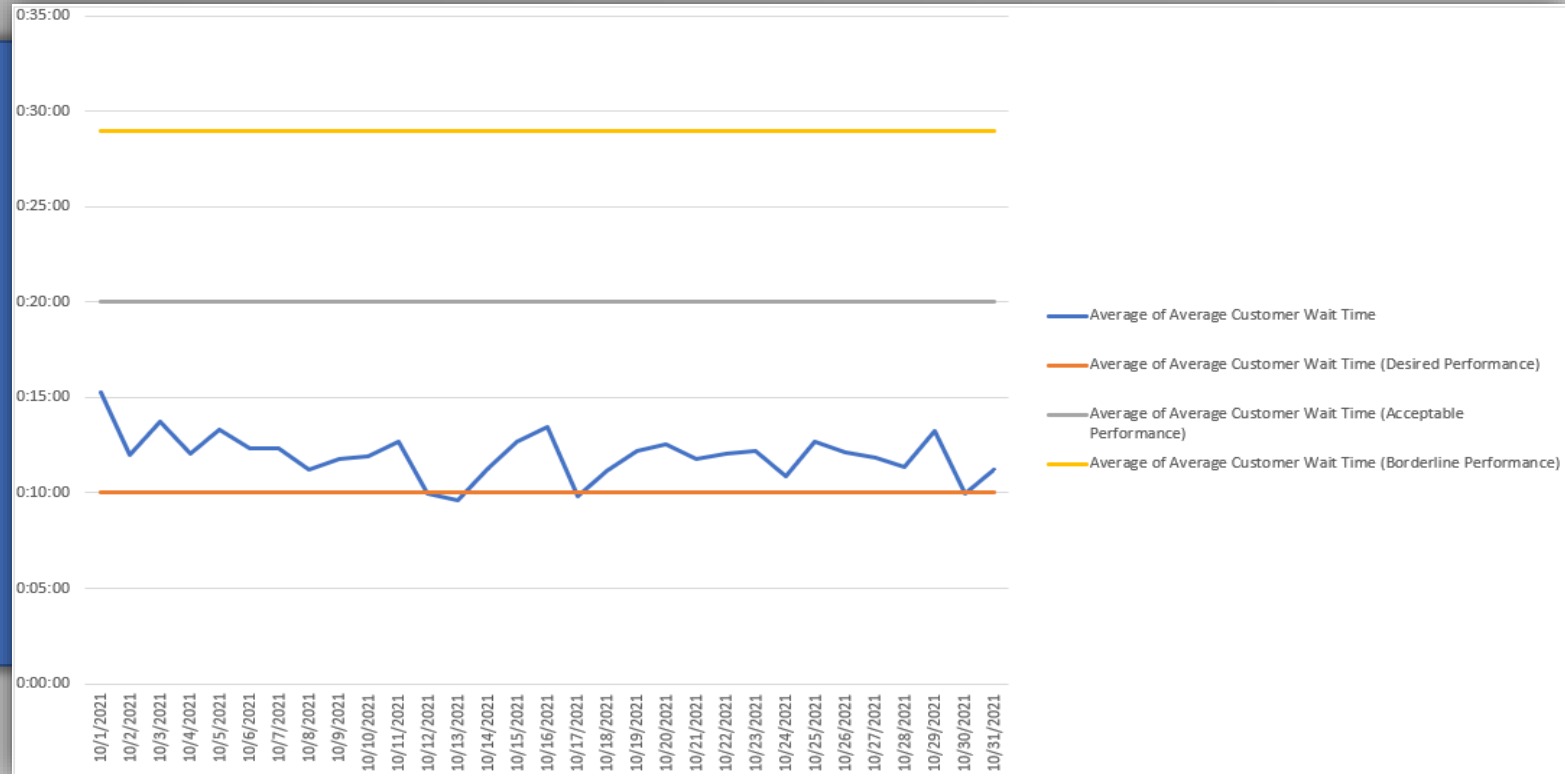
1.97

# October

## On-Time Performance: Passenger Wait Time

Avg Passenger Wait Time

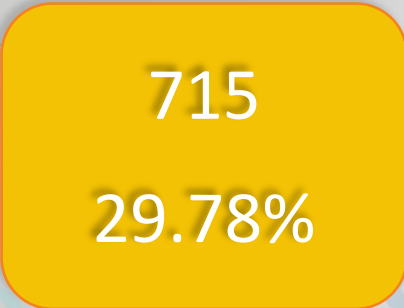
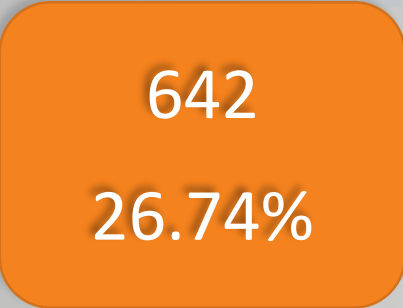
11:57



# October Pick-Up Locations by Route



Passenger Pick-Up Count & Percentage



September  
Accidents

ZERO



# October Passenger Feedback

- 4,480 Total Rides Completed
- 3 Complaints Filed  
3 Validated 0 Invalidated
- *1 Complaint Out Of 1,493 Trips*
- *99.93% Customer Satisfaction*

193  
Trips



Raymond Borjas  
4.97 Stars

127  
Rated

- 2,444 Total Booked Trips on App
  - 1,678 Rated Trips
  - Average 4.90/5.00 Star Ratings
- 130 Passenger Feedback
  - Positive Suggestive Negative  
123 4 3



Jamila Washington

*Great driver, very professional customer service, 10 thumbs up!*

*- Vincent R.*



Mark Binder

*Awesome driver, great customer service and nice personality*

*- Theodor Q.*



Kami Wallis

*Loved her! Great Customer Service!*

*- Joanna A.*



Luis Amalbert

*Great Job and Great Service!*

*- Frankie F.*

# October

## FY 2022 Monthly Operations Key Performance Indicators

---

Thank You!

Questions?

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# **LEGISLATIVE & FINANCE UPDATE**

Presentation to  
AVTA Board of Directors  
November 23, 2021





# STATE



# Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program

3<sup>rd</sup> round of HVIP funding opened October 28<sup>th</sup> with \$63 million

HVIP Opened: 10:00

Funds exhausted in less than 9 minutes

Email received: 10:14



Green Initiative:	\$8,695,000	89 Buses
Round 2	\$1,380,000	10 60 ft. Articulated
Round 3	\$ 828,000	6 30 ft. Transit
Round 4*	<u>\$1,104,000</u>	8 40 ft. Transit
	<b>\$12,007,000</b>	



# Budget Surplus

On November 17, "Fiscal Outlook," predicts a \$31 billion surplus for the 2022 budget year.

CA on pace to have "so much money", it could exceed a constitutional limit on state spending by \$26 billion over three years.

California businesses reported a record high of \$216.8 billion in taxable sales

- 38.8% increase over the same period in 2020
- 17.4% increase over those months in 2019

Governor will not reveal his budget proposal until January.



# FEDERAL



# Pending Potential PEPRPA Pause

AVTA is working with California Transit Association to assist with this challenge.

Submitted a declaration to the US District Court, along with LACMTA, BART, and others.

Where are we today?

THOMPSON COBURN LLP  
LUKAS SOSNICKI, CSB 295895  
lsosnicki@thompsoncoburn.com  
10100 Santa Monica Boulevard, Suite 500  
Los Angeles, California 90067  
Tel: 310.282.2500 / Fax: 310.282.2501

WARREN L. DEAN, JR. (PHV)  
wdean@thompsoncoburn.com  
1909 K St. NW  
Suite 600  
Washington, DC 20006  
Tel: 202.585.6908 / Fax: 202.585.6969

*Attorneys for Defendant-Intervenor, State of California*

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA  
SACRAMENTO DIVISION

AMALGAMATED TRANSIT UNION,  
INTERNATIONAL, et al.,

Plaintiffs,

v.

UNITED STATES DEPARTMENT OF  
LABOR, et al.,

Defendants,

STATE OF CALIFORNIA,

Defendant-Intervenor.

2:20-cv-00953-KJM-DB

DECLARATION OF JUDY  
VACCARO-FRY IN SUPPORT OF  
MOTION TO STAY AGENCY  
IMPLEMENTATION PENDING  
JUDICIAL REVIEW

Date:  
Time:  
Judge:  
Place:



# Pending Potential PEPRPA Pause

## PENDING GRANTS



### 5564-2020-2 | FY20 Low or No Emission Bus - Project ID#: Xxxx-XXXX-xxx

Grantee Name: Antelope Valley Transit Authority

Current Status: In-Progress

Last Updated Date: Oct 28, 2021



### 5564-2021-5 | Sect. 5339 Commuter Replacement

Grantee Name: ANTELOPE VALLEY TRANSIT AUTHORITY

Current Status: In-Progress

Last Updated Date: Oct 28, 2021



### 5564-2021-4 | Sect. 5307 Capital Items

Grantee Name: ANTELOPE VALLEY TRANSIT AUTHORITY

Current Status: In-Progress

Last Updated Date: Oct 28, 2021



### 5564-2021-3 | ARPA Operating Expenses

Grantee Name: ANTELOPE VALLEY TRANSIT AUTHORITY

Current Status: In-Progress

Last Updated Date: Aug 04, 2021



### 5564-2021-2 | CRRSAA Operating Expenses

Grantee Name: ANTELOPE VALLEY TRANSIT AUTHORITY

Current Status: In-Progress

Last Updated Date: Aug 04, 2021

5564-2020-2      **\$6,253,255**

5564-2021-5      **\$1,930,757**

5564-2021-4      **\$17,275,505**

5564-2021-3      **\$7,887,502**

5564-2021-2      **\$7,204,258**

**TOTAL:      \$40,551,277**



# Surface Transportation Reauthorization

On October 28<sup>th</sup> the U.S. House and Senate agreed to another one-month extension of federal surface transportation funding authorizations.

The new bill, H.R. 5763, provides extension through midnight on December 3.

Passed the House  
by a vote of 358-59.

**10 days.....**

**SEC. 4. EXTENSION OF EXPENDITURE AUTHORITY FOR THE HIGHWAY TRUST FUND, SPORT FISH RESTORATION AND BOATING TRUST FUND, AND LEAKING UNDERGROUND STORAGE TANK TRUST FUND.**

(a) **HIGHWAY TRUST FUND.**—Section 9503 of the Internal Revenue Code of 1986 is amended—

(1) in subsections (b)(6)(B), (c)(1), and (e)(3) by striking “November 1, 2021” and inserting “December 4, 2021”; and

(2) by striking “Surface Transportation Extension Act of 2021” each place it appears and inserting “Further Surface Transportation Extension Act of 2021”.

(b) **SPORT FISH RESTORATION AND BOATING TRUST FUND.**—Section 9504 of such Code is amended—

(1) in subsection (b)(2) by striking “Surface Transportation Extension Act of 2021” each place it appears and inserting “Further Surface Transportation Extension Act of 2021”; and

(2) in subsection (d)(2) by striking “November 1, 2021” and inserting “December 4, 2021”.



# Infrastructure Investment and Jobs Act

On Nov. 15 the H.R. 3684, the Infrastructure Investment and Jobs Act, (IIJA) was signed into law.



This bill advances the largest ever federal investments in the nation's public transit systems and core infrastructure priorities.

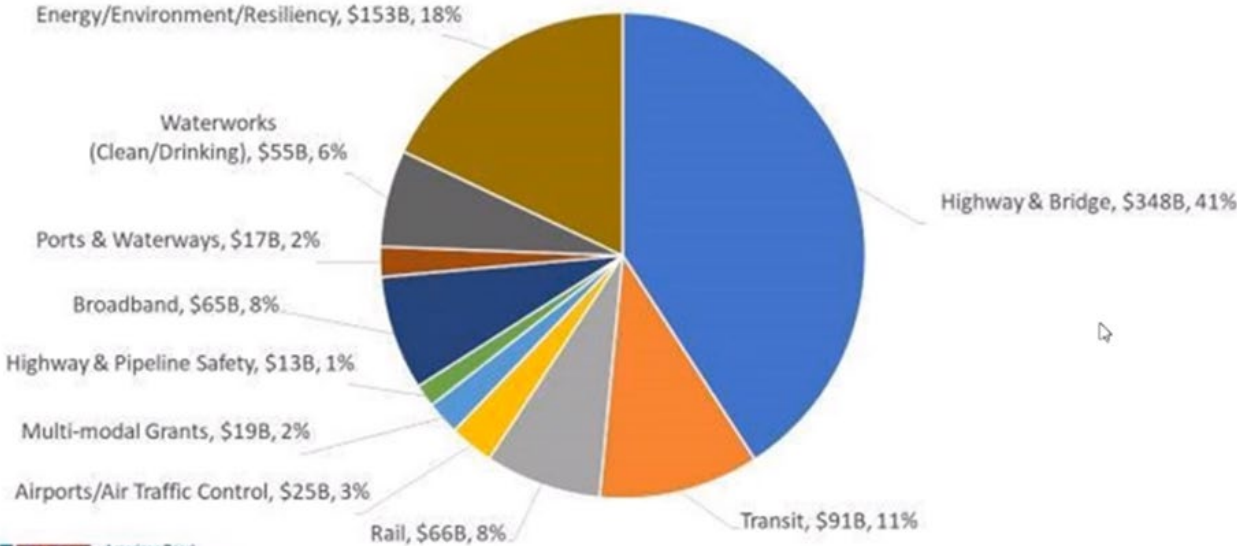
The historic \$1.2 trillion package includes \$106.9 billion for public transit and \$102.15 billion for rail programs over the next five years.





# Infrastructure Investment and Jobs Act

Breakdown Guaranteed Funding in the Infrastructure Investment & Jobs Act



# Drive To Zero



GLOBAL COMMERCIAL VEHICLE

**DRIVE TO ZERO**

Deadline to enroll: October 31, 2021  
174 transit agencies have joined nationwide

Under the new Global Memorandum of Understanding for Zero-Emission Vehicles, 15 countries have agreed to work together toward 100% zero-emission new truck and bus sales by 2030.

Subnational governments - like Québec (Canada), and Telengana (India) — as well as companies such as DHL and Heineken, are endorsing the MOU and agreeing to work collaboratively toward the same goals.



# Pending Resolution.....

- ❖ Build Back Better
- ❖ Surface Transportation Reauthorization
- ❖ FFY22 Budget
- ❖ Census Results Applied
- ❖ Annual Appropriations



# REGIONAL



# LACMTA – Prop A



Annual Audit on Proposition A Discretionary Incentive Grant funds  
2021 amount = \$496,126  
Funds applied to Dial-A-Ride Paratransit Program  
Exit conference held on Tuesday November 9

## Opinion

In our opinion, the Antelope Valley Transit Authority complied, in all material respects, with the compliance requirements referred to above that apply to the Proposition A Discretionary Incentive Grant for the year ended June 30, 2021.



# AVTA REPRESENTS



## CALACT 2021 AUTUMN CONFERENCE & EXPO

MOBILITY: RECOVERY & REVITALIZATION

CALIFORNIA TRANSIT ASSOCIATION'S  
56TH ANNUAL FALL CONFERENCE & EXPO




# EMBRACING CHANGE

NEW ERA. NEW VISION.

November 2-4, 2021 / SAFE Credit Union Convention Center / Sacramento

Transit Agency of the Year Award (formerly the Transit Excellence Award)

- 2021 - Antelope Valley Transit Authority 
- 2020 - Culver CityBus
- 2019 - Torrance Transit System

**Tomorrow's charging technology, available today.**

Learn how electric buses can double their range without returning to the depot. Get a copy of the AVTA case study at booth 300 or download at [www.waveipt.com](http://www.waveipt.com)

**WAVE**  
by Ideonics

# Metro Fares

DAILY NEWS  
31 Oct 2021

## Fares to come back to LA Metro next year

Agency says it would lose \$300M if rides stay free

MTA's 22 month run of free bus rides and relaxed fare collection comes to an end January 10, 2022.

The agency will lose around \$300 million a year in fare revenues if it continues fare-less. That's too much of a chunk from an operating budget of \$2.07 billion, LA Metro says. While the board is studying what a fare-less system would look like, staff put the loss of revenue at \$439 million a year and up to \$1 billion for two years, when adding extra bus drivers and routes.



# LACMTA's Public Safety Advisory Committee (PSAC)



LOS ANGELES COUNTY POLICE CHIEFS' ASSOCIATION

**ROBERTA HARRIS, President**  
**ANGIE Y. BORDON, 1<sup>st</sup> Vice President**  
**SCOTT HARRIS, 2<sup>nd</sup> Vice President**  
**JOHN MCINTOSH, Past President**

November 6, 2021

Honorable Kathryn Barger  
Supervisor, Fifth District  
Kathryn Hahn Hall of Administration  
500 West Temple Street, #383  
Los Angeles, California 90012

Supervisor Barger:

With this correspondence, I represent the law enforcement interests of the 45 independent city police departments, as President of the Los Angeles County Police Chiefs' Association. I hope this letter finds you doing well.

The purpose of this message is to make you, and other representatives of our communities, and in particular, as protection of said communities, aware of our staunch opposition to any effort that removes uniformed law enforcement presence from the public transit system of Los Angeles County. Specifically, we oppose, in the strongest of terms, the defunding, or any measure that adversely impacts the presence, capabilities, or community protection efforts of the LA County Sheriff's Metro Bureau. Any such move constitutes a clear and present danger to the riders using Metro services and to the Public at large on or near train/bus lines and stations.

Recently, the Public Safety Advisory Committee (PSAC) voted to recommend to the Metro Board of Directors, that they fully defund law enforcement from Metro. The PSAC "Policing Practices Ad-Hoc Committee" submitted a motion to the PSAC body recommending the Metro Board of Directors do the following:

1. Allocate \$0.00 for all three policing contracts through the end of the fiscal year.
2. Go to a non-contract LE Model (i.e. local agencies are called for service).
3. Shift the \$75 million needed through the end of the FY to un-vetted alternatives.

This was voted on and passed with all members present voting yes on the above motion with next steps being voted by the Metro Safety Committee on 11/18 and the full Metro Board of Directors on 12/2. In advance of any vote, LACPCA wishes to be heard on this matter, and cautions against this defunding/removing effort as the outcomes will place the public at risk, and increase the chances of adverse law enforcement contracts, all while reducing ridership, creating a host of other environmental and transportation issues. The outcomes here are predictable and, therefore, preventable. We implore you to take this opportunity to demonstrate your commitment to Community safety by joining us in opposition.

Cordially,  
  
Gene Harris  
President, LACPCA  
626-418-1011

PSAC recently voted to recommend to the Board of Directors, that they fully defund law enforcement from Metro.



LA County's Police Chiefs' Association sent a letter voicing their concern.

Next steps:

- Vote by the Metro Safety Committee on 11/18.
- Vote by Metro Board of Directors on 12/2.





# FINANCE UPDATE



# Bus Pass Program for Homeless Students

Chairman asked us to find a solution

We will use our FY23 allocation– average \$150,000 - \$200,000, to fund the 1<sup>st</sup> year of the program.  
Amount announced March 2022


Beginning now on logistics to implement the program.

Program will fund between 400-450 monthly transit passes to qualifying high school students temporarily experiencing homelessness.




# ARP Additional Assistance

ANTELOPE VALLEY TRANSIT AUTHORITY  
FY 2021 AMERICAN RESCUE PLAN ADDITIONAL ASSISTANCE  
Preventive Maintenance and Enhanced Sanitization Services  
(PREVENT M.E.S.S.)



Antelope Valley Transit Authority



Department of Transportation (DOT)  
Federal Transit Administration

Funding Opportunity Number	FTA-2021-012-TPM-AAF - PKG00268849
Title	American Rescue Plan Additional Assistance
Competition ID	FTA-2021-012-TPM-AAF
C.F.D.A. Number	20.507
Opening Date	September 7, 2021
Closing Date	November 8, 2021

Antelope Valley Transit Authority  
42210 6th Street West Lancaster, CA 93534  
Macy Neshati, Executive Director/CEO  
Martin Tompkins, Chief Operating Officer  
Point of Contact: Judy Vaccaro-Fry, Chief Financial Officer

ANTELOPE VALLEY TRANSIT AUTHORITY  
FY 2021 AMERICAN RESCUE PLAN ADDITIONAL ASSISTANCE  
Preventive Maintenance and Enhanced Sanitization Services  
(PREVENT M.E.S.S.)

**FUNDING AGENCY:** Federal Transit Administration (FTA), DOT  
**APPLICANT:** Antelope Valley Transit Authority  
**FUNDING REQUESTED:** \$19,286,024

**PROJECT TITLE:** PREVENTIVE MAINTENANCE AND ENHANCED SANITIZATION SERVICES (PREVENT M.E.S.S.)

**PROJECT DESCRIPTION**  
The Antelope Valley Transit Authority (AVTA) respectfully request \$19,286,024 in funding from FTA's American Rescue Plan (ARP) Additional Assistance Grant Program to maintain extensive, enhanced sanitization services and preventive maintenance activities.

## Applied for \$19,286,024



# Bus and Bus Facilities



ANTELOPE VALLEY  
TRANSIT AUTHORITY

**“BUS”ting  
at the Seams**

PHASE III

MAINTENANCE &  
ADMINISTRATION  
FACILITY UPGRADE &  
EXPANSION

BUS AND BUS FACILITIES  
GRANT PROGRAM




**AVTA**  
Antelope Valley Transit Authority

FY21 BUS & BUS FACILITIES GRANT PROGRAM  
AVTA PHASE III FACILITY EXPANSION



Antelope Valley Transit Authority



Department of Transportation (DOT)  
Federal Transit Administration

FUNDING OPPORTUNITY	FTA-2021-008-TPM-BUS - PKG00269020
TITLE	Grants for Buses and Bus Facilities Program
COMPETITION ID	FTA-2021-008-TPM-BUS
C.F.D.A. NUMBER	20.526 - Buses and Bus Facilities Formula, Competitive, and Bus and Bus Facilities Programs
OPENING DATE	September 20, 2021
CLOSING DATE	November 19, 2021

**Applied for  
\$8,296,152**



# GRANT STATUS

## Discretionary

### GRANT STATUS REPORT

#### Discretionary Opportunities Submitted

Grant Program	Project	Amount Applied For	Date Submitted	Status	Amount Awarded	Next Round of Funding
Antelope Valley Air Quality Management District	Charging Equipment	\$667,423	November 18, 2021	PENDING – expected early 2022	\$0	2022
Antelope Valley Air Quality Management District	Electric Forklift	\$20,000	November 18, 2021	PENDING – expected early 2022	\$0	2022
FY21 Bus and Bus Facilities - FTA	"BUS"ting at the Seams = Phase III - Maintenance & Administrative Facility Improvements	\$8,296,152	November 19, 2021	PENDING – expected Spring 2022	\$0	2022
FY21 American Rescue Plan Additional Assistance - FTA	Prevent MESS - Preventive Maintenance & Enhanced Sanitization Services	\$19,286,024	November 8, 2021	PENDING – expected Spring 2022	\$0	Unlikely
LACMTA BOS 5307 Call for Projects	Commuter Coach Replacement	\$1,576,701	April 5, 2021	AWARDED APRIL 20, 2021	\$717,399	2022
FY21 Low or No Emission Vehicle Program - FTA	Phase III - Maintenance & Administrative Facility Improvements	\$7,430,437	April 12, 2021	NO AWARD	\$0	2022
	<b>TOTAL DISCRETIONARY OPPORTUNITIES APPLIED FOR:</b>	<b>\$37,276,737</b>		<b>TOTAL PENDING DISCRETIONARY GRANT AWARDS:</b>	<b>\$28,269,599</b>	
	<b>TOTAL DISCRETIONARY OPPORTUNITIES NOT AWARDED</b>	<b>\$7,430,537</b>		<b>TOTAL AWARDED DISCRETIONARY GRANTS:</b>	<b>\$717,399</b>	

# GRANT STATUS Formula & Planned

## Annual Formula Allocations Submitted

Grant Program	Project	Amount	Date Submitted	Status	Amount Awarded
CA-2021-147	Commuter Bus Replacement	\$4,391,486	July 8, 2021	Executed August 9, 2021	\$4,391,486
CA-2021-208	Capital Items	\$4,667,460	July 14, 2021	Executed September 2, 2021	\$4,667,460
	<b>TOTAL ANNUAL FORMULA ALLOCATIONS PENDING:</b>	<b>\$0</b>		<b>TOTAL GRANT AWARDS:</b>	<b>\$9,058,946</b>

DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

Fiscal Year 2021 Competitive Funding Opportunity: Innovative Coordinated Access and Mobility (ICAM) Pilot Program

AGENCY: Federal Transit Administration (FTA), Department of Transportation (DOT).

ACTION: Notice of Funding Opportunity (NOFO).

**FTA Section 5310 Program**  
Public-Private Partnerships Through State Collaborative Reentry and Crime Enforcement Reauthorization Act (S-CRIME) and The American Recovery and Reinvestment Act (ARRA)

Competitive Grant Application



## Expected to Submit Next Quarter

	<b>5564-2020-2   FY20 Low or No Emission Bus - Project ID#: X000-XXXX-X000</b> Grantee Name: Antelope Valley Transit Authority Current Status: In-Progress Last Updated Date: Oct 28, 2021
	<b>5564-2021-5   Sect. 5339 Commuter Replacement</b> Grantee Name: ANTELOPE VALLEY TRANSIT AUTHORITY Current Status: In-Progress Last Updated Date: Oct 28, 2021
	<b>5564-2021-4   Sect. 5307 Capital Items</b> Grantee Name: ANTELOPE VALLEY TRANSIT AUTHORITY Current Status: In-Progress Last Updated Date: Oct 28, 2021
	<b>5564-2021-3   ARPA Operating Expenses</b> Grantee Name: ANTELOPE VALLEY TRANSIT AUTHORITY Current Status: In-Progress Last Updated Date: Aug 04, 2021
	<b>5564-2021-2   CRRSAA Operating Expenses</b> Grantee Name: ANTELOPE VALLEY TRANSIT AUTHORITY Current Status: In-Progress Last Updated Date: Aug 04, 2021

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<u>5564-2020-2</u>	<b>\$6,253,255</b>
<u>5564-2021-5</u>	<b>\$1,930,757</b>
<u>5564-2021-4</u>	<b>\$17,275,505</b>
<u>5564-2021-3</u>	<b>\$7,887,502</b>
<u>5564-2021-2</u>	<b>\$7,204,258</b>
<b>TOTAL:</b>	<b>\$40,551,277</b>

# Questions?



Thank  
you





See you in 2022





# FY 2022 Monthly Operations Key Performance Indicators

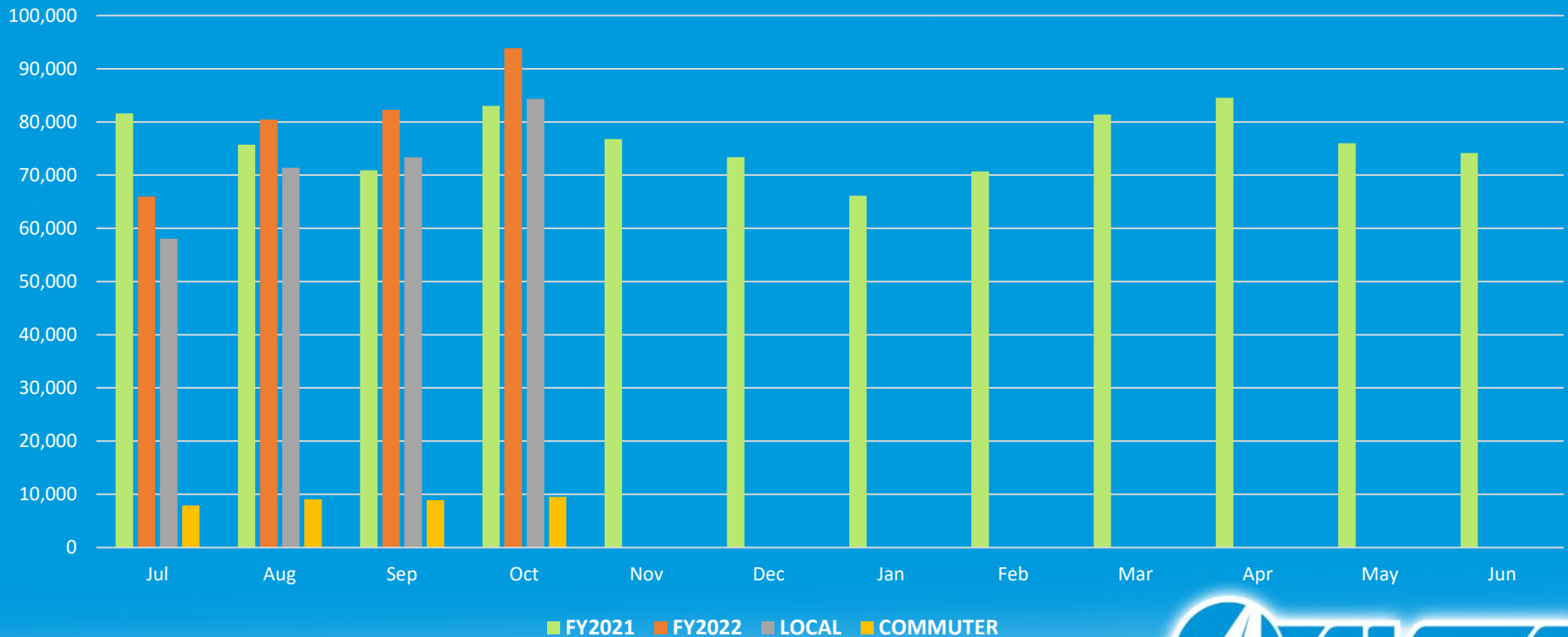
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Presentation to the Board of Directors  
November 23, 2021



# MONTHLY BOARDING ACTIVITY

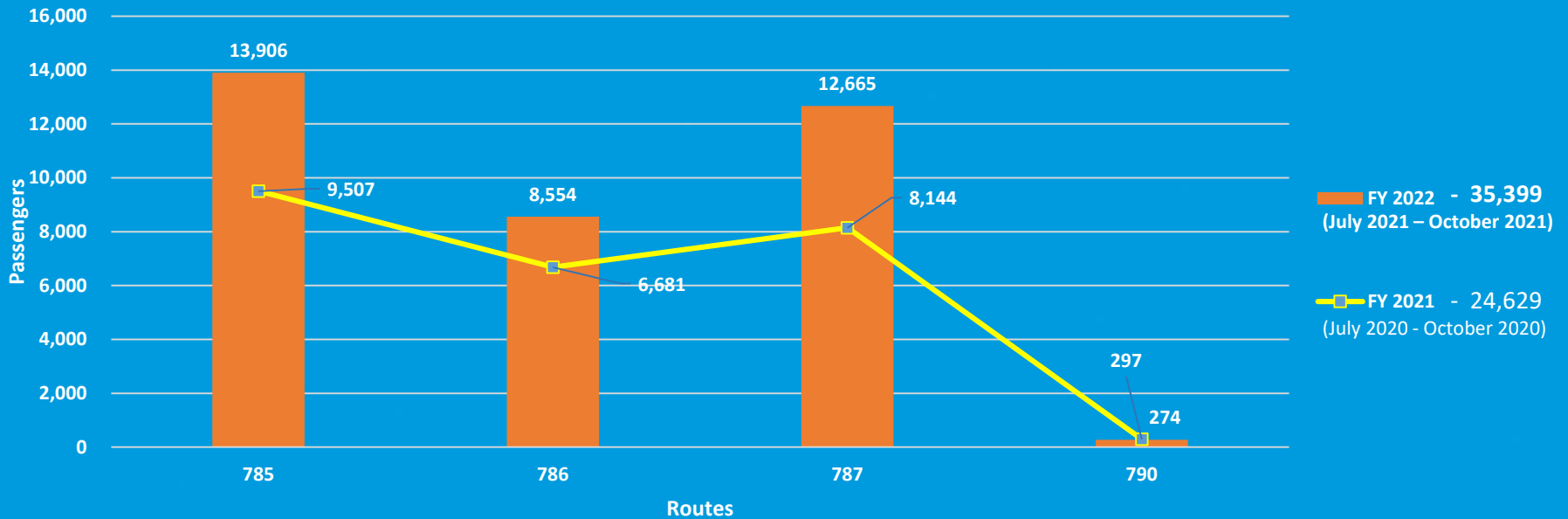
	October 2021 FY 2022	September 2021 FY 2022
<b>System</b>	93,846	82,289
<b>Local</b>	84,334	73,394
<b>Commuter</b>	9,512	8,895



# ANNUAL RIDERSHIP LOCAL ROUTES

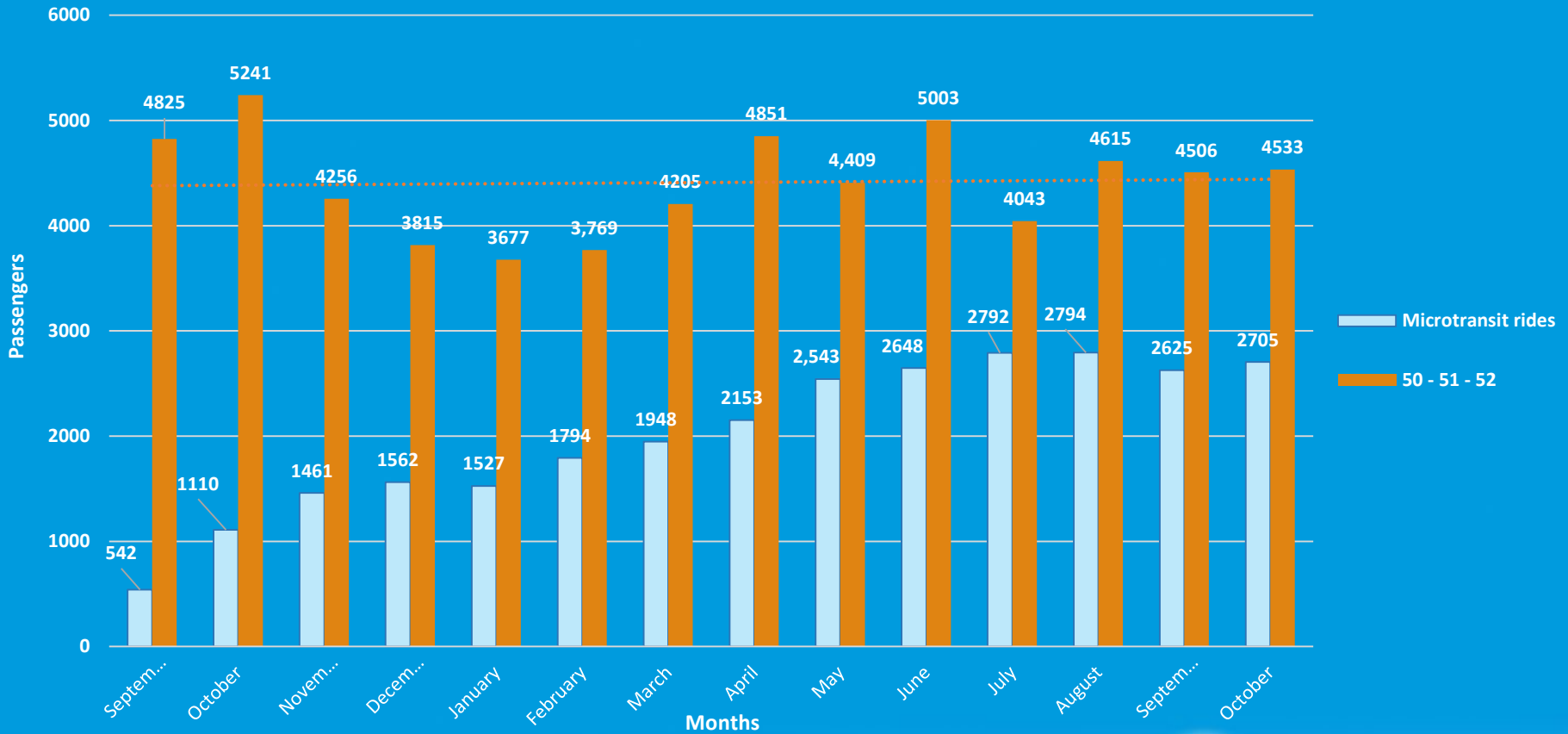


# ANNUAL RIDERSHIP COMMUTER ROUTES



# MICROTRANSIT RIDERSHIP ACTIVITY PILOT PROGRAM

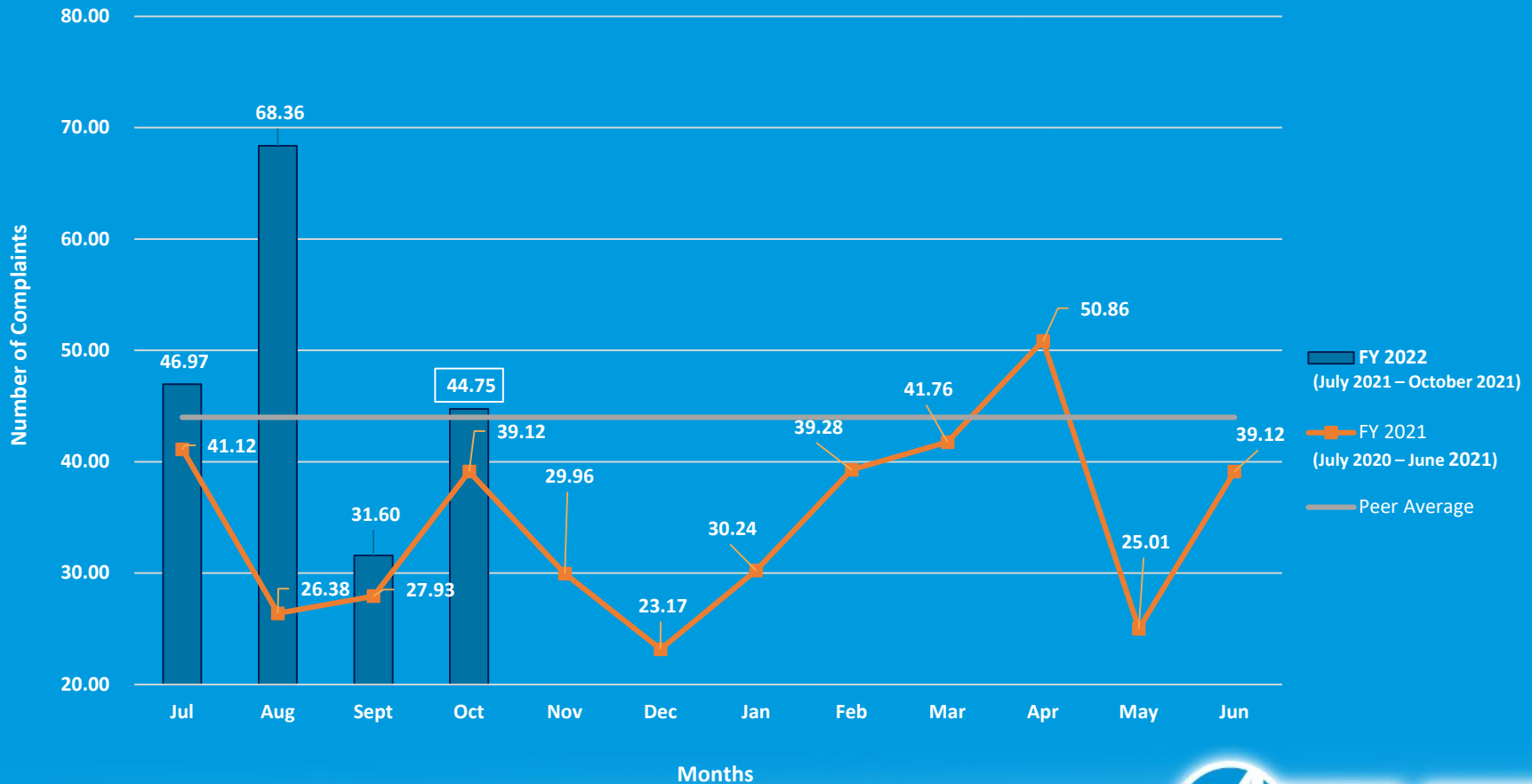
Microtransit vs Routes 50, 51 & 52



# COMPLAINTS/100,000 BOARDINGS

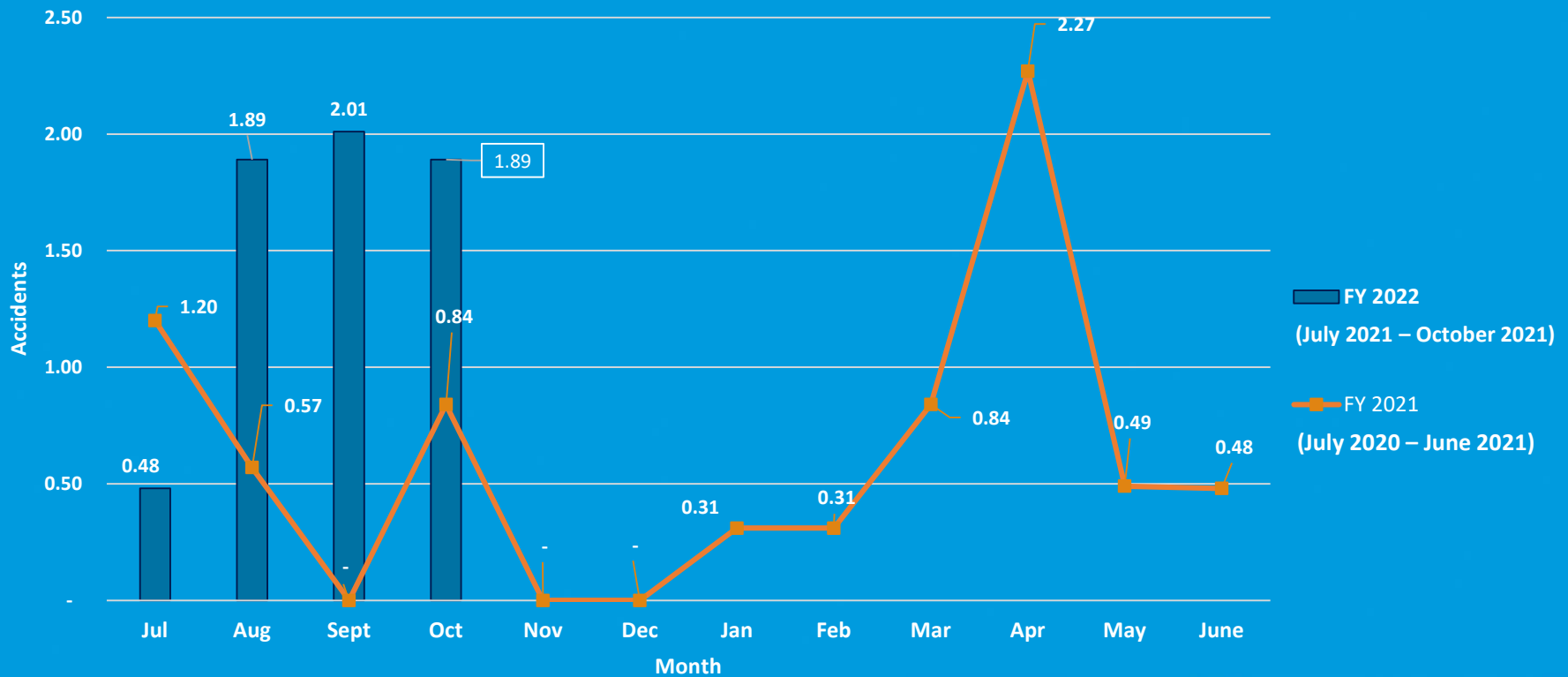
## OCTOBER - SYSTEM WIDE AVERAGE: 44.75

## PEER AVERAGE: 44.00



# PREVENTABLE ACCIDENTS/100,000 MILES

## OCTOBER - SYSTEM WIDE AVERAGE: 1.89



# KEY PERFORMANCE INDICATORS

	October 2021 FY 2022	September 2021 FY 2022	October 2020 FY 2021
<b>Boarding Activity</b>	93,846	82,289	82,994
<b>Complaints / 100,000 Boardings</b>	44.75	31.60	36.15
<b>Preventable Accidents / 100,000 Miles</b>	1.89	2.01	0.84



Thank you!

Questions?



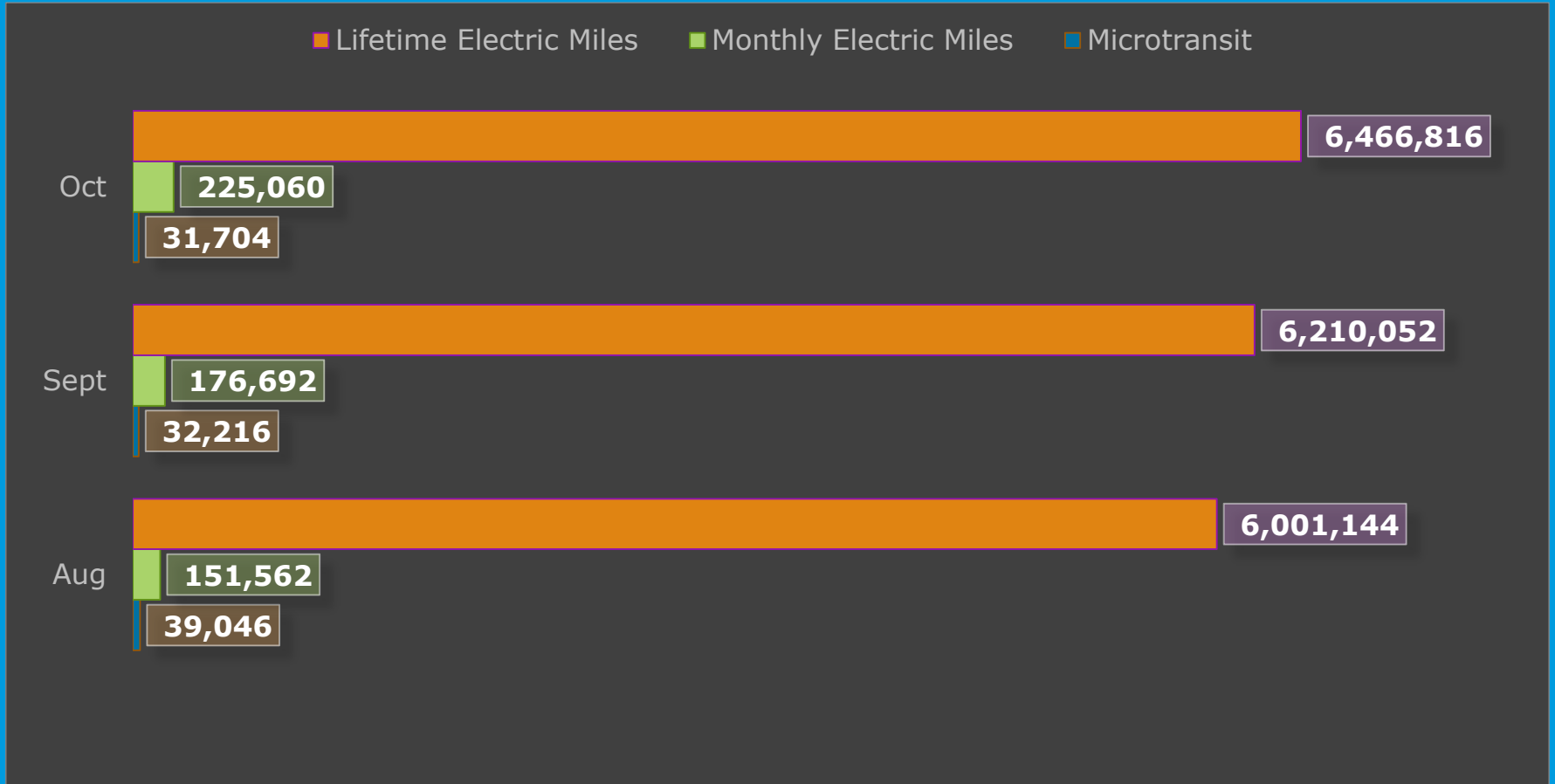
# FY 2021 Monthly Maintenance Key Performance Indicators

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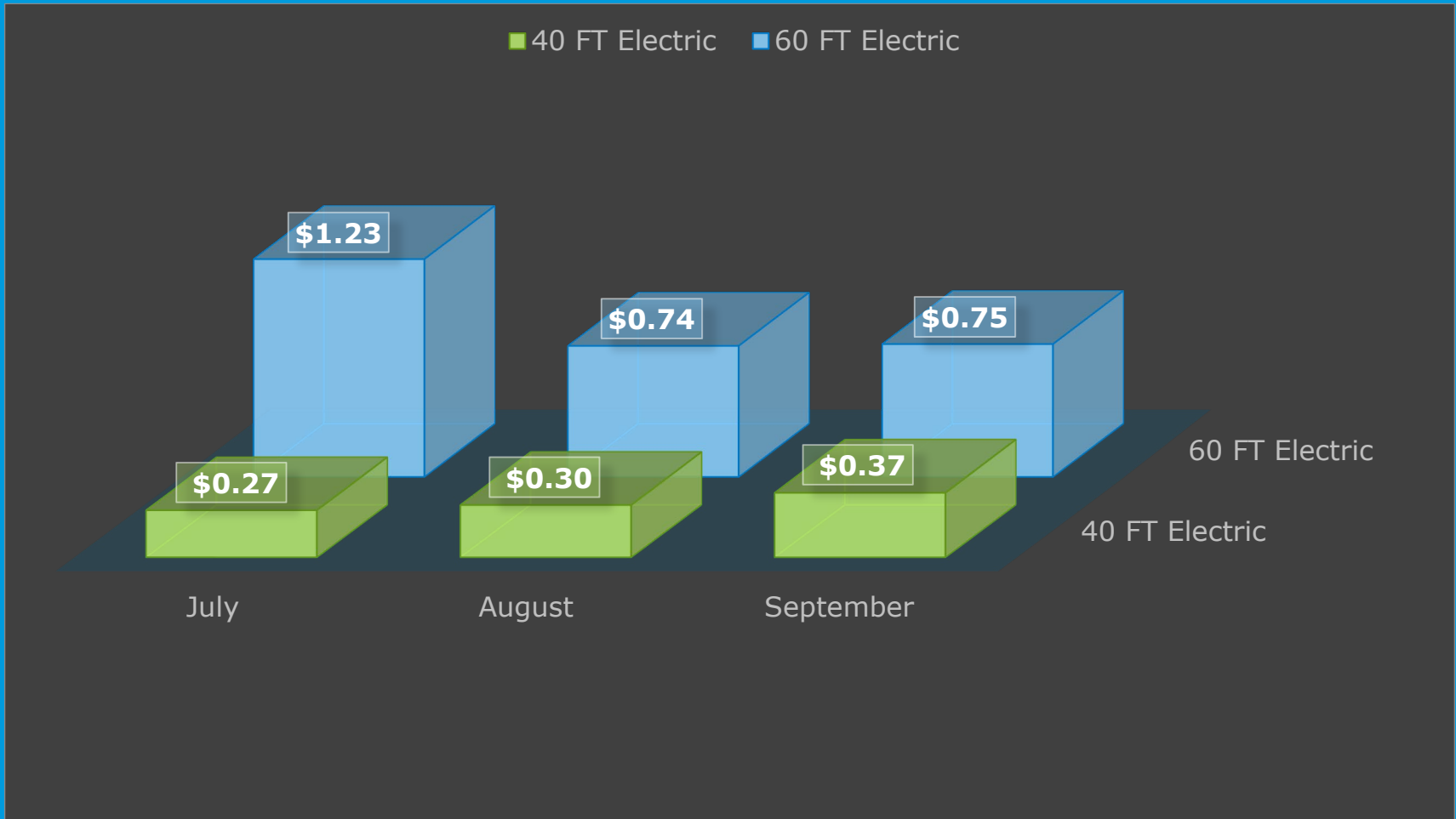
Presentation to the Board of Directors  
November 23, 2021



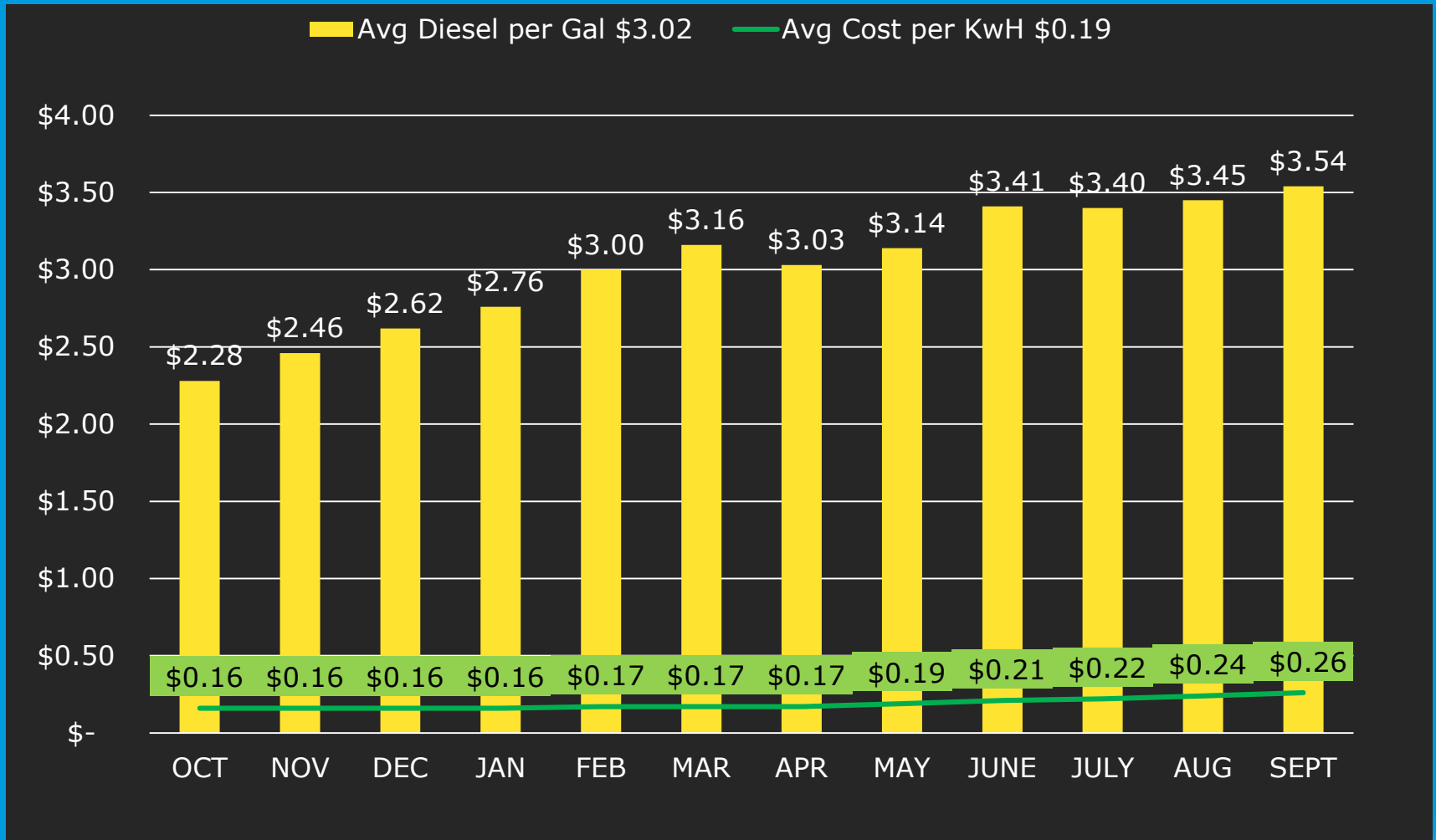
# ELECTRIC MILES TRAVELED



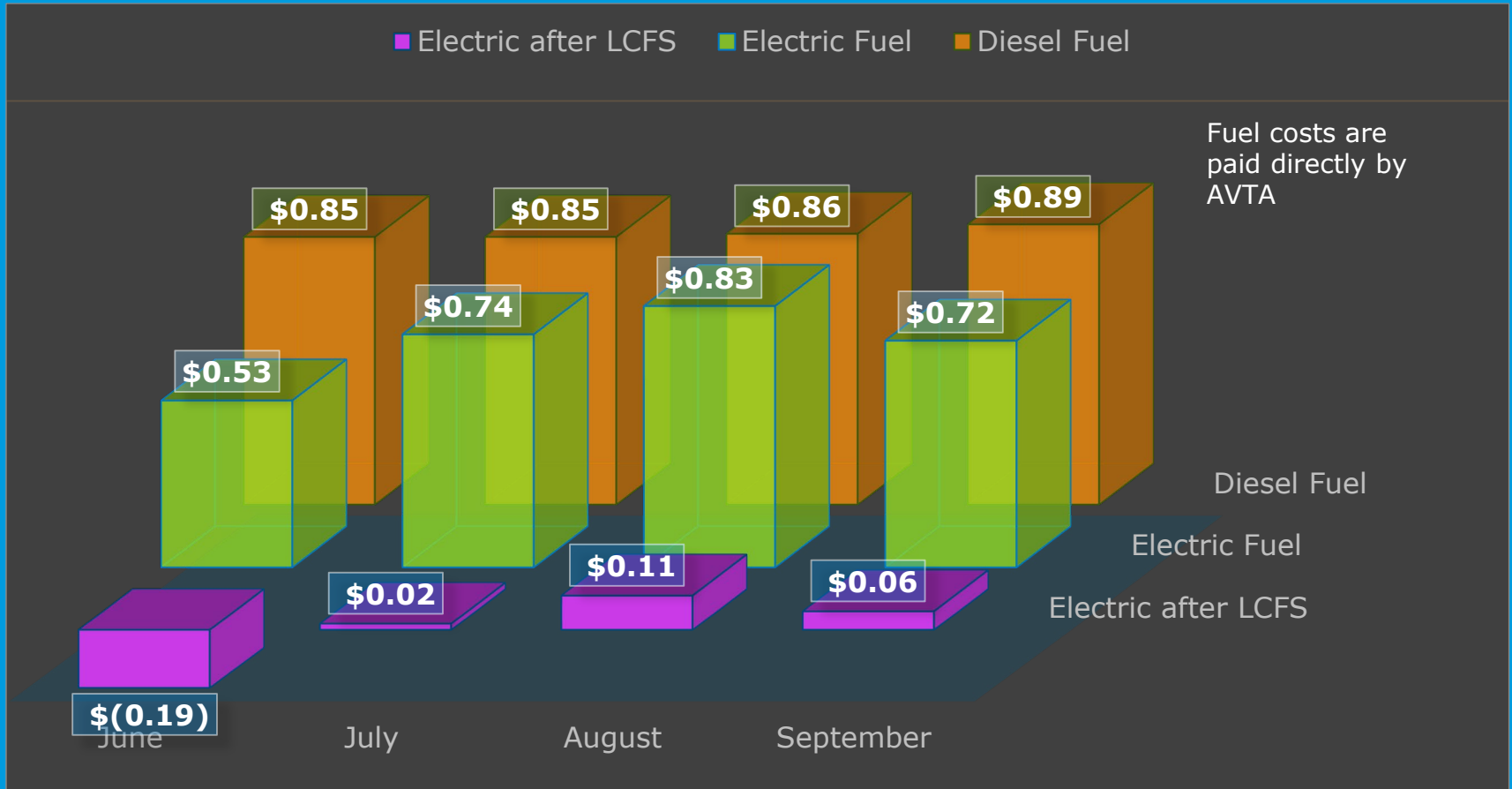
# MAINTENANCE COST PER MILE BY FLEET



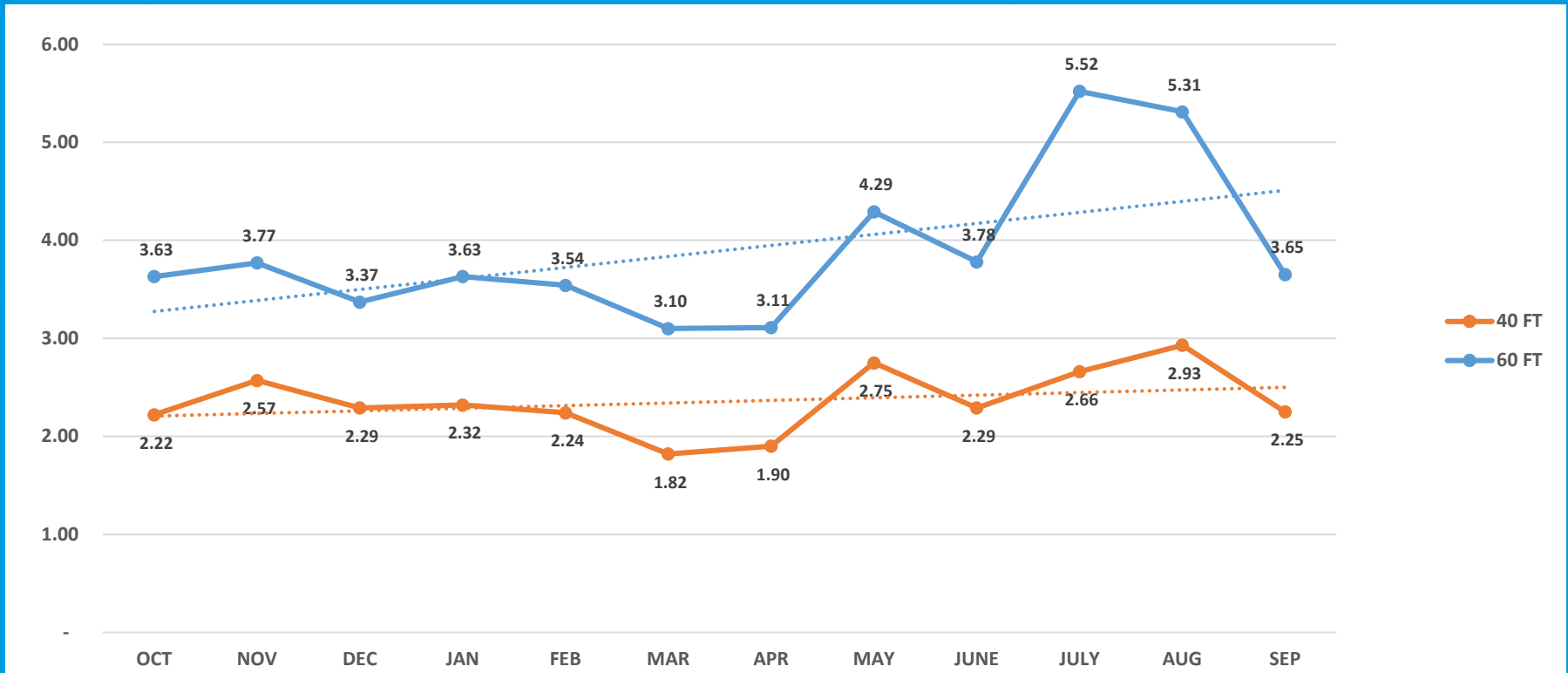
# FUEL/ENERGY COST PRIOR 12 MONTHS



# PROPULSION FUEL COST PER MILE w/LOW CARBON FUEL STANDARD (LCFS) OFFSET

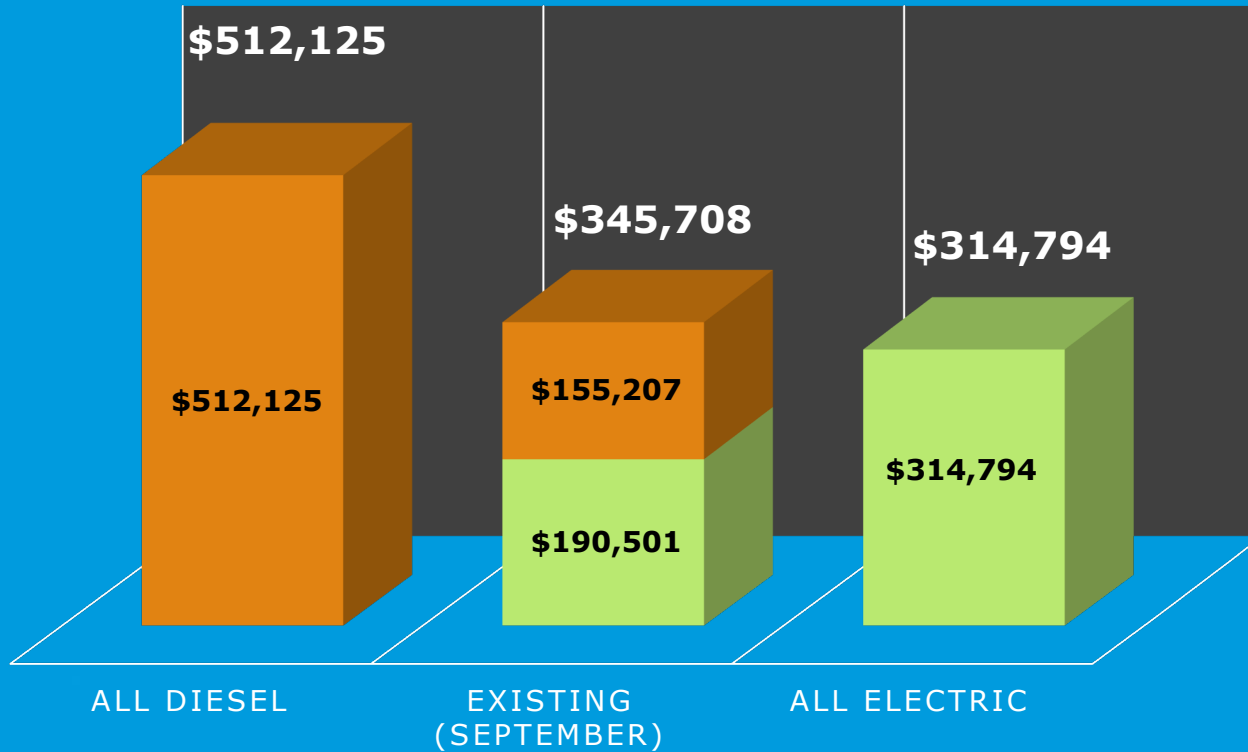


# AVERAGE FUEL CONSUMPTION PER MILE (KWPM)



# TOTAL FUEL & MAINTENANCE COST ASSUMPTIONS

■ Electric ■ Diesel



September Fuel and Maintenance Savings \$166,417

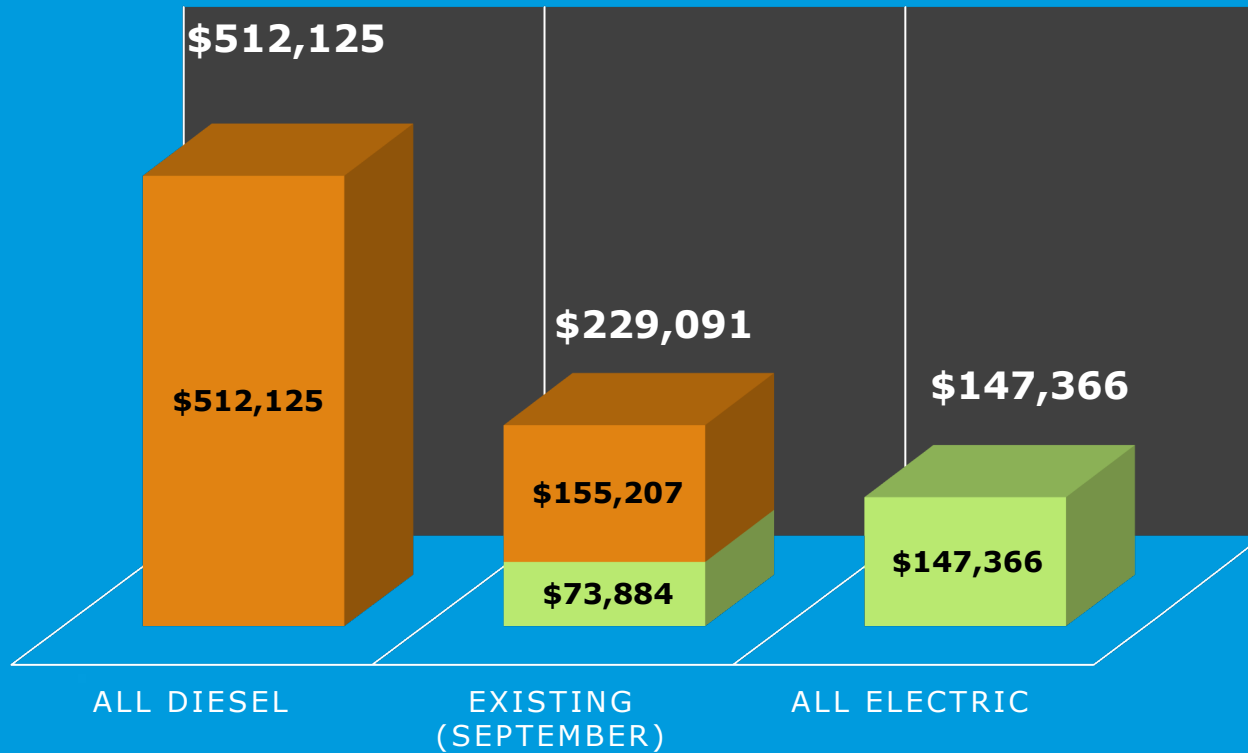
Projected Savings \$197,331

AVTA Fuel Only \$42,428



# TOTAL FUEL & MAINTENANCE COST ASSUMPTIONS W/LCFS

■ Electric ■ Diesel



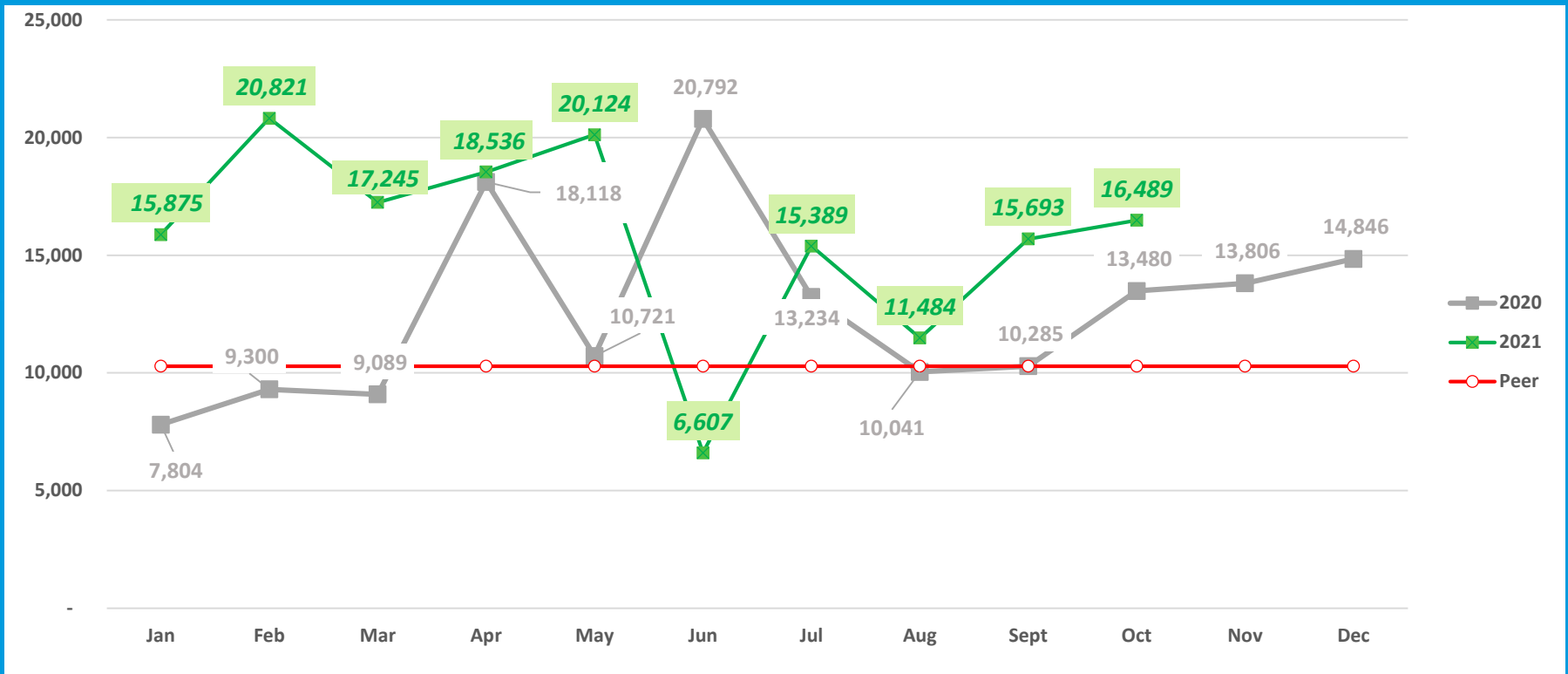
September  
Total  
Fuel and  
Maintenance  
Savings  
\$283,034

AVTA Fuel  
Savings plus  
LCFS  
\$159,045

# AVERAGE MILES BETWEEN SERVICE INTERRUPTIONS

Peer Average: 11,206

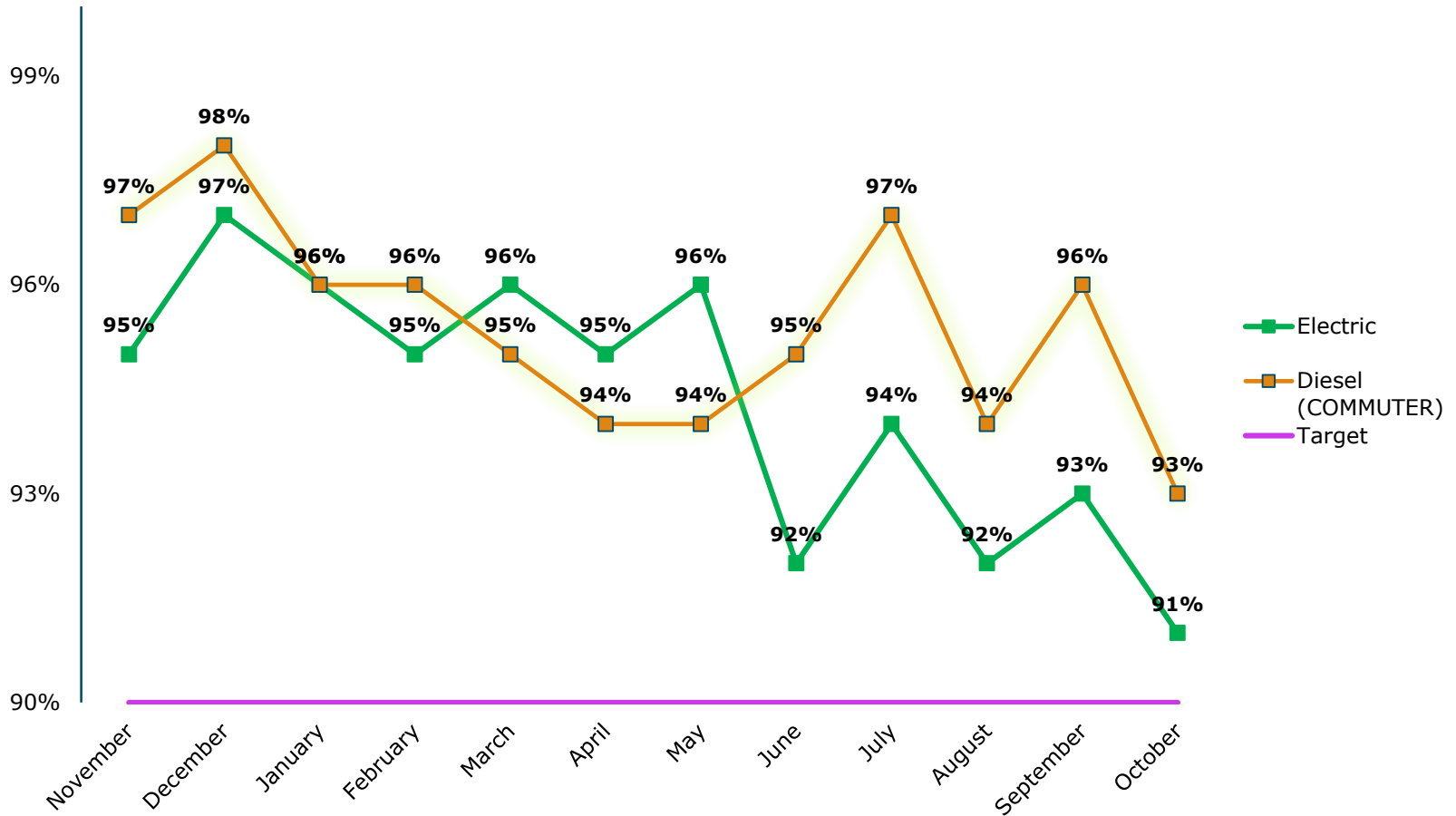
Target: 15,500



# FLEET AVAILABILITY

Peer Average: 81%

Target 90%



# Discussion/Questions?





**DATE: November 23, 2021**

**TO: BOARD OF DIRECTORS**

**SUBJECT: Letter Opposing the Defunding Effort for LA Metro Policing**

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## **RECOMMENDATION**

That the Board of Directors authorize the Chairman of the Board to submit a letter to the Metro Board expressing AVTA's concerns regarding the defunding effort and our opposition.

## **FISCAL IMPACT**

Our Agency has always placed safety first. It is difficult, if not impossible, to quantify the costs related to the public safety risks created by eliminating policing presence throughout the MTA system. Potential expenses could include loss of ridership revenue, and additional expenses related to providing our own security and repairing graffiti and other forms of vandalism.

## **BACKGROUND**

As most of you may already be aware, the LA Metro Policing Practices Ad-Hoc Committee submitted a motion to the PSAC body recommending that the Metro Board of Directors do the following:

1. Allocate \$0.00 for all three policing contracts through the end of the fiscal year.
2. Go to a non-contract LE Model (i.e. local agencies are called for service).
3. Shift the \$75 million needed through the end of the FY to un-vetted alternatives.

The motion was voted on and passed with all members present voting yes with next steps being votes by the Metro Safety Committee on November 18 and the full Metro Board of Directors on December 2.

AVTA's executive staff is deeply concerned with any effort that removes uniformed law enforcement presence from the public transit system of Los Angeles County. Specifically, we disagree with the defunding effort or any measure that adversely impacts the presence, capabilities, or community protection efforts of the LA County Sheriff's Metro Bureau. We believe any such move creates a dangerous environment for the riders using Metro services and to the Public at large on or near train/bus lines and stations.

On a daily basis, AVTA provides commuter service for our Antelope Valley Community dropping off our riders at destinations throughout downtown Los Angeles. This defunding/removing effort WILL place our riders at risk, and increase the chances of adverse law enforcement contacts, while simultaneously having the potential of reducing ridership, and creating a host of other environmental and transportation issues. We believe that the outcomes here are predictable and, therefore, preventable.

In light of these risks to public safety, AVTA staff hereby requests that the Board of Directors authorize the Chairman of the Board to submit a letter to the Metro Board expressing AVTA's concerns regarding the defunding effort and our opposition.

Prepared and Submitted by:

---

Macy Neshati  
Executive Director/CEO