



Regular Meeting of the Board of Directors

Tuesday, November 22, 2022

10:00 a.m.

Antelope Valley Transit Authority Community Room
42210 6th Street West, Lancaster, California
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. A three-minute time limit will be imposed on all speakers besides 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, 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 – 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.

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, 2022 – JUDY VACCARO - FRY

Recommended Action: Approve the Draft Audited Financial Statements and Single Audit Report of Federal Awards for the Year Ended June 30, 2022.

SRP 2 PRESENTATION TO MV TRANSPORTATION EMPLOYEE AND OPERATOR OF THE MONTH – MICHAEL SHERRILL

SRP 3 PRESENTATION TO AV TRANSPORTATION SERVICES EMPLOYEE OF THE MONTH – HENRY BEAUSEJOUR

SRP 4 MICROTRANSIT AND DIAL-A-RIDE KEY PERFORMANCE INDICATORS (KPI) REPORT – HENRY BEAUSEJOUR

SRP 5 LEGISLATIVE REPORT FOR NOVEMBER 2022 – JUDY VACCARO-FRY

SRP 6 LEGISLATIVE REPORT FROM SENATOR SCOTT WILK'S OFFICE – SHAWNTWAYNE CANNON

SRP 7 LEGISLATIVE REPORT FROM ASSEMBLYMAN TOM LACKEY'S OFFICE – PAM BALCH

SRP 8 MAINTENANCE KPI REPORT – JOSEPH SANCHEZ

SRP 9 OPERATIONS KPI REPORT – MICHAEL SHERRILL

CONSENT CALENDAR (CC): Consent 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 25, 2022 – KAREN DARR

Recommended Action: Approve the Board of Directors Regular Meeting Minutes of October 25, 2022.

CC 2 FINANCIAL REPORT FOR OCTOBER 2022 AND FIRST QUARTER TREASURER AND CAPITAL RESERVE REPORT – JUDY VACCARO-FRY

Recommended Action: Receive and file the Financial Report, including Quarterly Treasurer, Capital Reserve, and Farebox Recovery information, for October 2022.

CC 3 BOARD OF DIRECTORS MEETING CALENDAR FOR 2023 – DEEANNA CASON

Recommended Action: Approve the Board of Directors meeting calendar for 2023

CC 4 CANCEL SOLE SOURCE CONTRACT #2022-54 WITH CUBIC TRANSPORTATION SYSTEMS, INC. AND MODIFY SOLE SOURCE CONTRACT #2022-53 WITH GFI GENFARE – CECIL FOUST

Recommended Action: Authorize the Executive Director/CEO to cancel Sole Source Contract #2022-54 with Cubic Transportation Systems, Inc. and increase the amount of Sole Source Contract #2022-53 with GFI Genfare from \$24,304.80 to \$347,880, plus applicable sales tax and freight.

NEW BUSINESS (NB):

NB 1 CONTRACT #2023-19 TO TRANSFORMANCE CONSULTING TO CONDUCT AN EMPLOYEE COMPENSATION AND CLASSIFICATION STUDY – CECIL FOUST

Recommended Action: Authorize the Executive Director/CEO to execute Sole Respondent Contract #2023-19 with Transformance Consulting, Corona, CA, to conduct an employee Compensation and Classification Study for \$75,000, including all related travel expenses.

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)

RECESS TO CLOSED SESSION

RECONVENE TO PUBLIC SESSION

REPORT BY LEGAL COUNSEL OF ACTION TAKEN IN CLOSED SESSION

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 Special Meeting of the Board of Directors on December 20, 2022, at 12:00 p.m. in the Antelope Valley Transit Authority Community Room, 42210 6th Street West, Lancaster, CA.

The agenda was posted by 6:00 p.m. on November 18, 2022, at the entrance to the Antelope Valley Transit Authority, 42210 6th 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 6th Street West, Lancaster or by contacting the Clerk of the Board at (661) 729-2206.



DATE: November 22, 2022

TO: BOARD OF DIRECTORS

SUBJECT: Draft Audited Financial Statements and Single Audit Report of Federal Awards for the Year Ended June 30, 2022

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, 2022.

FISCAL IMPACT

None.

BACKGROUND

The Board of Director's external audit firm, Brown Armstrong Accountancy Corporation, has completed the Authority's annual A-133 audit for FY2022.

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 third year working with the auditors from Brown Armstrong Accountancy Corporation.

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:

Judy Vaccaro-Fry
Chief Financial Officer

Martin J. Tompkins
Executive Director/CEO

Attachments: A – Draft Financial Statements as of June 30, 2022 and 2021
 B – Single Audit Report on Federal Awards (June 30, 2022)

Antelope Valley Transit Authority

Presentation of Fiscal Year 2022 Audit Results

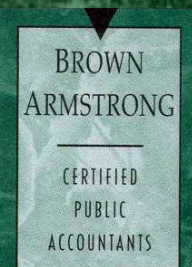
Brown Armstrong

Accountancy Corporation

4200 Truxtun Avenue, Suite 300, Bakersfield, California 93309 | 661.324.4971 | Fax 661.324.4997

www.ba.cpa

Contacts: Thomas Young, CPA, Engagement Partner TYoung@ba.cpa
Melissa Cabezzas, CPA, Engagement Manager MCabezzas@ba.cpa



Purpose of the Audit

- Legal and compliance requirements
- Management's assertions that the financial statements are fairly stated
- Auditor's responsibilities issuing an opinion on the financial statements
- Independence

Audit Process

- Planning
 - Timeline coordination with AVTA staff
 - Risk Analysis

- Fieldwork
 - Interim control processes testing (August)
 - Payroll test of controls
 - Testing of allowable expenditures and compliance with Uniform Guidance
 - Fraud interviews
 - Update of internal controls through inquiries and observation
 - Final field work (September)
 - Confirmation of significant accounts
 - Substantive approach

- Review process and Reporting
 - Legal Confirmations and Management Representations
 - Required communications
 - Report presentation

Significant Audit Areas

- Cash and cash equivalents
- Due from other Governments
- Capital assets and depreciation
- Pension plan and related deferred inflows and outflows of resources
- Operating and non-operating revenues
- Local and Federal operating and capital grants
- Expenses

Auditor Communication

- Required Communication to the Board of Directors in accordance with professional standards:
 - New accounting pronouncements issued by the Governmental Accounting Standards Board
 - Nothing Significant for AVTA in FY22
 - No disagreements or difficulties encountered in performing the audit
 - No material misstatements or auditor adjustments
 - No findings or other issues

Audit Reports

- Independent Auditor's Report (opinion) on financial statements
- 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*
- Independent Auditor's Report on compliance for each major program internal control over compliance required by the Uniform Guidance

Final Procedures

- Issuance and presentation of final draft financial statements including
 - Management's Discussion & Analysis
 - Supplementary information
 - Single Audit reports

Questions



ANTELOPE VALLEY TRANSIT AUTHORITY
FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2022 AND 2021

ANTELOPE VALLEY TRANSIT AUTHORITY
JUNE 30, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Antelope Valley Transit Authority
Lancaster, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the Antelope Valley Transit Authority (AVTA) as of and for the fiscal years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the AVTA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the AVTA, as of June 30, 2022 and 2021, and the respective changes in financial position, and cash flows thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the AVTA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the AVTA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the AVTA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the AVTA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, California Public Employee's Retirement System – Schedule of AVTA's Proportionate Share of the Net Pension Liability, California Public Employee's Retirement System – Schedule of Contributions, as presented in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 _____, 2022, on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 the AVTA's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Bakersfield, California
_____, 2022

**ANTELOPE VALLEY TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022 AND 2021**

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, 2022 and 2021. 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 cash equivalents at fiscal year-end June 30, 2022, was \$21,131,188.
- Due from governments at June 30, 2022, was \$18,597,326; of this, \$14,006,216 was due from the Federal Transit Administration, \$203,461 was from the Los Angeles Metropolitan Transportation Authority, \$3,833,064 was from the State of California; and \$554,585 from various other sources.
- As of June 30, 2022, capital assets not subject to depreciation included \$1,897,766 in land value and \$5,425,002 in construction projects still in progress; capital assets being depreciated were \$157,531,161.
- Total revenues, including capital contributions, from all sources were \$69,255,205, reflecting a 50.8% increase from the previous fiscal year.
- The total costs of all AVTA's transit services and projects, excluding depreciation expense, were \$32,947,795, reflecting a decrease of just 1.2% over prior fiscal year.
- AVTA's jurisdictional partners, the City of Lancaster, the City of Palmdale, and the County of Los Angeles resumed quarterly contributions towards operations and capital at FY 2019 levels.
- As of June 30, 2022, the net pension plan liability balance was \$452,847 reflecting a decrease of \$989,012 from the prior year.
- AVTA's net position (the extent that assets exceeds liabilities) at the close of the fiscal year 2022 was \$131,568,955. Of this amount, \$105,602,517 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, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Assets			
Capital Assets, Net	\$ 105,602,517	\$ 76,787,656	\$ 77,919,888
All Other Assets	<u>40,563,477</u>	<u>32,558,914</u>	<u>37,781,025</u>
Total Assets	<u>146,165,994</u>	<u>109,346,570</u>	<u>115,700,913</u>
Deferred Outflows of Resources			
Pension Plan Contributions and Actuarial Changes	<u>744,260</u>	<u>717,467</u>	<u>678,603</u>
Liabilities			
Current Liabilities	13,846,797	3,276,360	14,897,172
Long-Term Liabilities	<u>1,099,191</u>	<u>2,021,177</u>	<u>1,661,725</u>
Total Liabilities	<u>14,945,988</u> ▲	<u>5,297,537</u> ▲	<u>16,558,897</u>
Deferred Inflows of Resources			
Pension Plan Assumption Differences	<u>395,311</u>	<u>10,284</u>	<u>49,692</u>
Net Position			
Net Investment in Capital Assets	105,602,517	76,787,656	77,919,888
Restricted for Capital Acquisition	1,426,375	3,821,320	6,917,827
Unrestricted	<u>24,540,063</u>	<u>24,147,240</u>	<u>14,933,212</u>
Total Net Position	<u>\$ 131,568,955</u>	<u>\$ 104,756,216</u>	<u>\$ 99,770,927</u>

Discussion of Statement of Net Position. AVTA has completed the full replacement of diesel public transportation vehicles in fiscal year 2022 with the in-service of the final 6 electric commuter buses in spring 2022. The funds for these buses as well as most of the entire electrified fleet came primarily from the Transit and Intercity Rail Capital Program (TIRCP) run by the state of California. This represents the major investment in capital assets over several years for AVTA. Additionally in fiscal year 2022, AVTA began construction on a new maintenance facility. This maintenance facility will be able to address the needs of AVTA's longest buses at 60 feet long.

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.

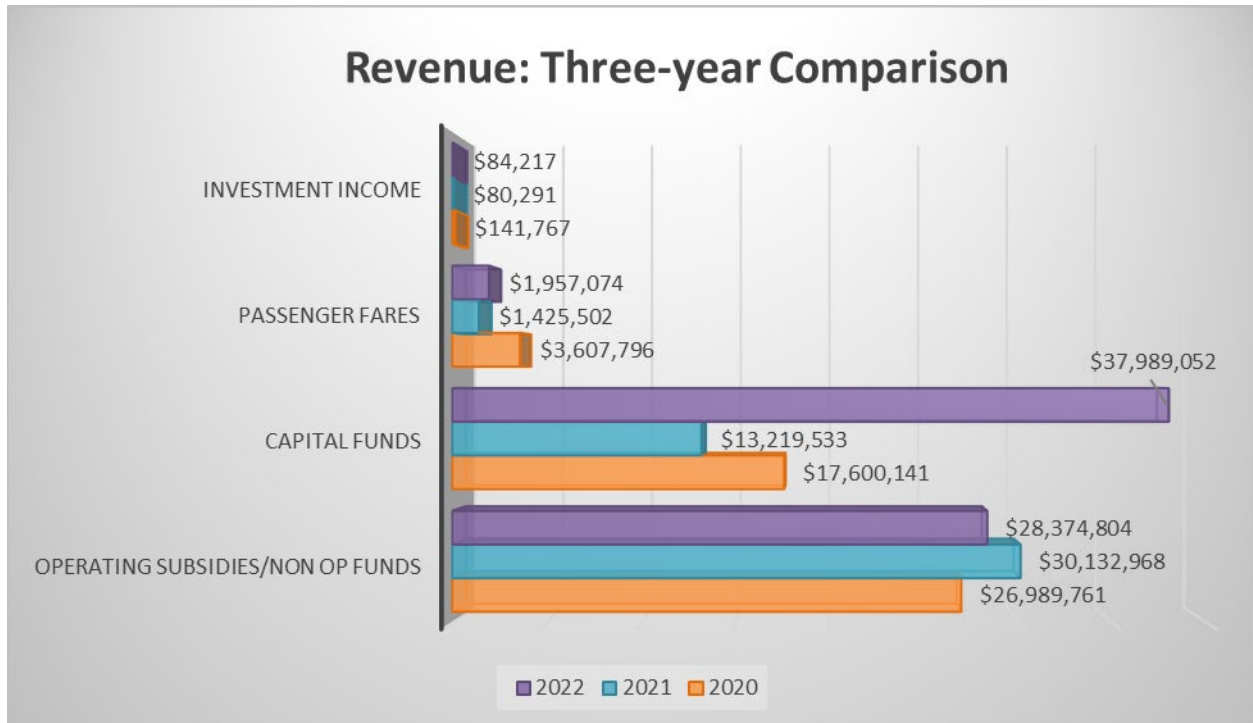
Unrestricted net assets of over \$25 million are available to meet AVTA's ongoing financial obligations, and just over \$2.3 million in restricted net position is for the replacement of capital assets are available to serve as local match requirements for transit fleet procurement. Approximately \$1.4 million of the jurisdictional capital reserve was used in fiscal year 2022 toward the acquisition of electric buses. The replacement units planned for acquisition in fiscal year 2023 and beyond will make use of these capital reserve funds as AVTA continues to need local match funding for replacement bus purchases in the future.

REVENUES AND EXPENSES: CHANGES IN NET POSITION

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

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Revenues			
Passenger Fares	\$ 1,957,074	\$ 1,425,502	\$ 3,607,796
Nonoperating Funds	28,374,804	30,132,968	26,989,761
Capital Funds	37,989,052	13,219,533	17,600,141
Interest Income and Other Revenue	<u>84,217</u>	<u>80,291</u>	<u>141,767</u>
Total Revenues	<u>68,405,147</u>	<u>44,858,294</u>	<u>48,339,465</u>
Expenses			
Purchased Transportation Services			
Outside Transit Contract	20,553,411	17,981,431	18,250,614
Fuel	898,941	808,080	1,358,555
E-Bus Energy Consumption	1,449,636	1,094,065	734,243
Other Operating Costs	1,804,180	6,607,055	7,432,142
General and Administrative	<u>8,241,627</u>	<u>6,844,455</u>	<u>5,744,963</u>
Subtotal Expenses Before Depreciation	<u>32,947,795</u>	<u>33,335,086</u>	<u>33,520,517</u>
Depreciation	<u>8,644,613</u>	<u>6,537,919</u>	<u>6,807,451</u>
Total Expenses Including Depreciation	<u>41,592,408</u>	<u>39,873,005</u>	<u>40,327,968</u>
Change in Net Position	26,812,739	4,985,289	8,011,497
Net Position			
Beginning of Year	<u>104,756,216</u>	<u>99,770,927</u>	<u>91,759,430</u>
End of Year	<u>\$ 131,568,955</u>	<u>\$ 104,756,216</u>	<u>\$ 99,770,927</u>

Figure 1 – Analysis of Revenues



Discussion of Revenues. For the fiscal year ended June 30, 2022, AVTA's total revenues, including capital contributions, from all sources were \$69,255,205 up \$23,325,671, or 50.8% from fiscal year 2021. AVTA is beginning to see small recoveries from the COVID-19 pandemic shut down with a slight increase of 37% over fiscal year 2021 in fare revenue.

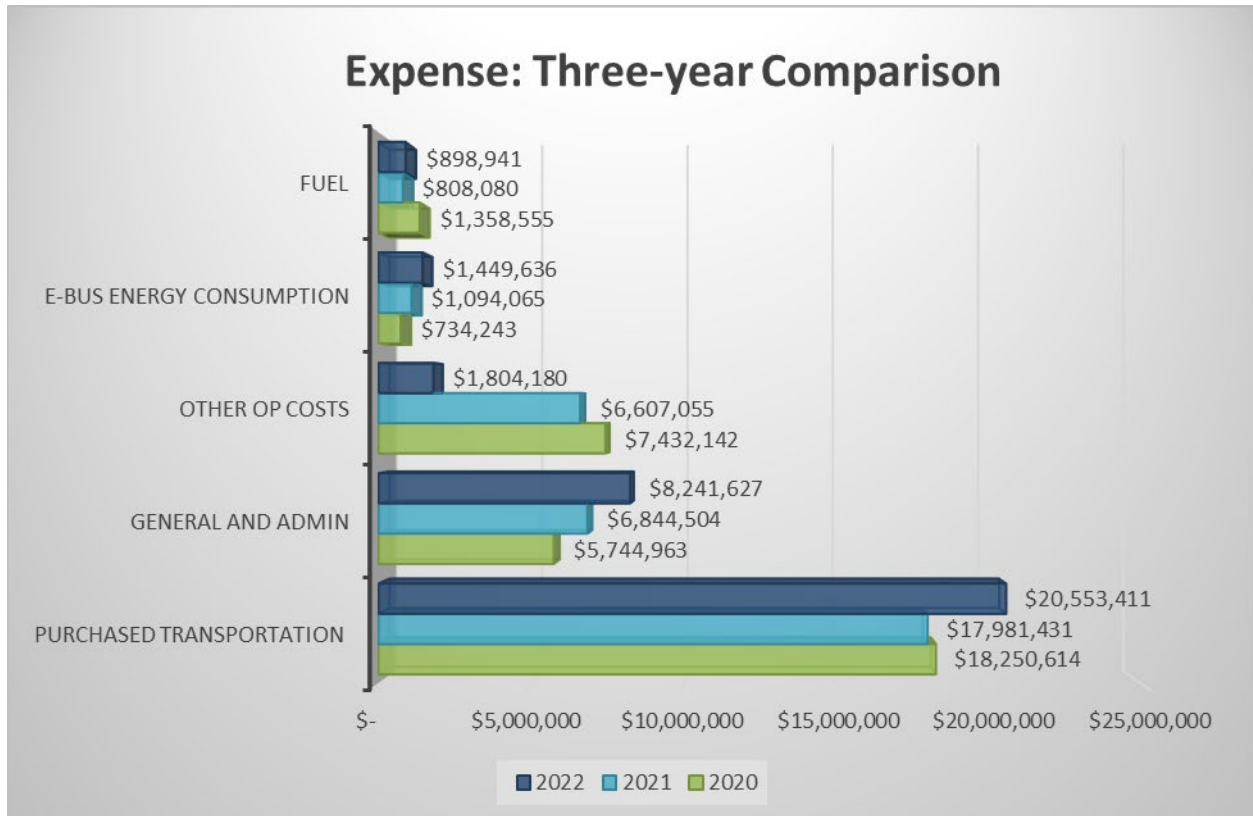
The passage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act has been a vital injection of operating revenue for AVTA in fiscal year 2022 and will continue to help AVTA recover from revenue loss in subsequent years. In fiscal year 2022, AVTA used \$12,219,252 from the CARES Act funds to subsidize operations.

AVTA receives significant operation funds from local taxes and Federal operating grants. In fiscal year 2022 AVTA received over \$13 million in local tax funding through Los Angeles County Metro, who facilitates the distribution of Los Angeles transportation tax funds to eligible operators

AVTA continues to receive unrestricted operating funds 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 2021 and in fiscal year 2022 has earned \$1,436,369 this fiscal year which is a 1.7% below prior year LCFS credit earnings.

AVTA received considerable Capital funds in fiscal year 2022. This is primarily in reimbursement of capital expenses toward a new maintenance facility that is capable of maintaining the larger 60ft buses in AVTA's fleet. This facility is currently construction in progress. Additionally, capital reimbursements were received for the final electric commuter buses that make AVTA and all-electric fleet.

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 2022, 2021, and 2020 are shown in Figure 2 above.

Total operating expenses prior to depreciation in fiscal year 2022 were \$32,947,795. This number is just a 1.16% decrease from prior year. The majority of the 72.69% decrease in other operations cost is due to the completion of two one-time contracts between AVTA and the City of Palmdale and the City of Lancaster to pay for additional security.

AVTA began a new contract for fixed route operations at the very tail end of fiscal year 2022 with MV Transportation. This contract covers fleet dispatch, field operations and maintenance of local and commuter routes. AVTA conducted a thorough Request for Proposals (RFP) process and selected MV Transportation among several bidders. The new fixed route contract costs significantly more per hour than the former contract accounting for increased costs across the board. AVTA has seen an increase in 2022 due to some renegotiated rates with the former contractor that took effect in January 2022. The total of purchased transportation for local and commuter in fiscal year 2022 is \$17,870,631, making up 87% 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. Total additional purchased transportation is \$2,682,780.

Fuel in this chart is used to describe traditional fuels of diesel and unleaded. AVTA’s traditional fuel cost remained steady with only a slight increase due to the skyrocketing fuel costs during fiscal year 2022.

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 \$355,571 over fiscal year 2021 that represents a one-year savings of over \$700 thousand by switching to electric buses.

General & administrative expenses in fiscal year 2022 increased \$1,397,122 or 20.41% over fiscal year 2021. This increase is primarily due to the lump sum payment made by AVTA towards pre funding a CalPERS liability of over \$1.5 million. This pre-funding will help offset future additional funds AVTA can be charged for by CalPERS in order to make up for investment losses on the total CalPERS pension funds.

In addition to these operating expenses, depreciation expense increased by approximately 32% which is expected 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, 2022, unrestricted net position was just over \$24 million. The biggest contributor to this increase is the influx of federal operating assistance as well as discretionary capital funds from the state of California that has allowed AVTA to keep reserves instead of deplete them. Additionally, Low Carbon Fuel Standard (LCFS) credits continues to be a steady unrestricted revenue source that has contributed to the continued financial health of AVTA.

CAPITAL ASSETS

The details of the Authority's investment in capital assets as of June 30, 2022 and 2021, are presented in Table 3.

Table 3 – Capital Assets, Net of Accumulated Depreciation

	Balance July 1, 2021	Increases	Decreases	Transfers	Balance June 30, 2022
Land	\$ 1,897,766	\$ -	\$ -	\$ -	\$ 1,897,766
Construction in Progress	4,384,053	8,093,491	-	(7,052,542)	5,425,002
Buildings	54,421,828	-	-	4,273,872	58,695,700
Equipment	10,350,575	316,540	(660,994)	-	10,006,121
Transportation Equipment	63,929,322	31,028,883	(8,907,535)	2,778,670	88,829,340
Total Capital Assets	134,983,544	39,438,914	(9,568,529)	-	164,853,929
Less Accumulated Depreciation	(58,195,888)	(8,644,613)	7,589,089	-	(59,251,412)
Total Assets, Net of Depreciation	<u>\$ 76,787,656</u>	<u>\$ 30,794,301</u>	<u>\$ (1,979,440)</u>	<u>\$ -</u>	<u>\$ 105,602,517</u>

As of June 30, 2022, the Authority had a book value of over \$105.6 million invested in capital assets. This total represents an increase of \$28,814,861. The increase is attributed to an additional maintenance facility currently under construction as well as additional electric bus purchases.

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, 2022 AND 2021

	June 30,	
	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents (Note 2)	\$ 21,131,188	\$ 27,540,695
Due from Other Governments (Note 3)	18,597,326	4,242,895
Other Receivables	104,475	41,646
Inventory	356,582	516,410
Prepaid Items	373,906	217,268
Total Current Assets	40,563,477	32,558,914
NONCURRENT ASSETS		
Capital Assets, Depreciated, Net (Note 5)	105,602,517	76,787,656
Total Assets	146,165,994	109,346,570
DEFERRED OUTFLOWS OF RESOURCES		
Pension Plan Contributions and Actuarial Changes	744,260	717,467
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	13,636,575	3,199,416
Accrued Payroll	146,706	36,973
Advances on Grant Revenue	6,900	400
Compensated Absences (Note 6)	56,616	39,571
Total Current Liabilities	13,846,797	3,276,360
NONCURRENT LIABILITIES		
Noncurrent Compensated Absences	646,344	579,318
Net Pension Liability	452,847	1,441,859
Total Noncurrent Liabilities	1,099,191	2,021,177
Total Liabilities	14,945,988	5,297,537
DEFERRED INFLOWS OF RESOURCES		
Pension Plan Assumption Differences	395,311	10,284
NET POSITION		
Net Investment in Capital Assets	105,602,517	76,787,656
Restricted for Capital Acquisition	1,426,375	3,821,320
Unrestricted	24,540,063	24,147,240
Total Net Position	\$ 131,568,955	\$ 104,756,216

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 FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	For the Year Ended June 30,	
	2022	2021
OPERATING REVENUES		
Charges for Services		
Passenger Fares	\$ 1,957,074	\$ 1,425,502
Total Operating Revenues	1,957,074	1,425,502
OPERATING EXPENSES		
Purchased Transportation Services		
Outside Transit Contract	20,553,411	17,981,431
Fuel	898,941	808,080
E-Bus Energy Consumption	1,449,636	1,094,065
Other Operating Costs	1,804,180	6,607,055
General and Administrative	8,241,627	6,844,455
Depreciation	8,644,613	6,537,919
Total Operating Expenses	41,592,408	39,873,005
OPERATING LOSS	(39,635,334)	(38,447,503)
NONOPERATING REVENUES (EXPENSES)		
Interest Income	84,217	80,291
Local Operating Grants - Los Angeles Metropolitan		
Transportation Authority	13,615,521	12,426,336
Federal Operating Grants	12,219,252	15,757,715
Member Agency Contributions	3,318,505	1,298,027
Capital Related Expenses	(850,058)	(1,055,150)
Other	1,916,796	1,689,950
Loss on Sale of Assets	(1,845,212)	16,090
Total Nonoperating Revenues (Expenses)	28,459,021	30,213,259
LOSS BEFORE CAPITAL CONTRIBUTIONS	(11,176,313)	(8,234,244)
CAPITAL CONTRIBUTIONS		
Capital Grants	37,528,156	13,032,475
Member Contributions	460,896	187,058
Total Capital Contributions	37,989,052	13,219,533
CHANGE IN NET POSITION	26,812,739	4,985,289
NET POSITION, BEGINNING OF YEAR	104,756,216	99,770,927
NET POSITION, END OF YEAR	\$ 131,568,955	\$ 104,756,216

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

**ANTELOPE VALLEY TRANSIT AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

	For the Year Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 1,894,245	\$ 1,458,244
Nonoperating Miscellaneous Cash Received	1,916,796	1,706,040
Cash Payments to Suppliers for Goods and Services	(14,265,819)	(37,663,917)
Cash Payments to Employees for Services	(8,678,601)	(6,648,667)
	(19,133,379)	(41,148,300)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating Grants Received	25,834,773	28,184,051
Contributions Received from Member Agencies	3,318,505	1,298,027
	29,153,278	29,482,078
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(39,438,914)	(5,405,687)
Proceeds from Sale of Capital Assets	134,228	-
Capital Grants Received	23,173,725	23,079,478
Grantable Expenses	(843,558)	(1,124,796)
Capital Contributions Received from Member Agencies	460,896	187,058
	(16,513,623)	16,736,053
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	84,217	80,291
	84,217	80,291
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(6,409,507)	5,150,122
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	27,540,695	22,390,573
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 21,131,188	\$ 27,540,695

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

ANTELOPE VALLEY TRANSIT AUTHORITY
STATEMENTS OF CASH FLOWS (Continued)
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	\$ (39,635,334)	\$ (38,447,503)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities		
Depreciation	8,644,613	6,537,919
Miscellaneous Income	1,916,796	1,706,040
Decrease (Increase) in Other Receivables	(62,829)	32,742
Increase in Inventory	159,828	5,613
Decrease (Increase) in Prepaid Items	(156,638)	286,875
(Increase) in Deferred Outflows of Resources	(26,793)	(38,864)
Increase (Decrease) in Accounts Payable	10,437,159	(11,465,774)
Increase (Decrease) in Accrued Payroll	109,733	(68,978)
Increase in Compensated Absences Payable	84,071	150,735
(Decrease) Increase in Net Pension Liability	(989,012)	192,303
Increase (Decrease) in Deferred Inflows of Resources	385,027	(39,408)
NET CASH USED BY OPERATING ACTIVITIES	\$ (19,133,379)	\$ (41,148,300)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

There were no noncash investing, capital, or financing activities during the fiscal years ended June 30, 2022 and 2021.

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

**ANTELOPE VALLEY TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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 Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and the Statements 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. 87 – Leases. The requirements of this statement are effective for fiscal years beginning after June 15, 2021. There was no effect on AVTA's accounting and financial reporting as a result of implementing this standard.

GASB Statement No. 89 – Accounting for Interest Cost Incurred Before the End of a Construction Period. The requirements of this statement are effective for fiscal years beginning after December 15, 2020. There was no effect on AVTA's accounting and financial reporting as a result of implementing this standard.

GASB Statement No. 92 – Omnibus 2020. The requirements of this statement for paragraphs related to Statement No. 87 and implementation guide 2019-3, reinsurance recoveries, to implement with GASB Statement No. 87; all others are effective for fiscal years beginning June 15, 2021. There was no effect on AVTA's accounting and financial reporting as a result of implementing this standard.

GASB Statement No. 93 – Replacement of Interbank Offered Rates. The requirements of this statement are effective for fiscal years beginning after June 15, 2021. There was no effect on AVTA's accounting and financial reporting as a result of implementing this standard.

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 fiscal years beginning after June 15, 2021. 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. 91 – Conduit Debt Obligations. The requirements of this statement are effective for fiscal years beginning after December 15, 2021. AVTA will implement GASB Statement No. 91 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 fiscal years 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 fiscal years beginning after June 15, 2022. AVTA will implement GASB Statement No. 96 if and where applicable.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Future GASB Statements (Continued)

GASB Statement No. 99 – *Omnibus 2022*. The requirements of this statement are effective as follows:

- The requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in GASB Statement No. 34, as amended, and terminology updates related to GASB Statement No. 53 and GASB Statement No. 63 are effective upon issuance.
- The requirements related to leases, public-private and public-public partnerships (PPPs), and subscription-based information technology arrangements (SBITAs) are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all fiscal years thereafter.

AVTA will implement GASB Statement No. 99 if and where applicable.

GASB Statement No. 100 – *Accounting Changes and Error Corrections*. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all fiscal years thereafter. Earlier application is encouraged. AVTA will implement GASB Statement No. 100 if and where applicable.

GASB Statement No. 101 – *Compensated Absences*. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. AVTA will implement GASB Statement No. 101 if and where applicable.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2022 and 2021, consisted of the following:

	June 30,	
	2022	0
Cash on hand	\$ 938	\$ 938
Deposits with financial Institutions	15,631,689	11,186,132
Investments	5,498,561	16,353,625
Total Cash and Cash Equivalents	<u>\$ 21,131,188</u>	<u>\$ 27,540,695</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.

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)**Investments Authorized by the California Government Code and AVTA’s Investment Policy**
(Continued)

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, 2022 and 2021.

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, 2022 and 2021:

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

2022		Remaining Maturity (in Months)
<u>Investment Type</u>	<u>Total</u>	<u>12 Months or Less</u>
Local Agency Investment Fund (LAIF)	\$ 5,498,488	\$ 5,498,488
Money Market Fund	73	73
Total	<u>\$ 5,498,561</u>	<u>\$ 5,498,561</u>

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>

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 the fiscal year ended June 30, 2021.

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

As of June 30, 2022 and 2021, 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, 2022 and 2021, except for its investments in LAIF, 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, 2022 and 2021:

	<u>2022</u>	<u>0</u>
Federal Grants	\$ 14,006,216	\$ 1,157,448
State Grants	3,833,064	877,096
Local Grants - Los Angeles Metropolitan Transportation Authority	203,461	2,190,563
Operating Contribution		
City of Lancaster	423,470	-
City of Palmdale	37,250	-
LA County	2,250	2,750
Other	91,615	15,038
	<u> </u>	<u> </u>
Total Due From Other Governments	<u>\$ 18,597,326</u>	<u>\$ 4,242,895</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 fiscal years ended June 30, 2022 and 2021, was as follows:

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	-
PTMISEA Funds Received During the Year Ended June 30, 2022	-
PTMISEA Expenses Incurred During the Year Ended June 30, 2022	<u>-</u>
Unspent PTMISEA Cash Receipts as of June 30, 2022	<u><u>\$ -</u></u>

NOTE 5 – CAPITAL ASSETS

A schedule of changes in capital assets for the fiscal years ended June 30, 2022 and 2021, are shown below.

	Balance at July 1, 2021	Increases	Decreases	Transfers	Balance at June 30, 2022
Capital Assets, Not Being Depreciated:					
Land	\$ 1,897,766	\$ -	\$ -	\$ -	\$ 1,897,766
Construction-in-Progress	4,384,053	8,093,491	-	(7,052,542)	5,425,002
Total Capital Assets, Not Being Depreciated	<u>6,281,819</u>	<u>8,093,491</u>	<u>-</u>	<u>(7,052,542)</u>	<u>7,322,768</u>
Capital Assets Being Depreciated:					
Buildings	54,421,828	-	-	4,273,872	58,695,700
Equipment	10,350,575	316,540	(660,994)	-	10,006,121
Transportation Equipment	63,929,322	31,028,883	(8,907,535)	2,778,670	88,829,340
Total Capital Assets, Being Depreciated	<u>128,701,725</u>	<u>31,345,423</u>	<u>(9,568,529)</u>	<u>7,052,542</u>	<u>157,531,161</u>
Less Accumulated Depreciation:					
Buildings	(16,148,607)	(3,486,594)	-	-	(19,635,201)
Equipment	(10,259,535)	(212,140)	639,972	-	(9,831,703)
Transportation Equipment	(31,787,746)	(4,945,879)	6,949,117	-	(29,784,508)
Total Accumulated Depreciation	<u>(58,195,888)</u>	<u>(8,644,613)</u>	<u>7,589,089</u>	<u>-</u>	<u>(59,251,412)</u>
Total Capital Assets, Being Depreciated, Net	<u>70,505,837</u>	<u>22,700,810</u>	<u>(1,979,440)</u>	<u>7,052,542</u>	<u>98,279,749</u>
Capital Assets, Net	<u><u>\$ 76,787,656</u></u>	<u><u>\$ 30,794,301</u></u>	<u><u>\$ (1,979,440)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 105,602,517</u></u>

Depreciation expense for the fiscal year ended June 30, 2022, was \$8,644,613.

NOTE 5 – CAPITAL ASSETS (Continued)

	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	12,802,607	3,160,435	-	(11,578,989)	4,384,053
Total Capital Assets, Not Being Depreciated	14,619,223	3,241,585	-	(11,578,989)	6,281,819
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	62,872,413	1,077,932	(21,023)	-	63,929,322
Total Capital Assets, Being Depreciated	114,979,657	2,164,102	(21,023)	11,578,989	128,701,725
Less Accumulated Depreciation:					
Buildings	(14,286,681)	(1,861,926)	-	-	(16,148,607)
Equipment	(9,686,895)	(572,640)	-	-	(10,259,535)
Transportation Equipment	(27,705,416)	(4,103,353)	21,023	-	(31,787,746)
Total Accumulated Depreciation	(51,678,992)	(6,537,919)	21,023	-	(58,195,888)
Total Capital Assets, Being Depreciated, Net	63,300,665	(4,373,817)	-	11,578,989	70,505,837
Capital Assets, Net	\$ 77,919,888	\$ (1,132,232)	\$ -	\$ -	\$ 76,787,656

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

NOTE 6 – LONG-TERM DEBT

A schedule of changes in long-term debt for the fiscal years ended June 30, 2022 and 2021, are shown below:

	Balance at July 1, 2021	Increases	Decreases	Balance at June 30, 2022	Amount Due Within One Year
Compensated Absences	\$ 618,889	\$ 334,774	\$ 250,703	\$ 702,960	\$ 56,616
Net Pension Liability	1,441,859	-	989,012	452,847	-
Total	\$ 2,060,748	\$ 334,774	\$ 1,239,715	\$ 1,155,807	\$ 56,616
	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	-
Total	\$ 1,717,710	\$ 649,051	\$ 306,013	\$ 2,060,748	\$ 39,571

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, 2022, 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	10.34%	7.59%

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%

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 fiscal years ended June 30, 2022 and 2021, the contributions recognized as part of pension expense for the Plan were as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Miscellaneous Classic	\$ 248,158	\$ 231,664
Miscellaneous PEPRA	190,155	171,127
	<u>\$ 438,313</u>	<u>\$ 402,791</u>

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, 2022 and 2021, AVTA reported net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share of the Net Pension Liability</u>	
	<u>For the Year Ended June 30, 2022</u>	<u>For the Year Ended June 30, 2021</u>
Miscellaneous	\$ 452,847	\$ 1,441,859

For the fiscal years ended June 30, 2022 and 2021, the net pension liability of the Plan is measured as of June 30, 2021 and 2020, using an annual actuarial valuation as of June 30, 2020 and 2019, rolled forward to June 30, 2021 and 2020, 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, 2020 and 2019, was as follows:

	<u>For the Year Ended June 30, 2022</u>		<u>For the Year Ended June 30, 2021</u>
	<u>Miscellaneous</u>		<u>Miscellaneous</u>
Proportion - June 30, 2021	0.01325%	Proportion - June 30, 2020	0.01219%
Proportion - June 30, 2022	<u>0.00837%</u>	Proportion - June 30, 2021	<u>0.01325%</u>
Change - Increase (Decrease)	<u>0.00488%</u>	Change - Increase (Decrease)	<u>-0.00106%</u>

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

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

For the fiscal years ended June 30, 2022 and 2021, AVTA recognized pension income of \$192,465 and pension expense of \$516,822, respectively. At June 30, 2022 and 2021, AVTA reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

2022	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience Changes of Assumptions	\$ 50,782	\$ -
Net Difference Between Projected and Actual Earnings on Plan Investments	-	-
Change in Employer's Proportion	-	(395,311)
Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	177,795	-
Pension Contributions Subsequent to Measurement Date	77,370	-
	<u>438,313</u>	<u>-</u>
	<u>\$ 744,260</u>	<u>\$ (395,311)</u>
2021	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience Changes of Assumptions	\$ 74,303	\$ -
Net Difference Between Projected and Actual Earnings on Plan Investments	-	(10,284)
Change in Employer's Proportion	42,833	-
Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	149,944	-
Pension Contributions Subsequent to Measurement Date	47,596	-
	<u>402,791</u>	<u>-</u>
	<u>\$ 717,467</u>	<u>\$ (10,284)</u>

\$438,313 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 fiscal 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>	
2023	\$ 51,199
2024	14,787
2025	(46,106)
2026	(109,244)
2027	-
Thereafter	<u>-</u>
	<u>\$ (89,364)</u>

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, 2020 and 2019 actuarial valuations were determined using the following actuarial assumptions:

	For the Fiscal Year Ended June 30, 2022	For the Fiscal Year Ended June 30, 2021
	<u>Miscellaneous</u>	<u>Miscellaneous</u>
Valuation Date	June 30, 2020	June 30, 2019
Measurement Date	June 30, 2021	June 30, 2020
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:

2022			
Asset Class	Target Allocation	Current Target Allocation	Current Target Allocation
Public Equity	50.0%	4.80%	5.98%
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)

2021	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%
Total	<u>100%</u>		

Discount Rate – The discount rate used to measure the total pension liability for June 30, 2022 and 2021, 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 Fiscal Year Ended June 30, 2022</u>		<u>Miscellaneous Plan</u> <u>For the Fiscal Year Ended June 30, 2021</u>	
1% Decrease	6.15%	1% Decrease	6.15%
Net Pension Liability	\$ 1,623,206	Net Pension Liability	\$ 2,471,911
Current Discount Rate	7.15%	Current Discount Rate	7.15%
Net Pension Liability	\$ 452,847	Net Pension Liability	\$ 1,441,859
1% Increase	8.15%	1% Increase	8.15%
Net Pension Liability	\$ (514,672)	Net Pension Liability	\$ 590,760

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, 2022. Settled claims have not exceeded insurance coverage limits during the fiscal years ended June 30, 2022 and 2021.

NOTE 9 – STATE OF GOOD REPAIR

State Transit Assistance – State of Good Repair – (STA-SGR) grant funding of \$112,248 was received and expended for the fiscal year ended June 30, 2022.

NOTE 10 – 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, 2022. These purchase orders are for future buses AVTA has yet to receive as of June 30, 2022.

<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 2023
W.A.V.E.	Inductive Bus Charging	\$ 2,494,909	End of Fiscal Year 2023

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through _____, 2022, 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, 2022
LAST 10 FISCAL YEARS***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Valuation Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Proportion of the Net Pension Liability	0.00837%	0.01325%	0.01219%	0.01112%
Proportionate Share of the Net Pension Liability	\$ 452,847	\$ 1,441,859	\$ 1,249,556	\$ 1,071,984
Covered Payroll	\$ 3,624,812	\$ 3,167,760	\$ 2,685,150	\$ 2,570,443
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	12.49%	45.52%	46.54%	41.70%
Plan's Fiduciary Net Position	\$ 8,411,433	\$ 6,298,492	\$ 6,019,653	\$ 5,338,209
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.29%	75.10%	75.26%	75.26%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Valuation Date	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Proportion of the Net Pension Liability	0.01109%	0.01018%	0.00916%	0.01027%
Proportionate Share of the Net Pension Liability	\$ 1,099,901	\$ 880,874	\$ 629,016	\$ 639,229
Covered Payroll	\$ 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	43.17%	33.85%	25.43%	27.74%
Plan's Fiduciary Net Position	\$ 4,678,869	\$ 4,001,269	\$ 3,563,767	\$ 3,127,307
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.31%	74.06%	78.40%	83.03%

* Fiscal year 2015 was the 1st year of implementation; therefore, only eight 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, 2022
LAST 10 FISCAL YEARS***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution (Actuarially Determined)	\$ 438,313	\$ 402,791	\$ 327,168	\$ 264,578
Contributions in Relation to the Actuarially Determined Contributions	<u>438,313</u>	<u>402,791</u>	<u>327,168</u>	<u>264,578</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 3,896,658	\$ 3,624,812	\$ 3,167,760	\$ 2,570,443
Contributions as a Percentage of Covered Payroll	11.25%	11.11%	10.33%	10.29%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 235,194	\$ 226,757	\$ 208,456	\$ 405,595
Contributions in Relation to the Actuarially Determined Contributions	<u>235,194</u>	<u>226,757</u>	<u>208,456</u>	<u>405,595</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,548,087	\$ 2,602,471	\$ 2,473,677	\$ 2,304,600
Contributions as a Percentage of Covered Payroll	9.23%	8.71%	8.43%	17.60%

* Fiscal year 2015 was the 1st year of implementation; therefore, only eight years are shown.

ANTELOPE VALLEY TRANSIT AUTHORITY

SINGLE AUDIT REPORT

JUNE 30, 2022

ANTELOPE VALLEY TRANSIT AUTHORITY

JUNE 30, 2022

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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
Lancaster, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Antelope Valley Transit Authority (AVTA), as of and for the year ended June 30, 2022, and the related notes to the basic financial statements, which collectively comprise AVTA's basic financial statements, and have issued our report thereon dated _____, 2022.

Report on 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 the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

BROWN ARMSTRONG

ACCOUNTANCY CORPORATION

Bakersfield, California
_____, 2022

**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
Lancaster, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Antelope Valley Transit Authority’s (AVTA) compliance with the types of compliance requirements identified as subject to audit 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, 2022. AVTA’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of AVTA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of AVTA’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to AVTA’s federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on AVTA’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made

by a reasonable user of the report on compliance about AVTA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding AVTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of AVTA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 AVTA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of AVTA, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise AVTA's basic financial statements. We issued our report thereon dated October 13, 2022, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the 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 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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
_____, 2022

FINANCIAL STATEMENTS

**ANTELOPE VALLEY TRANSIT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Grant Number	Passed Through to Subrecipients	Federal Financial Assistance Expenditures	Total Eligible Expenditures
U.S. Department of Transportation					
Direct Assistance					
Federal Transit Cluster					
Federal Transit – Formula Grants	20.507	CA-2019-108	\$ -	\$ 301,986	\$ 301,986
Federal Transit – Formula Grants	20.507	CA-2016-111	-	191,443	191,443
Federal Transit – Formula Grants	20.507	CA-117	-	2,368,446	2,368,446
Federal Transit – Formula Grants	20.507	CA-122	-	2,441,137	2,441,137
Federal Transit – Formula Grants	20.507	CA-123	-	2,861,859	2,861,859
Federal Transit – Formula Grants	20.507	CA-147	-	4,391,486	4,391,486
Federal Transit – Formula Grants	20.507	CA-148	-	326,668	326,668
Federal Transit – Formula Grants	20.507	CA-208	-	1,980,100	1,980,100
Federal Transit – Formula Grants	20.507	CA-90-Y968	-	115,449	115,449
Federal Transit – Formula Grants	20.507	CA 2022-150	-	12,219,252	17,320,124
Federal Transit – Formula Grants	20.507	CA 2022-126	-	12,101,729	12,101,729
Federal Transit – Formula Grants	20.507	FY 22-BOS	-	809,256	809,256
CARES Federal Transit – Formula Grants	20.507	CA-2020-107-CARES ACT	-	717,399	717,399
Total Federal Transit Cluster			-	40,826,210	45,927,082
Total Expenditures of Federal Awards			\$ -	\$ 40,826,210	\$ 45,927,082

See Accompanying Note 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, 2022**

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, 2022.

FINDINGS AND QUESTIONED COSTS SECTION

**ANTELOPE VALLEY TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

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: \$1,224,786

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, 2021) Findings and Current Year Status

None.

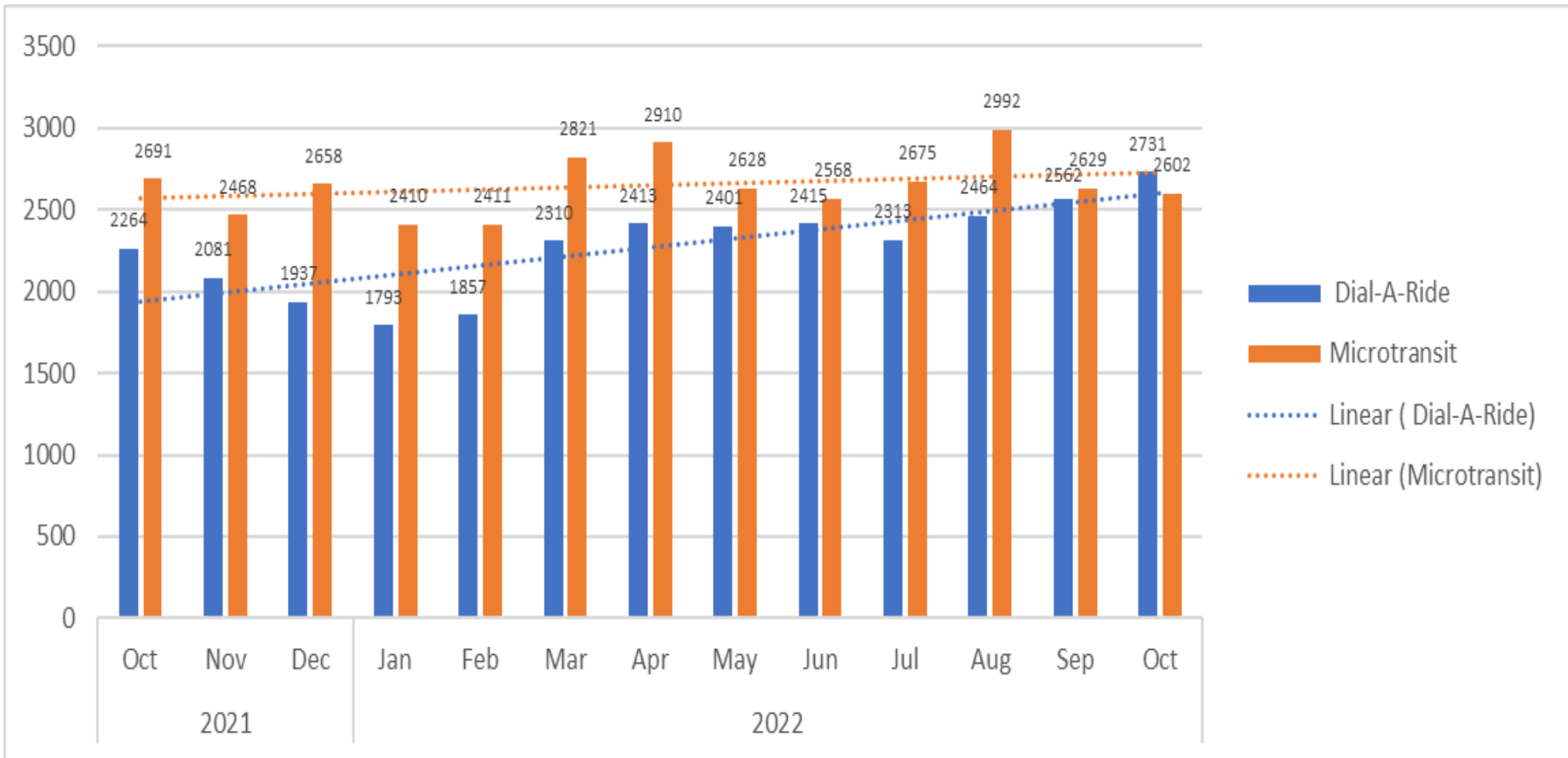
OCTOBER

FY 2023 MONTHLY OPERATIONS KEY PERFORMANCE INDICATORS

Presentation to the
Board of Directors
November 22, 2022



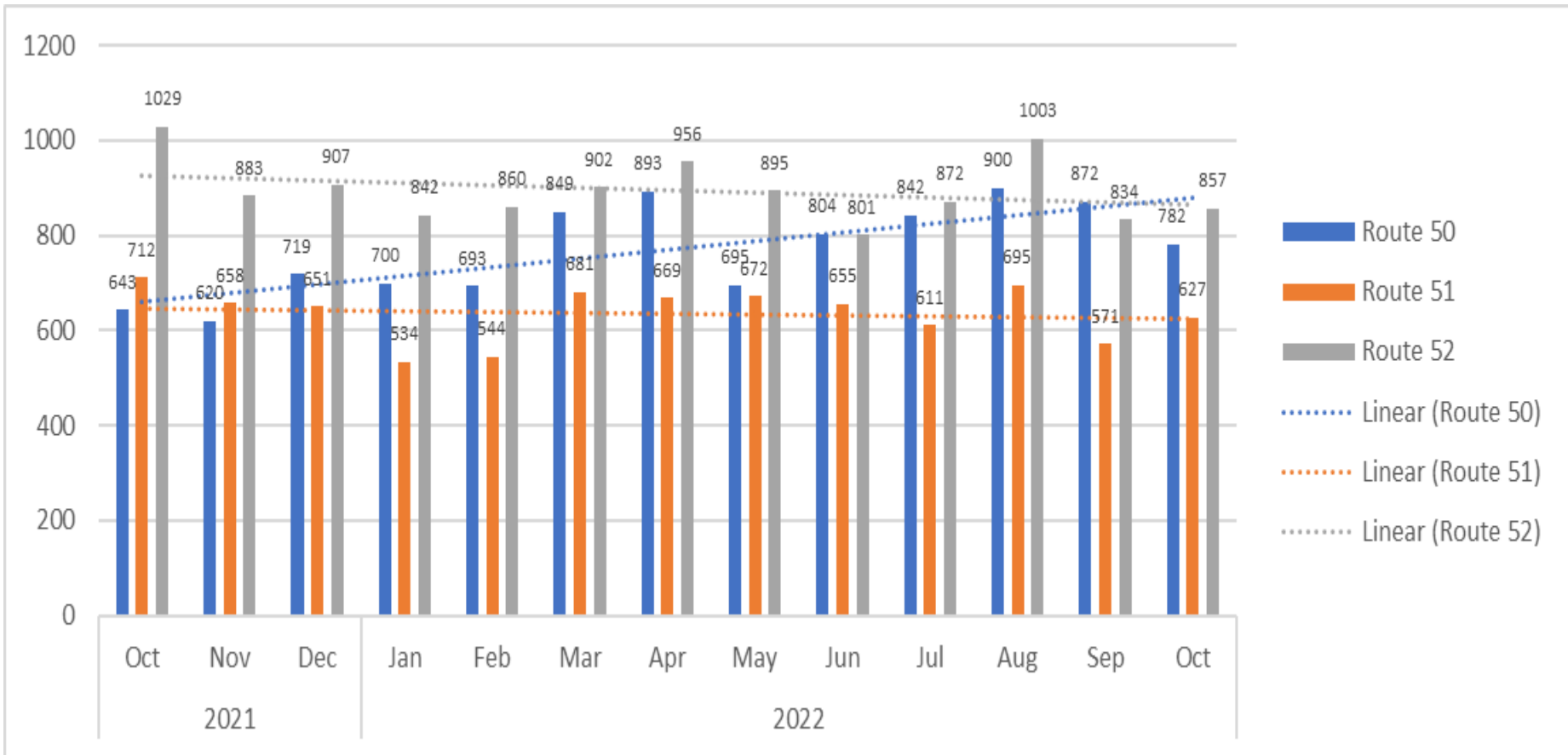
RIDERSHIP DATA: TOTAL PASSENGERS



October Trip Accommodation
77.40 %

October Total Trips
4,816

MICROTRANSIT PICKUPS WITHIN SERVICE AREA ROUTES

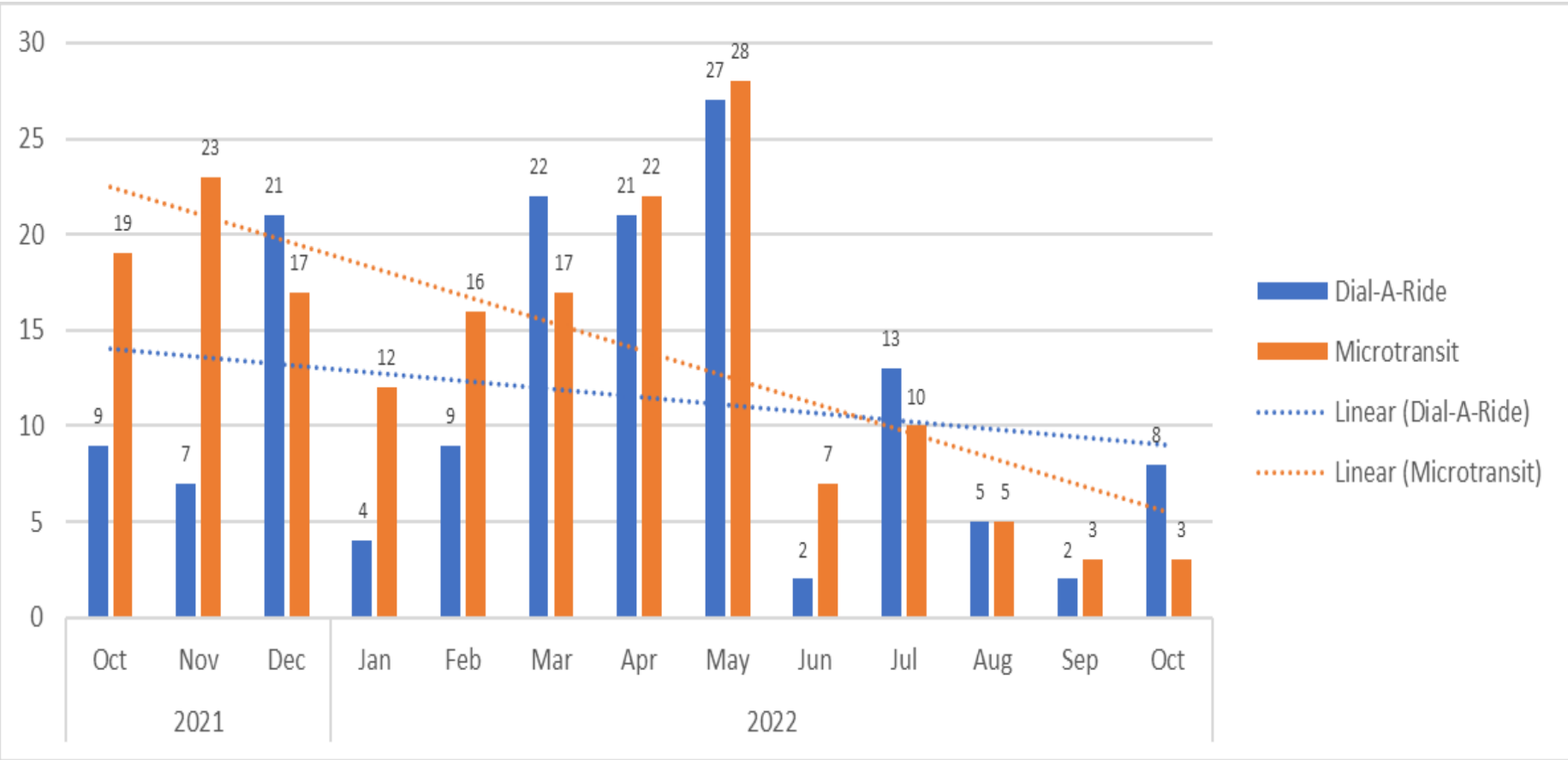


Route 50 Average %
34.51%

Route 51 Average %
27.67%

Route 52 Average %
37.82%

REBOOKED TRANSPORTS



October Trips switched to "Rebooked" Status

11

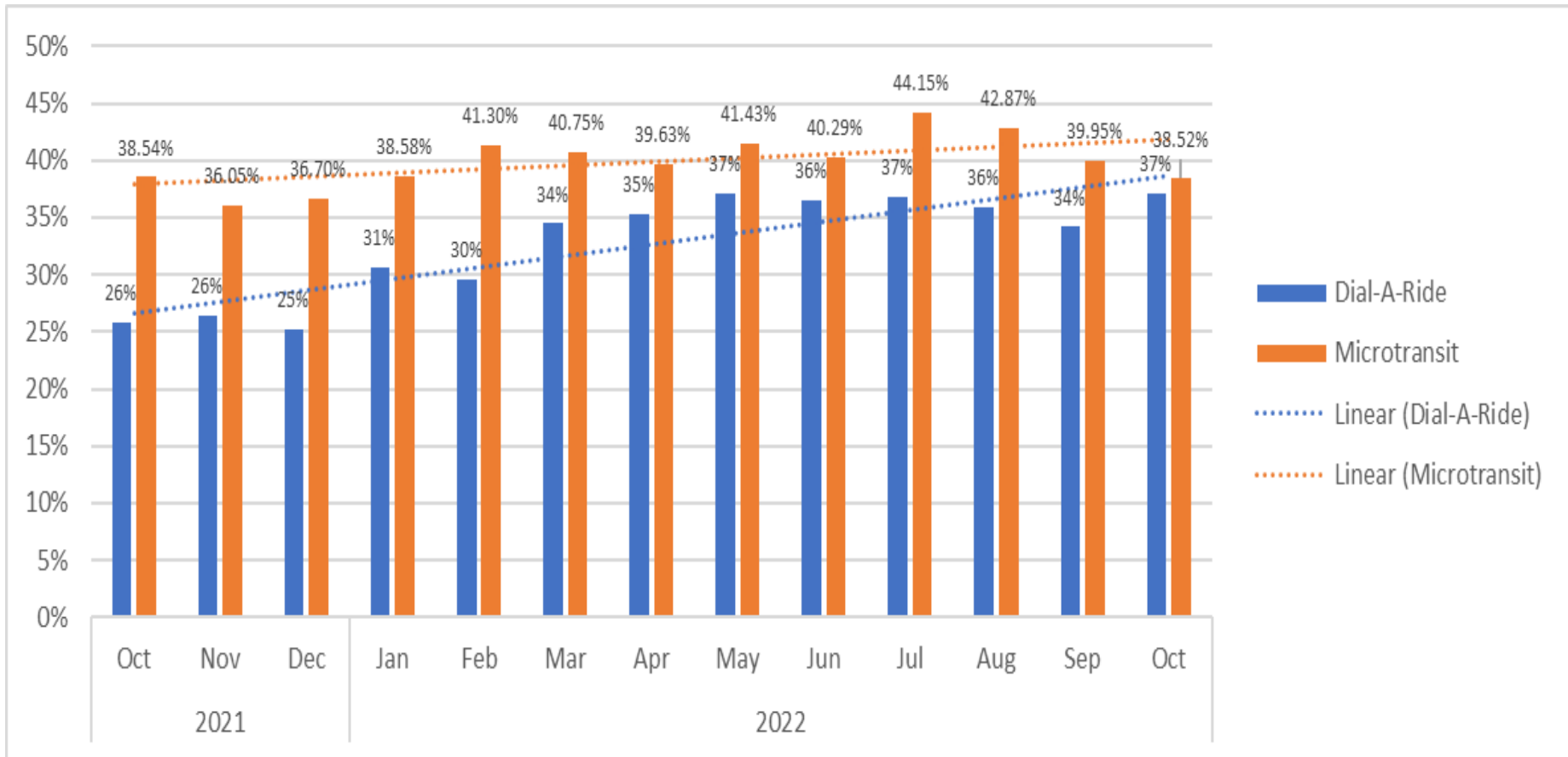
October Total Trips

4,816

October % of System Rebooks

0.23%

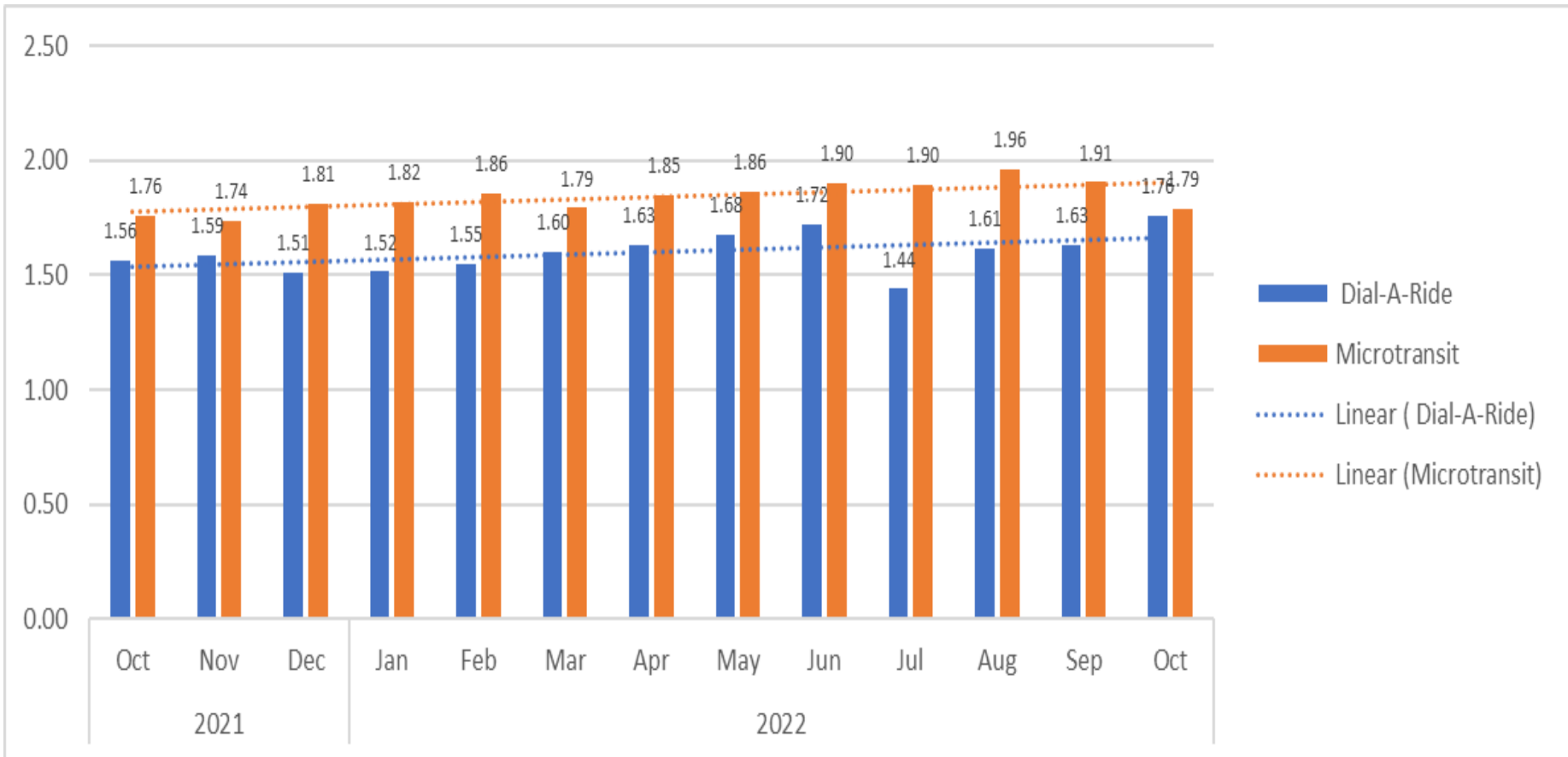
AVERAGE SHARED RIDE PERCENTAGE



October Daily Average Shared Rides
27.15

October Daily Average Rides
155.35

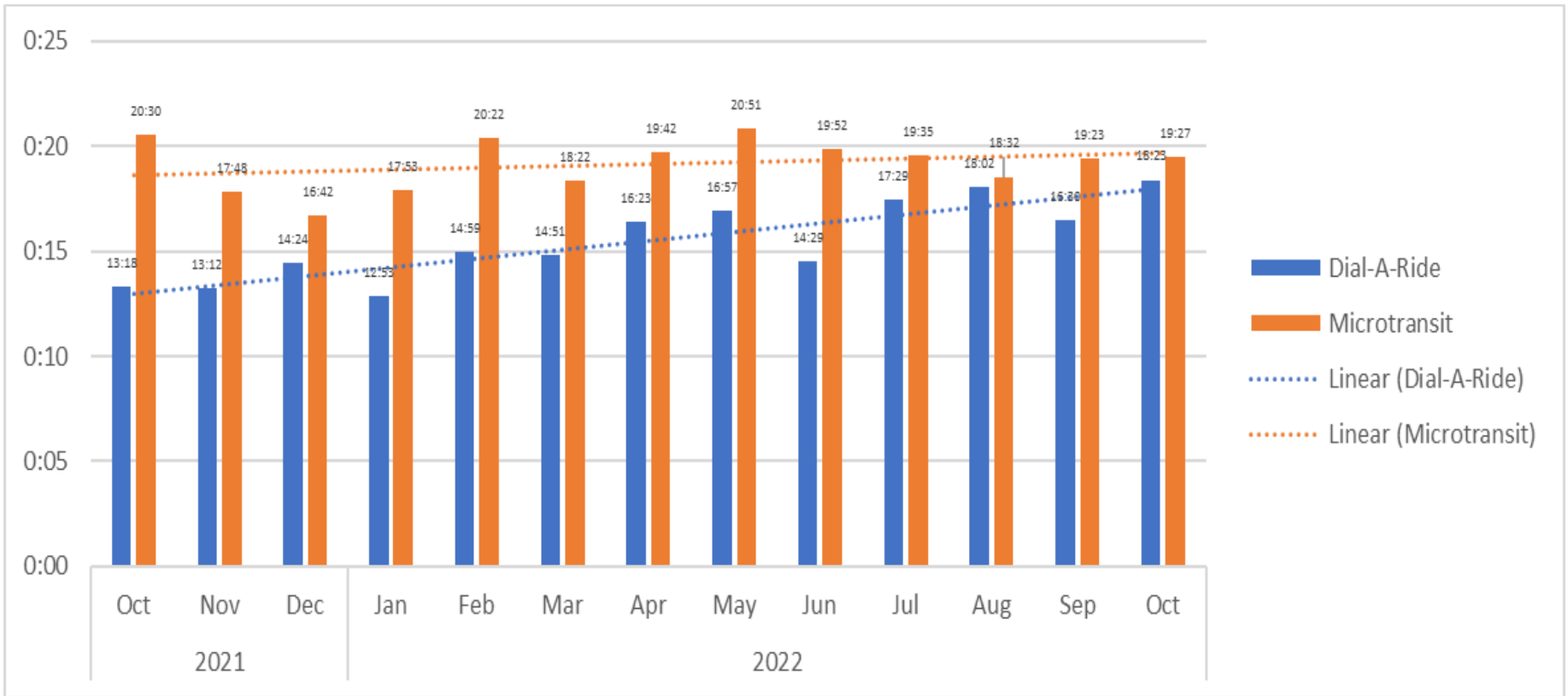
PASSENGERS PER REVENUE HOUR



October Average Passengers per Revenue Hour

1.77

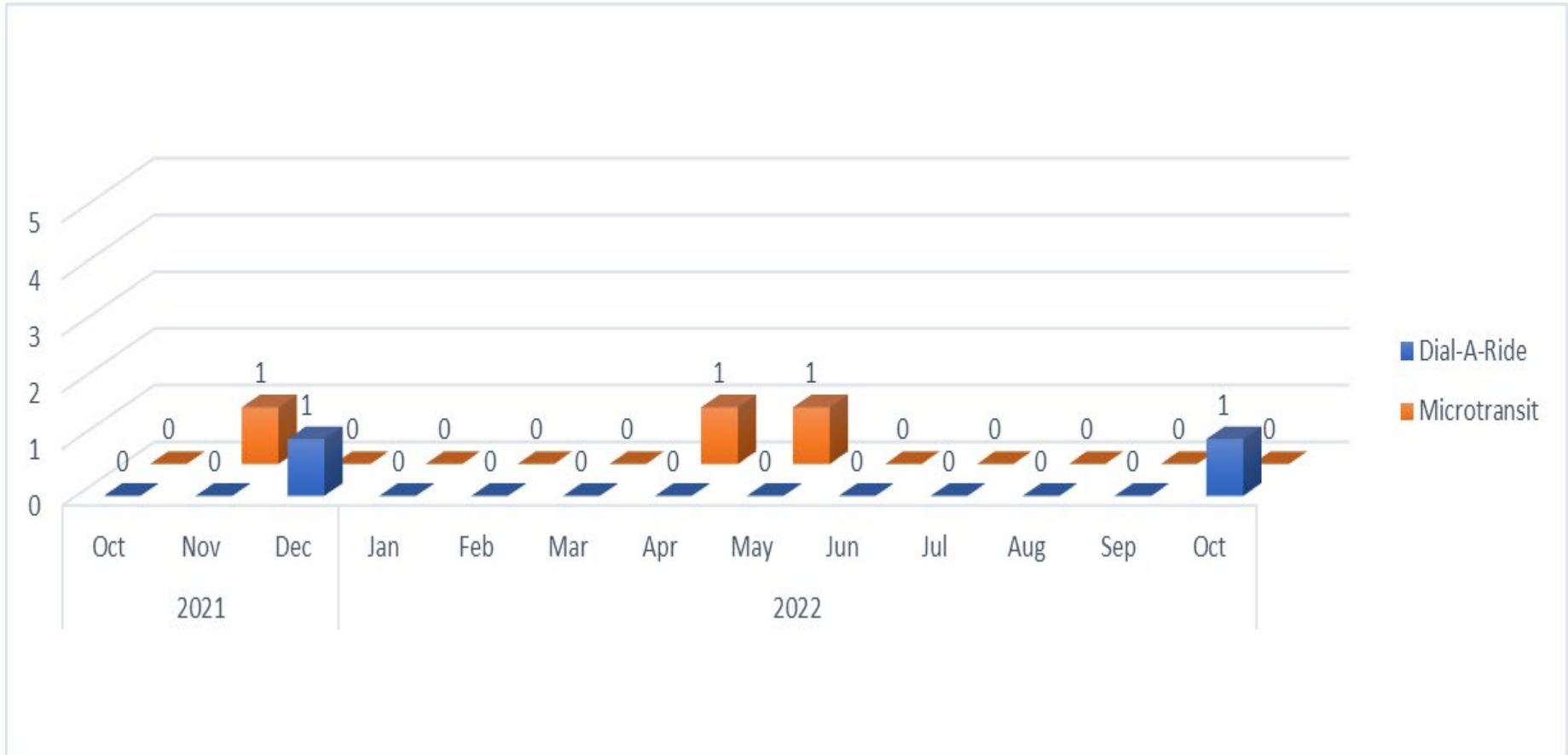
PASSENGER WAIT TIME



MONTHLY AVERAGE WAIT TIME



ACCIDENTS



October Accidents
1

PASSENGER FEEDBACK: COMPLAINTS

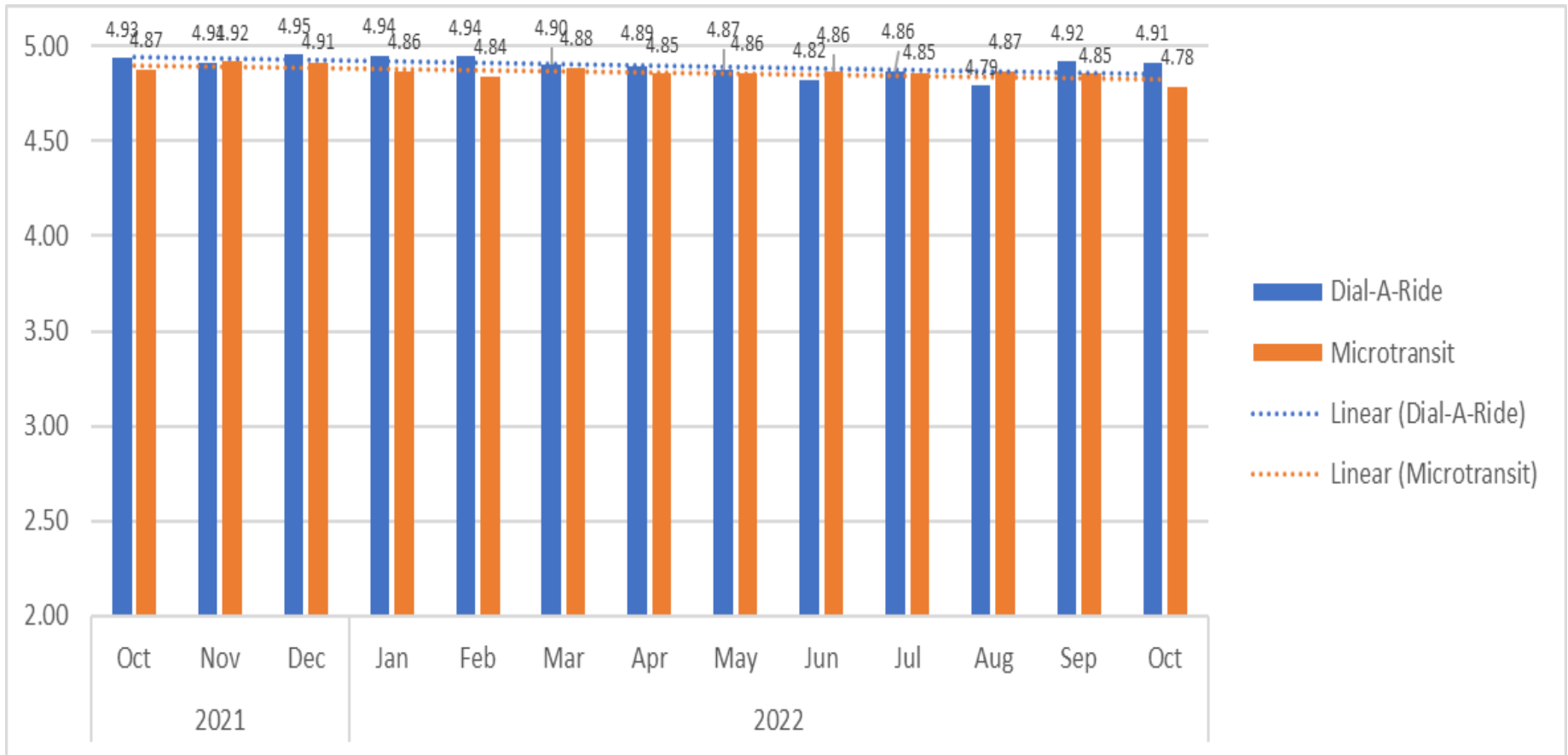


October Total Trips
4,816

October Complaints
6

October % Complaints
0.12%

PASSENGER FEEDBACK: RATINGS



October Average Ratings

4.85

SPECIAL EVENT



2022 SENIOR HEALTH EXPO

Presented by:



Location:



OCTOBER

FY 2023 MONTHLY OPERATIONS KEY PERFORMANCE INDICATORS

Thank You!

Questions?



LEGISLATIVE & FINANCE UPDATE

Presentation to the Board of Directors
November 22, 2022



FEDERAL



BUY AMERICA

US DOT announced a two-year waiver of the Buy America domestic content requirement for certain commercially produced vans and minivans used in public transportation.

Final assembly of these vehicles must occur in the United States, and to maximize domestic content, the waiver requires that the engines or motors must be manufactured in the United States.

Notice of Partial Buy America Waiver for Vans and Minivans

A Notice by the Federal Transit Administration on 10/25/2022



PUBLISHED DOCUMENT



AGENCY:

Federal Transit Administration, Department of Transportation (DOT).

ACTION:

Notice of Buy America Waiver.

SUMMARY:

In response to multiple individual requests for a Buy America nonavailability waiver for non-ADA-accessible vans or minivans that can be used in federally funded vanpool programs, and because the Federal Transit Administration (FTA) has been unable to identify any manufacturer of non-ADA-accessible vans or minivans that fully comply with Buy America, FTA is issuing a partial, time-limited, general nonavailability waiver from the requirements of Buy America as described in this notice.

DATES:

This waiver is effective October 25, 2022 and expires two years from this date, or upon publication of a rescission notice if FTA determines that a fully Buy America-compliant vehicle has become available, whichever occurs first.

DOCUMENT DETAILS

Printed version:

[PDF](#)

Publication Date:

10/25/2022

Agencies:

[Federal Transit Administration](#)

Dates:

This waiver is effective October 25, 2022 and expires two years from this date, or upon publication of a rescission notice if FTA determines that a fully Buy America-compliant vehicle has become available, whichever occurs first.

Effective Date:

10/25/2022

Document Type:

Notice

Document Citation:

87 FR 64534

Page:

64534-64536 (3 pages)



NEW BILL

On November 16, Sen. Kirsten Gillibrand (D-NY) introduced the ***Resilient Transit Act of 2022.***

The bill would authorize a total of \$300 million each year from 2023 to 2026 to improve public transit.

The bill would establish the first repeating yearly source of federal funding dedicated to protecting public transit systems from extreme weather.

Gillibrand said she's confident the bill will have bipartisan support, but admits there could be challenges if Democrats lose control of Congress in November's election.

STATE





GRANT OPPORTUNITY

TIRCP-6

The California State Transportation Agency (CalSTA) is releasing the final program guidelines and a call for projects for Award Cycle 6 of the Transit and Intercity Rail Capital Program (TIRCP).

CalSTA expects to award a minimum of \$1.8 billion to existing TIRCP projects by January 31, 2023.

Applications for new projects and high-priority grade separations are due February 10, 2023. CalSTA expects to announce those awards by April 24, 2023.

SURPLUS GONE



Tax revenues for the month of September came in \$2.8 billion below projections bringing the state to a total of nearly \$7 billion short of previous revenue forecasts for the current budget cycle.

The lower than anticipated state revenue will influence the Governor's approach to his January proposed budget.



REGIONAL



GRANT OPPORTUNITY



- Federal Section 5310
- MTA is the designated recipient
- \$440k available
- Focus is on seniors and disabled
- Bi-annual grant opportunity

Successful AVTA applications:

2015 – DAR expansion

2017 – NEMT service

2019 – Microtransit

Eligible Projects

Traditional Section 5310 project examples include:

- Vehicle and fleet expansion and replacement
- Wheelchair lifts, ramps, securement devices, and safety barriers
- Transit-related information technology systems, including scheduling and dispatching systems
- Mobility management programs
- Acquisition of transportation services under a contract, lease, or other arrangement

Other Section 5310 project examples include:

- Programs to serve same-day transportation for critical and non-critical need trips
- Expanding door-to-door and door-through-door services
- Travel training
- Volunteer driver programs
- Building an accessible path to a bus stop, including curb-cuts, sidewalks, accessible pedestrian signals or other accessible features
- Safety equipment, supplies and services
- Purchasing vehicles to support new accessible taxi, rides sharing and/or vanpooling programs

END OF LINE POLICY



LACMTA Board of Directors voted 11-0 to re-evaluate the agency's de-boarding policy.


Under the current policy all riders are escorted off the train so Metro crews can clean the train cars for morning service.

Los Angeles County Supervisor and Metro board member Kathryn Barger stated MTA did not coordinate the policy with nonprofit groups who provide shelters, nor with the county's homeless outreach teams. "We put a plan in play to empty the cars for cleaning, but we didn't coordinate on the county side."

MTA FARE CAPPING

Metro riders blast new fare plan as unfair to low-income passengers

LA Metro Board virtual meeting is plagued with technical issues – and a lot of criticism

 San Gabriel Valley Tribune + Follow View Profile

LA Metro's new fare plan caps rider costs, but some say it's mostly a fare hike



Public Hearing November 14, 2022

About 75 calls

Lasted until 7:30pm

ALL asked to REJECT the fare changes.

- ✓ Eliminates free transfer
- ✓ Increases cash fare
- ✓ Increases senior fare
- ✓ Want free fare
- ✓ Wait for new board

MID TERM ELECTION RESULTS*



Mike Garcia retained his Senate seat with 54.16% of the vote

Tom Lackey retained his seat for the 34th District with 70.64% of the vote

Juan Carrillo won for the new 39th District with 59.03% of the vote

Suzette Martinez Valladares retained her seat for the 40th District with 50.82% of the vote

City of Palmdale:

- Laura Bettencourt retained her seat for the 3rd District with 47.15% of the vote
- Eric Ohlsen won the seat for the 4th District with 47.02% of the vote
- Andrea Alarcon won the seat for the 5th District with 61.55% of the vote

AVTA HAPPENINGS



“Antelope Valley innovated to get there”

“The agency’s electrification program scored a series of firsts, including the first all-electric 60-foot articulated bus in regular paid passenger service, as well as the nation’s first electric commuter coaches.”

Bloomberg

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CityLab
Transportation

America’s First All-Electric Transit Agency Isn’t What You Might Expect

California’s modest, semi-rural Antelope Valley is lighting the path for the rest of the country.



Driving into the future. Photograph: iStock Editorial/Getty Images

AVTA HAPPENINGS



AVTA's Esteban Rodriguez sharing AVTA's Zero Emission Success story at CalACT Fall Conference in San Jose earlier this month.



Questions?

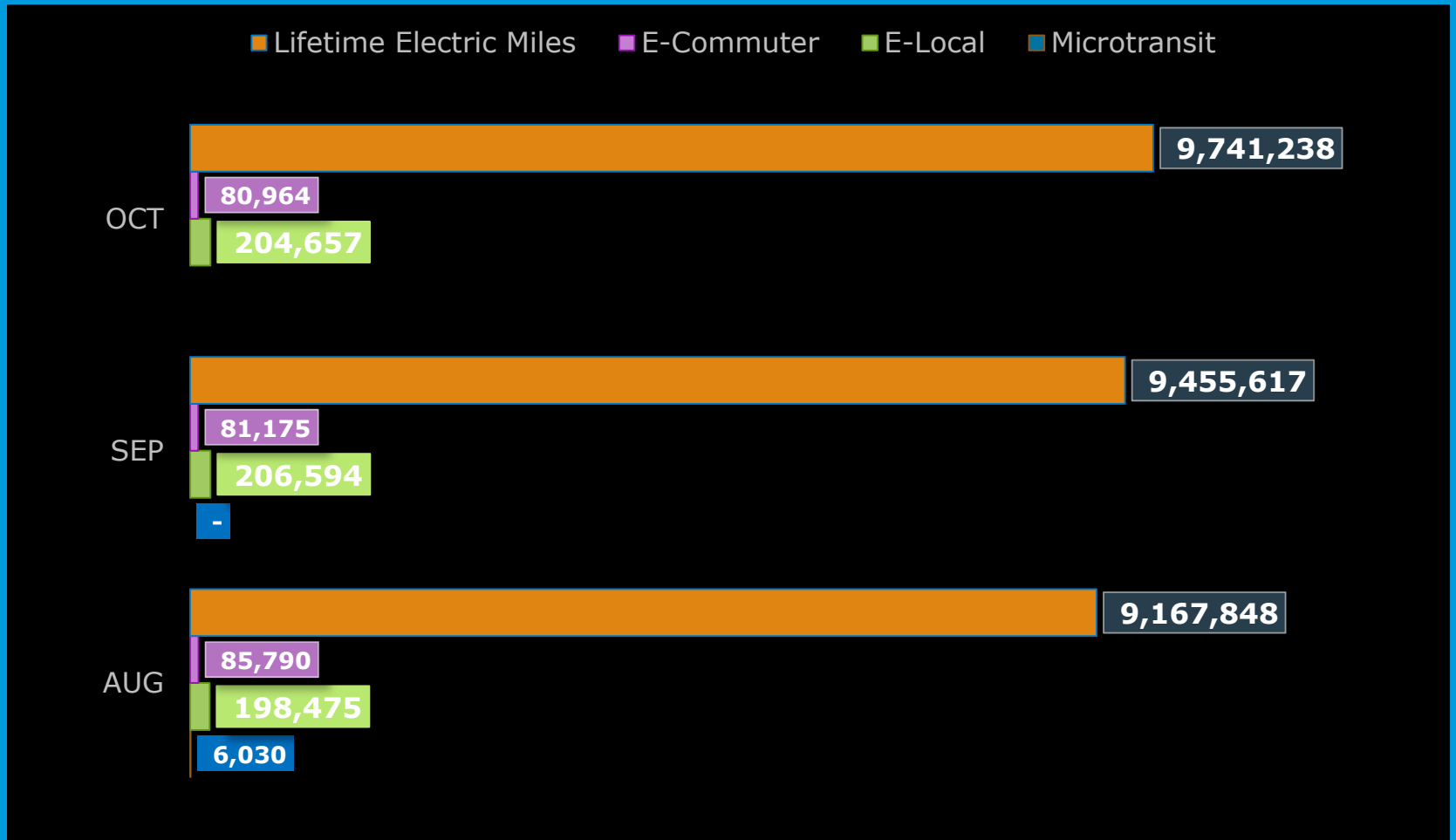


FY 2023 Monthly Maintenance Key Performance Indicators

Presentation to the Board of Directors
November 22, 2022



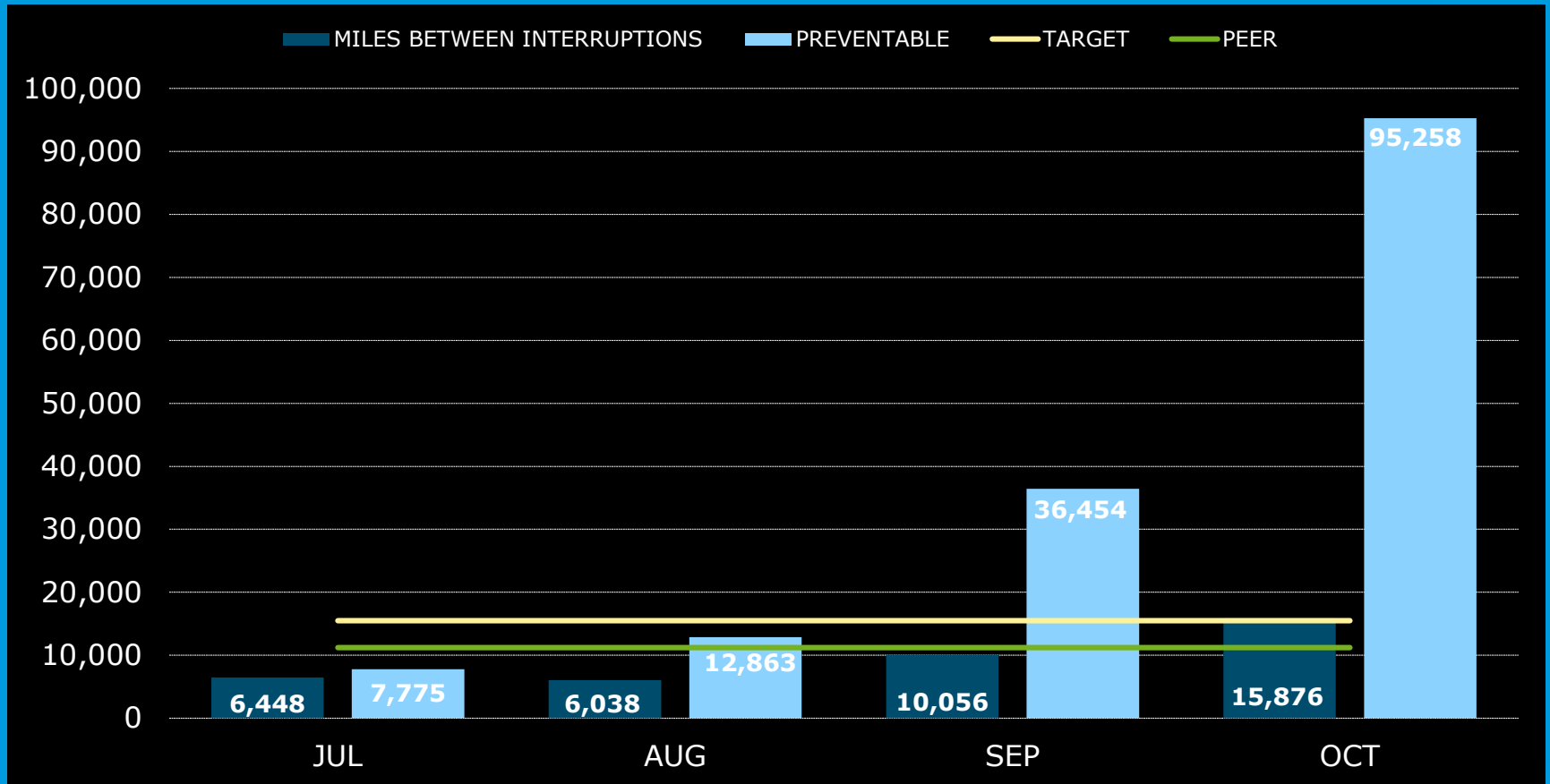
ELECTRIC MILES TRAVELED



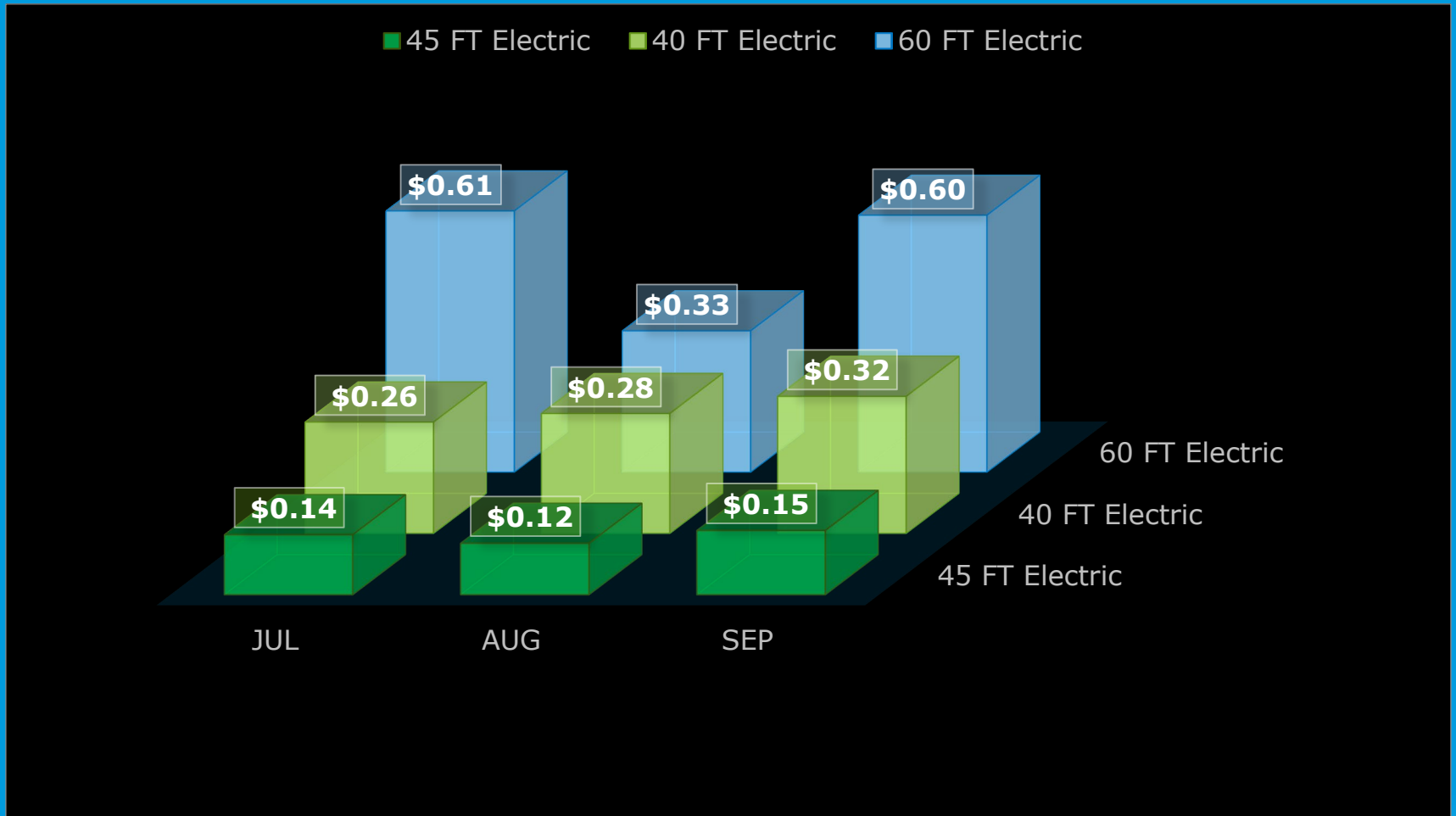
AVERAGE MILES BETWEEN SERVICE INTERRUPTIONS

Target: 15,500

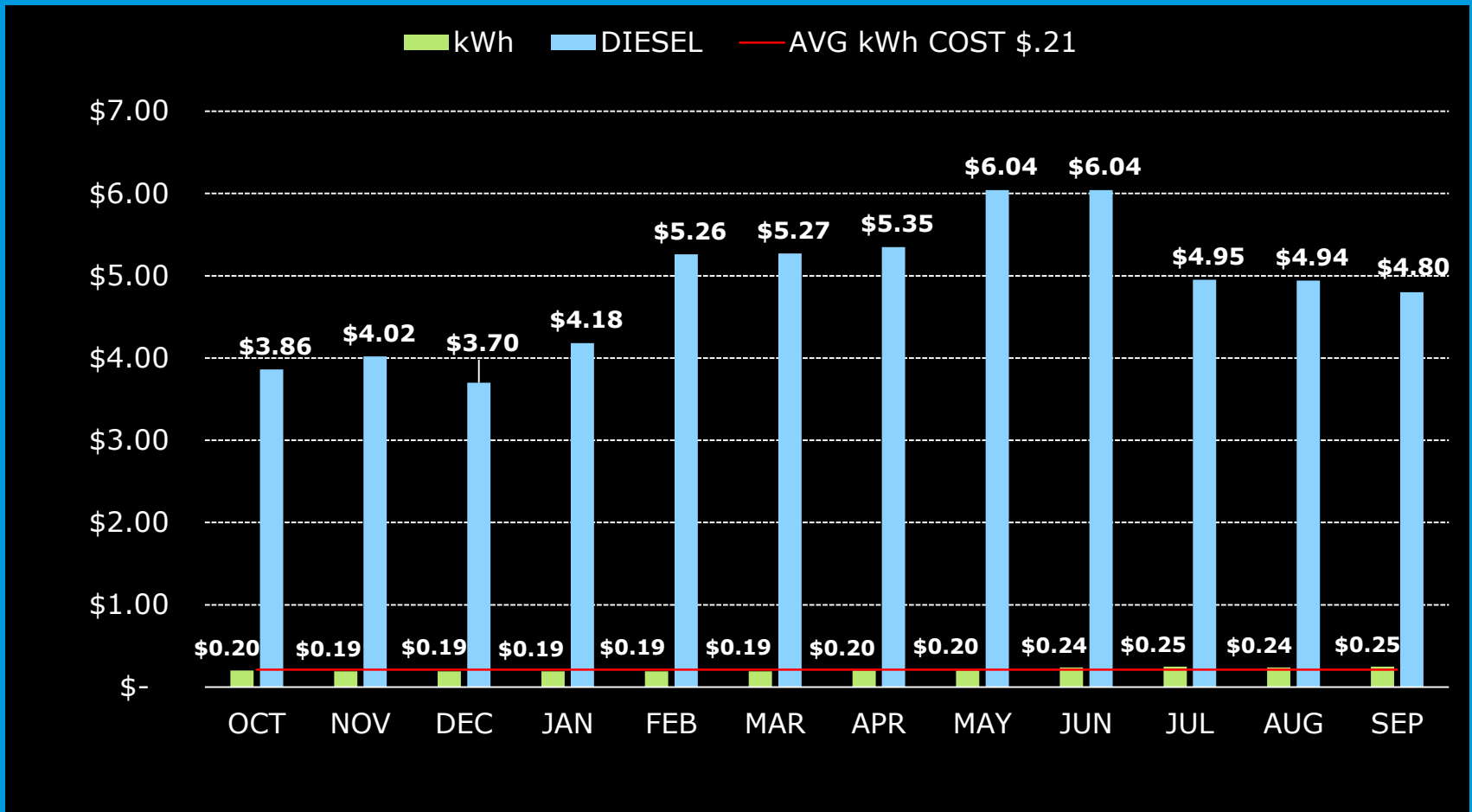
Peer Average: 11,206



MAINTENANCE COST PER MILE BY FLEET



FUEL/ENERGY COST PRIOR 12 MONTHS

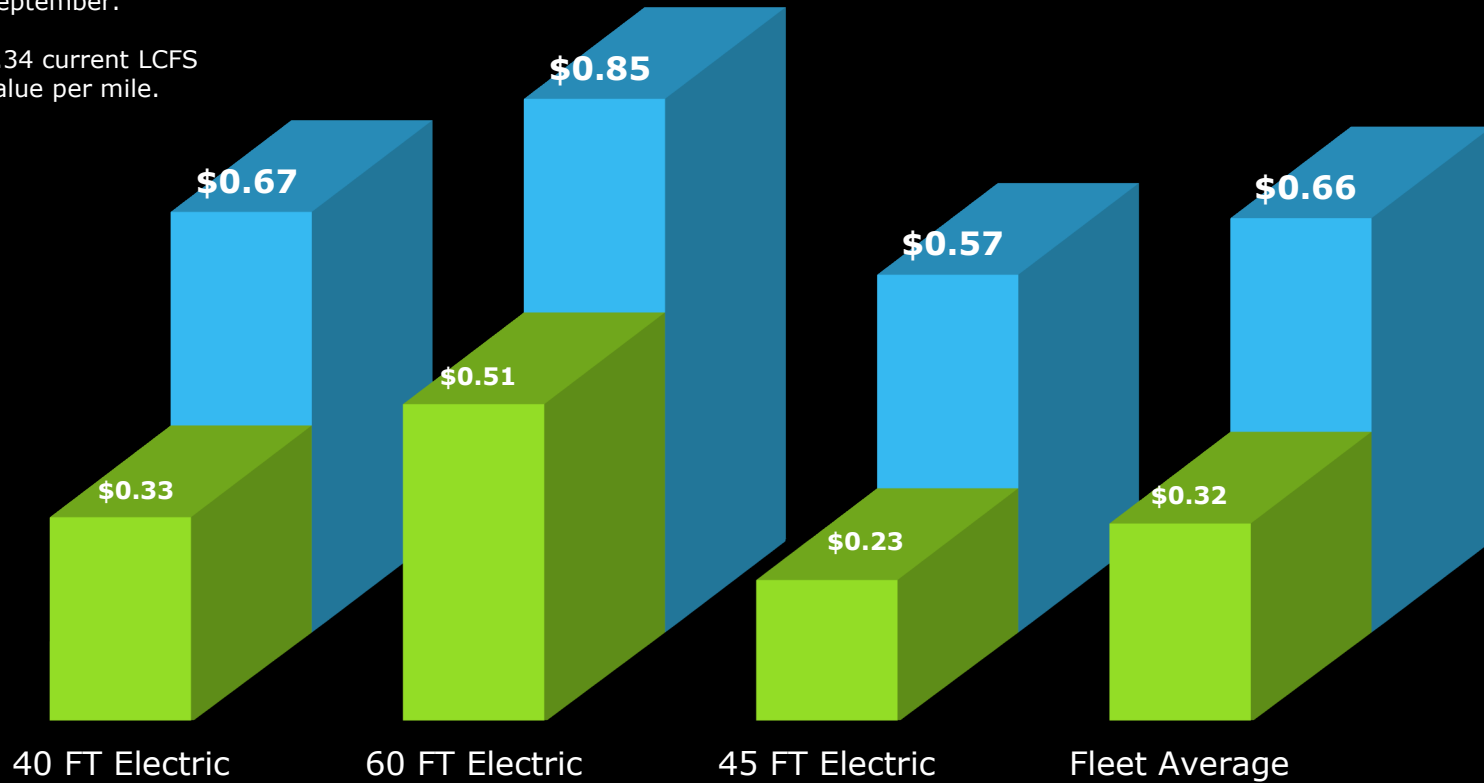


PROPULSION FUEL COST PER MILE w/LOW CARBON FUEL STANDARD (LCFS) OFFSET

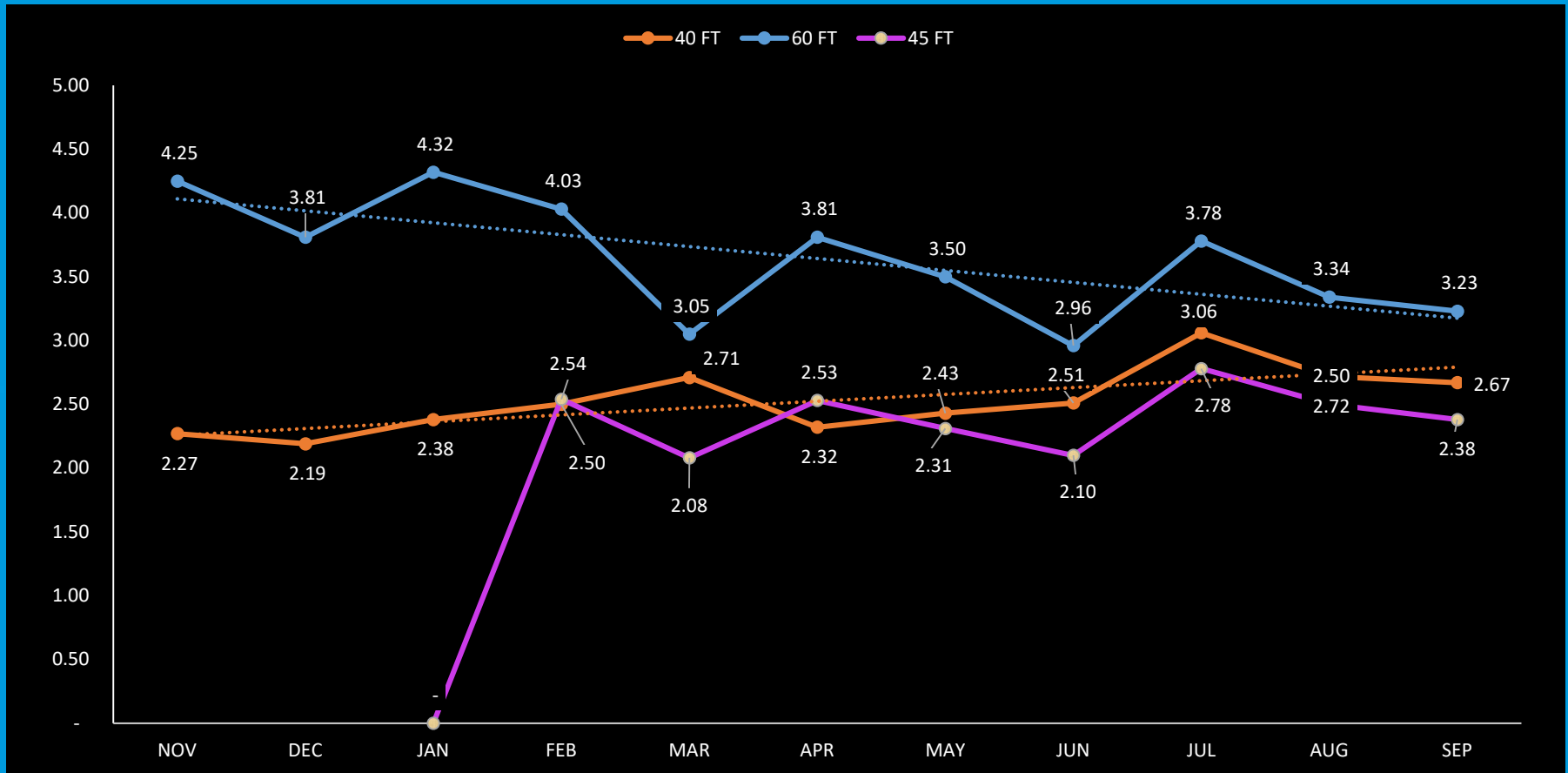
Fuel costs are paid directly by AVTA. September.

\$.34 current LCFS value per mile.

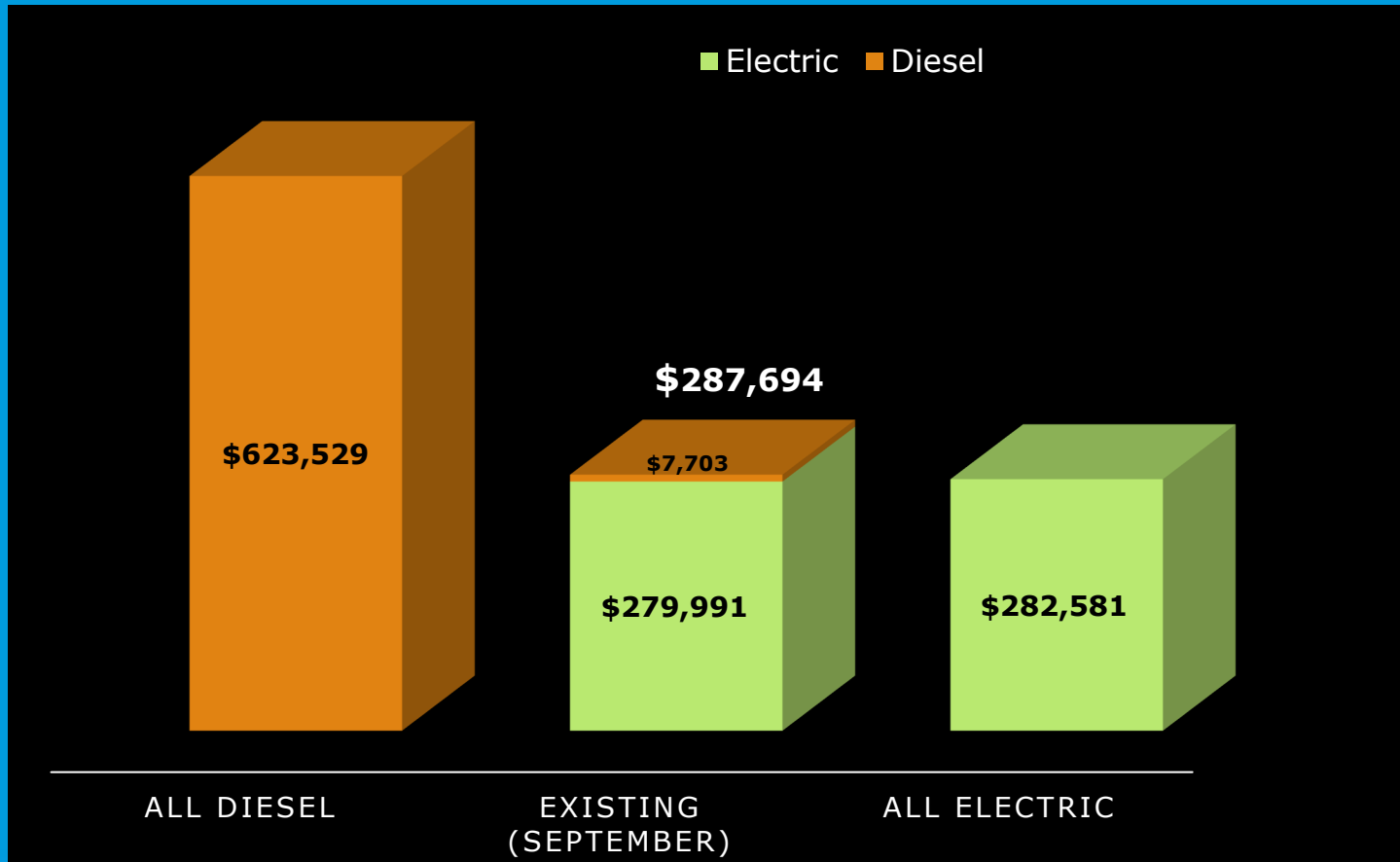
■ Cost after Fuel Credits ■ Fuel Cost per Mile



AVERAGE FUEL CONSUMPTION PER MILE (KWPM)



TOTAL FUEL & MAINTENANCE COST ASSUMPTIONS

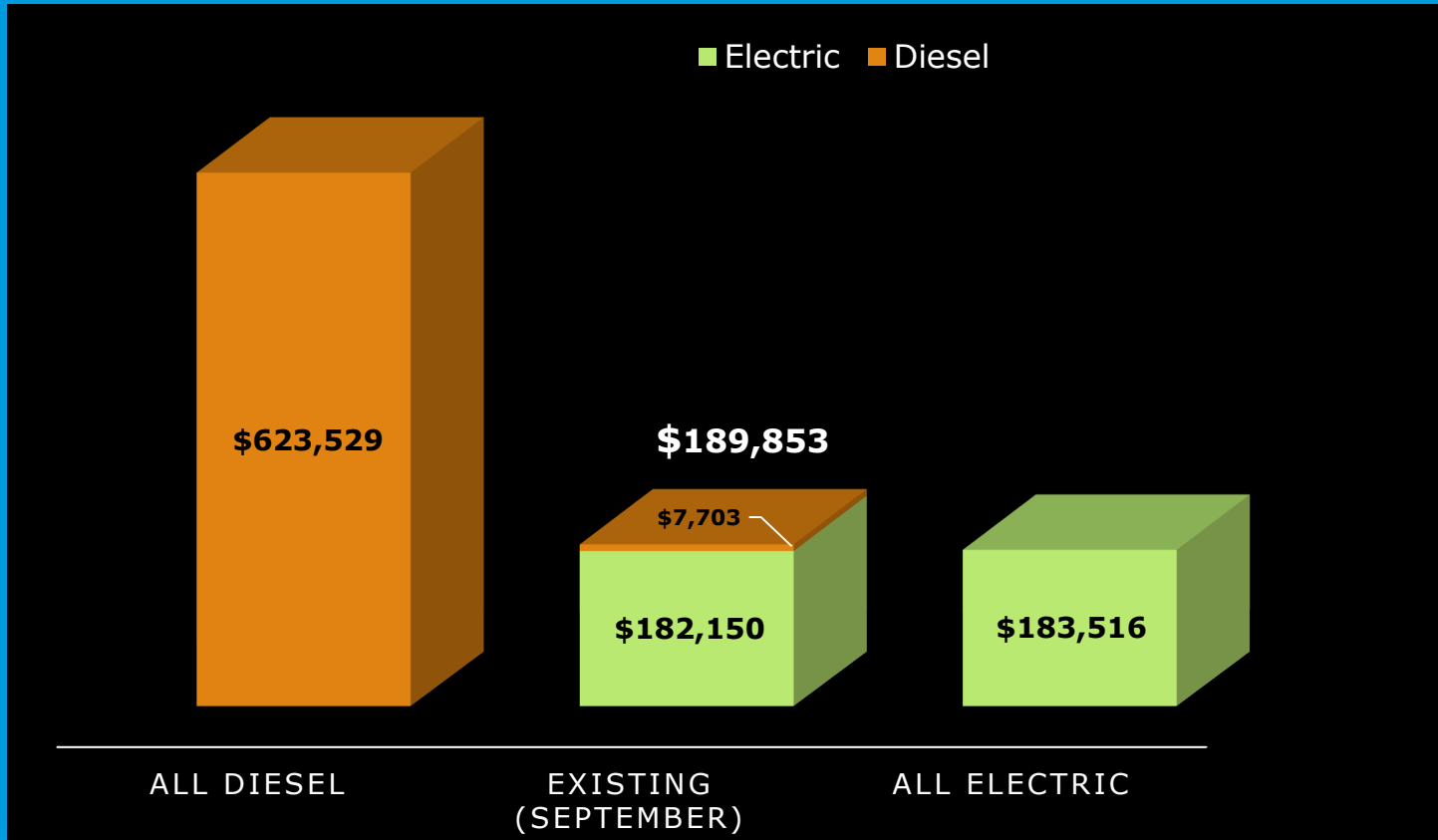


September
Fuel and
Maintenance
Savings
\$335,835

Projected
Savings
\$340,948



TOTAL FUEL & MAINTENANCE COST ASSUMPTIONS W/LCFS



September Fuel and Maintenance Savings W/LCFS \$440,013



Discussion/Questions?



FY 2023 Monthly Operations Key Performance Indicators

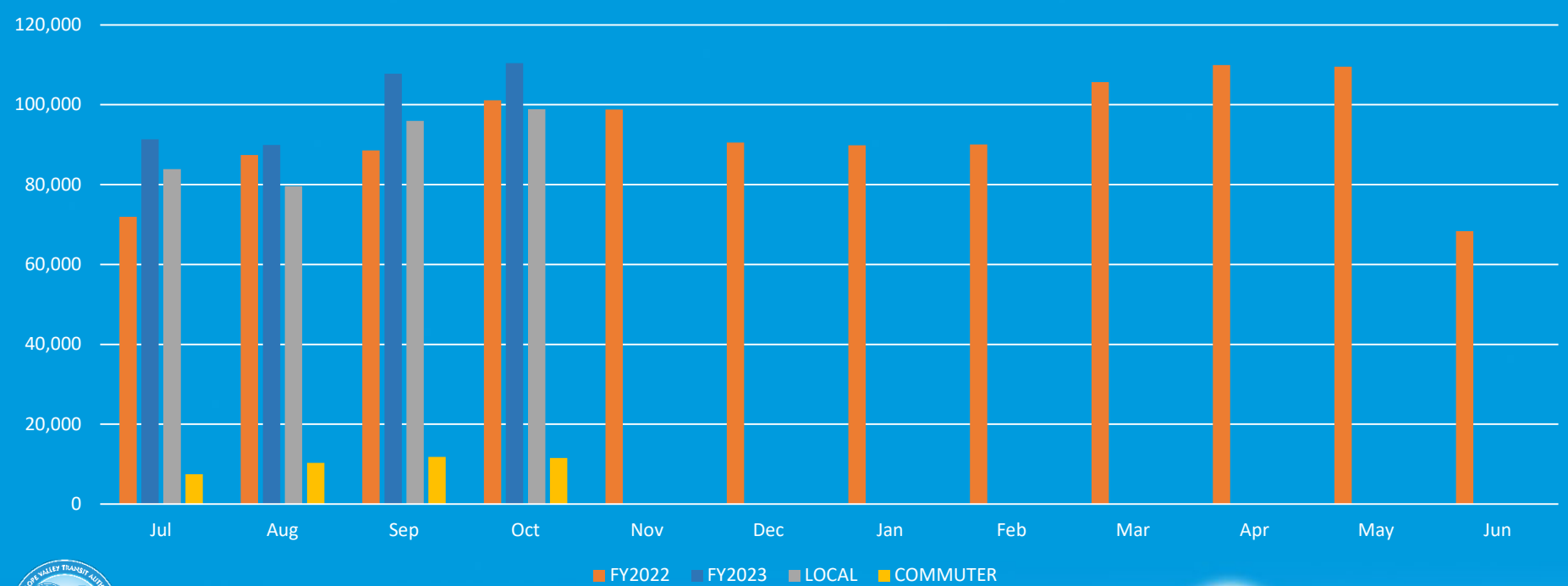
Presentation to the Board of Directors

November 22, 2022

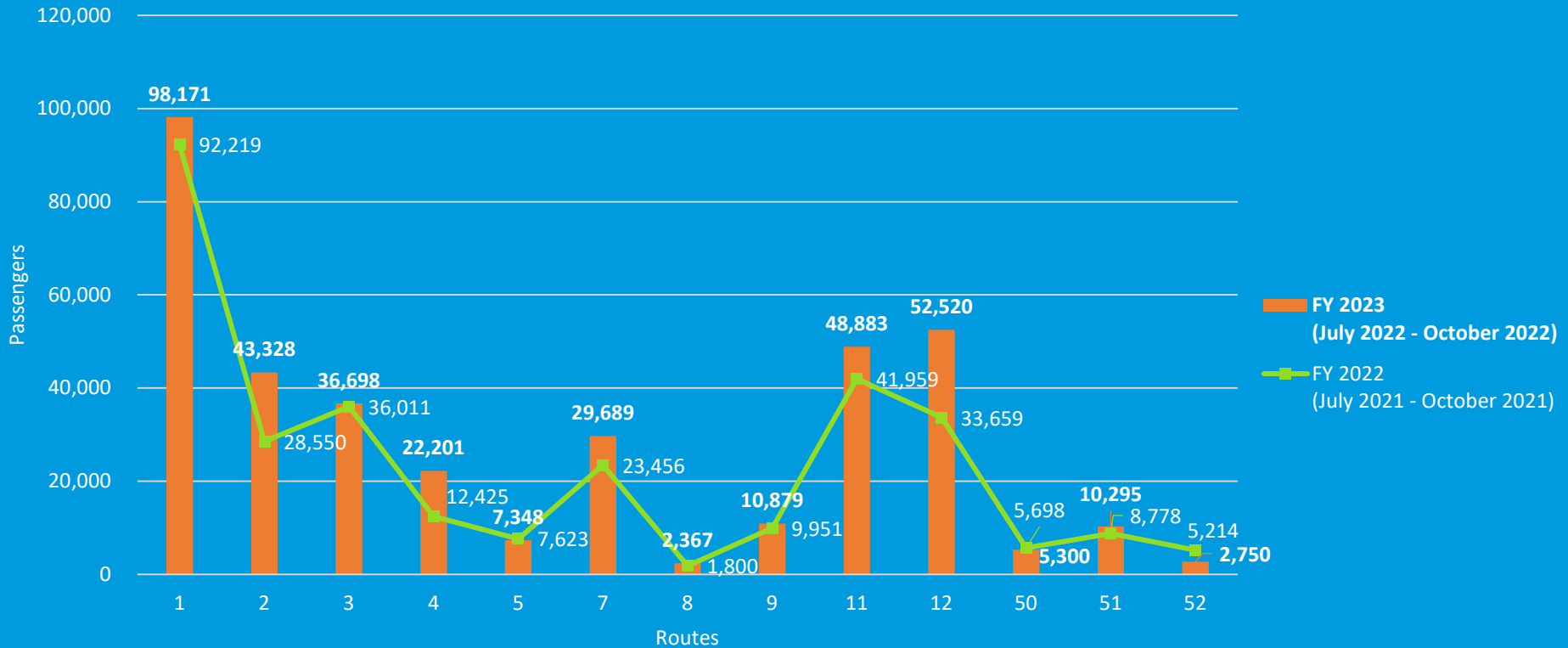


MONTHLY BOARDING ACTIVITY

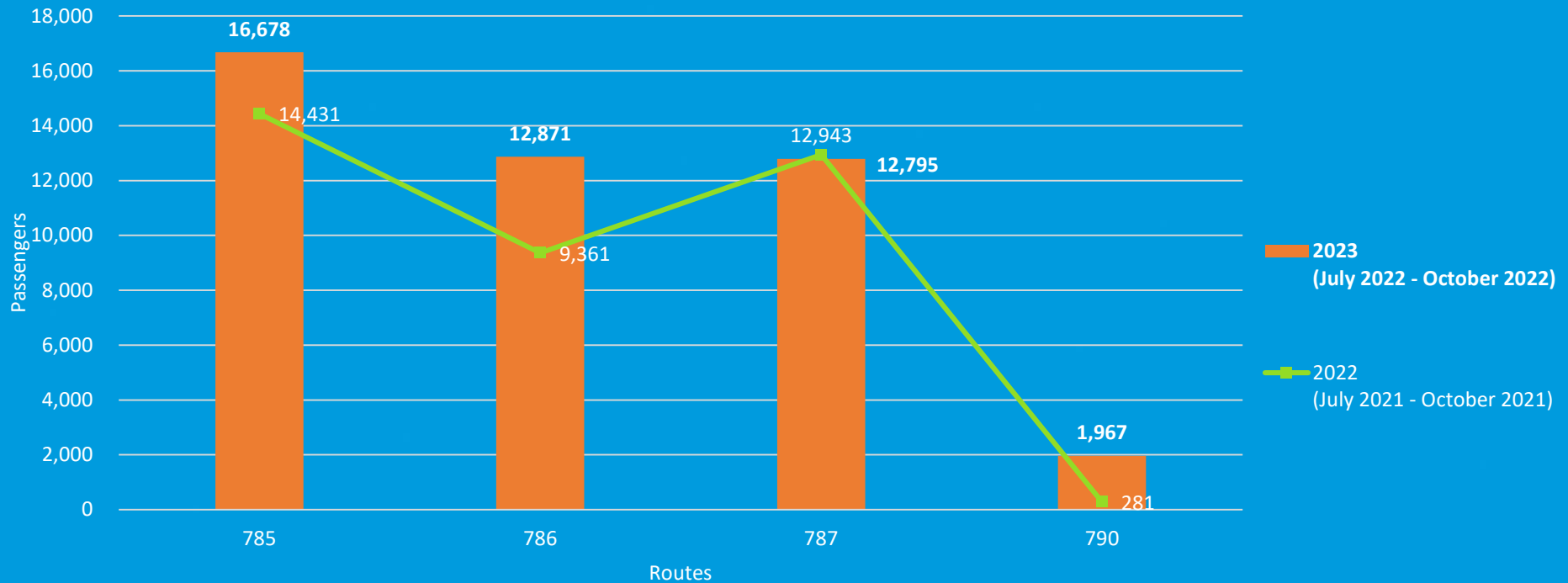
	October 2022 FY 2023	September 2022 FY 2023
System	110,403	107,787
Local	98,862	95,963
Commuter	11,541	11,824



ANNUAL RIDERSHIP LOCAL ROUTES



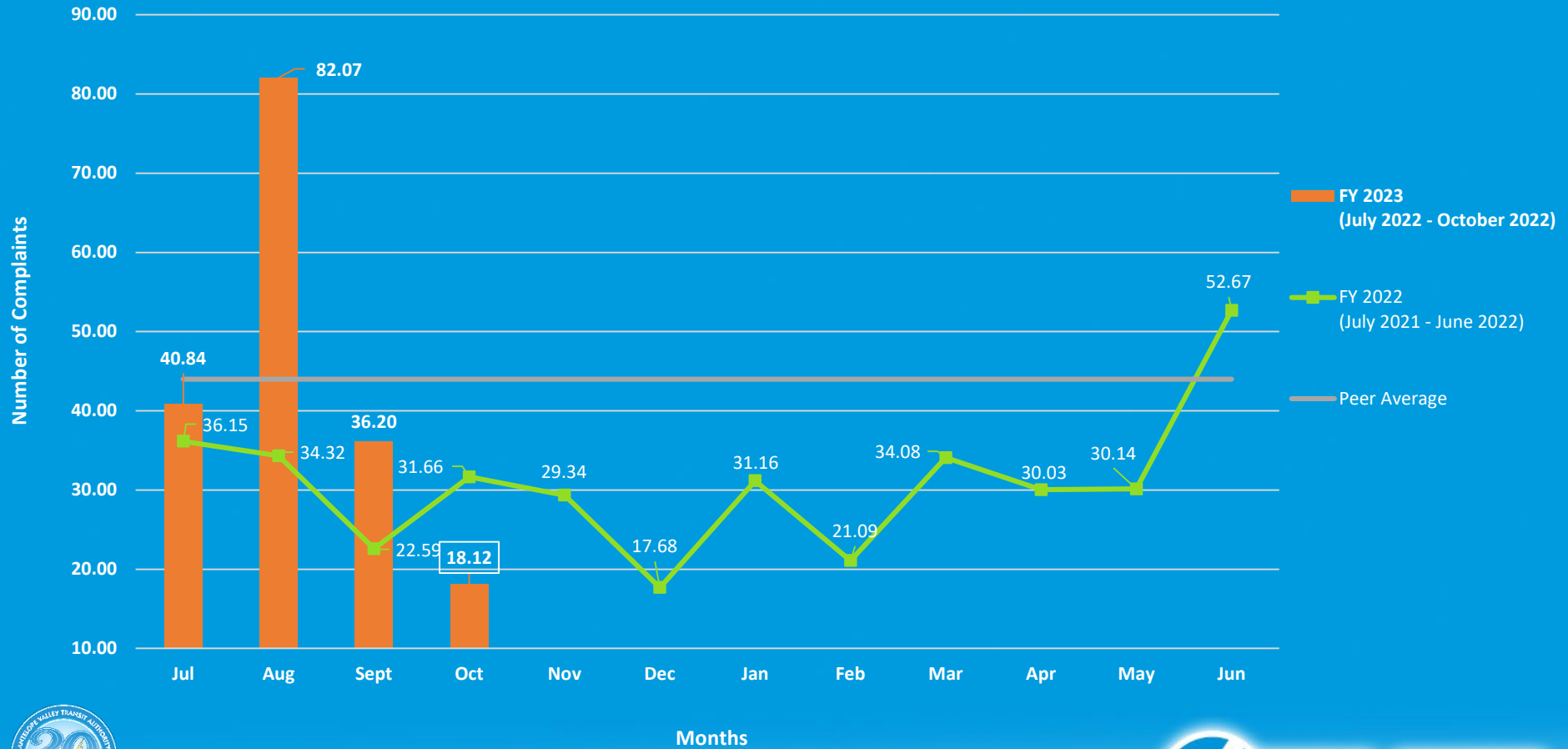
ANNUAL RIDERSHIP COMMUTER ROUTES



COMPLAINTS/100,000 BOARDINGS

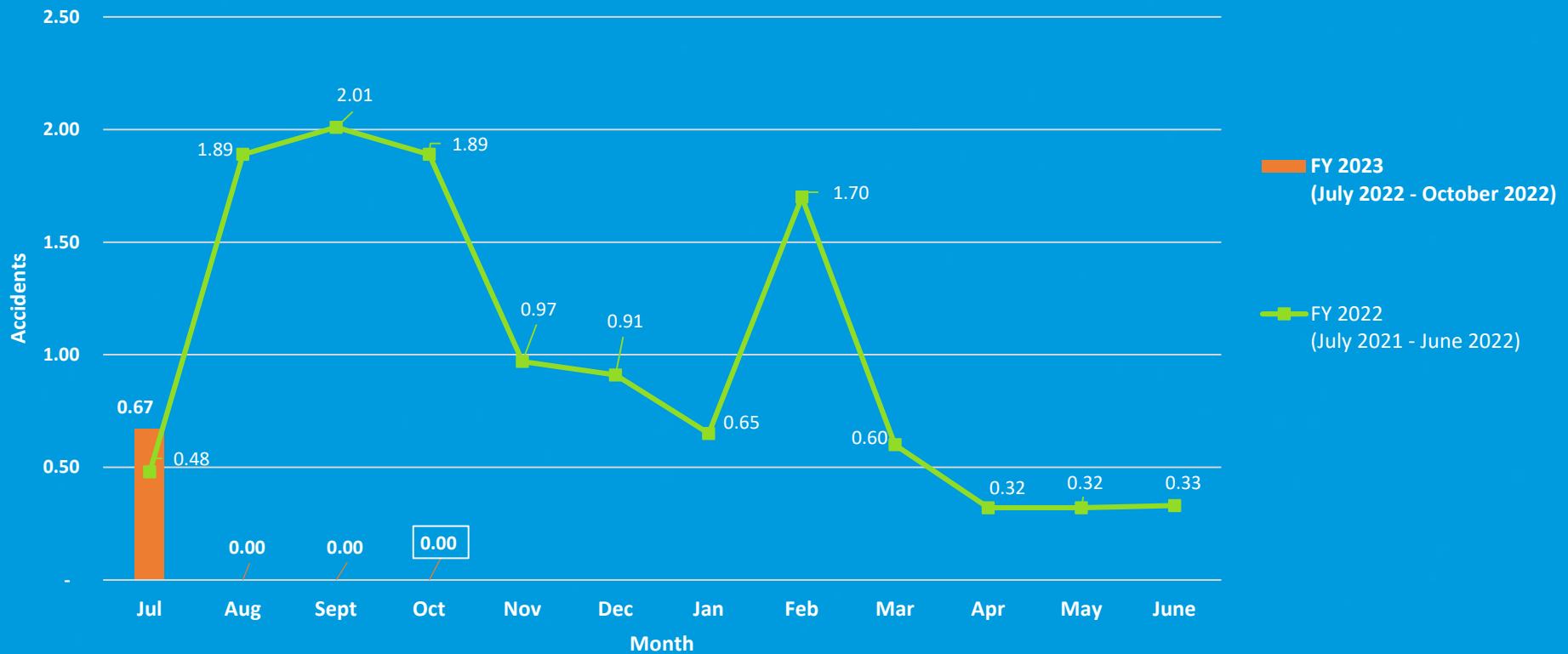
OCTOBER - SYSTEM WIDE AVERAGE: 18.12

PEER AVERAGE: 44.00



PREVENTABLE ACCIDENTS/100,000 MILES

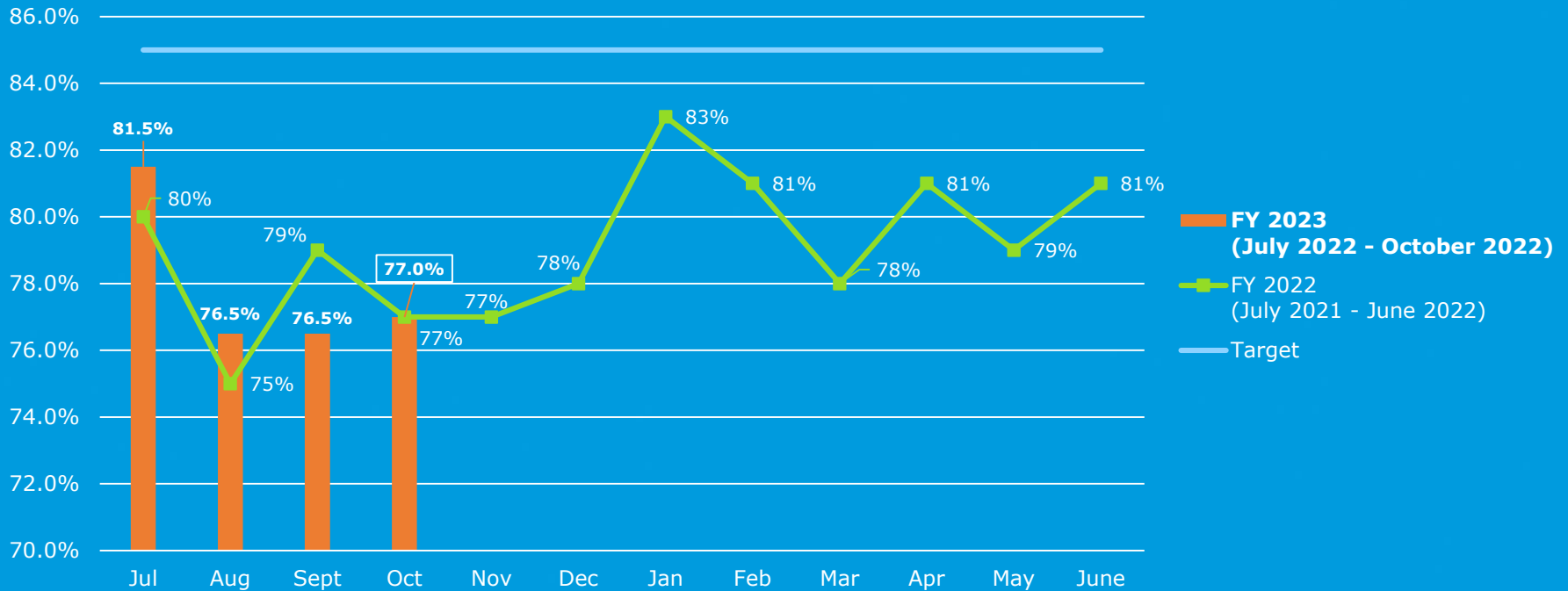
OCTOBER – SYSTEM-WIDE AVERAGE: 0.00



ON TIME PERFORMANCE

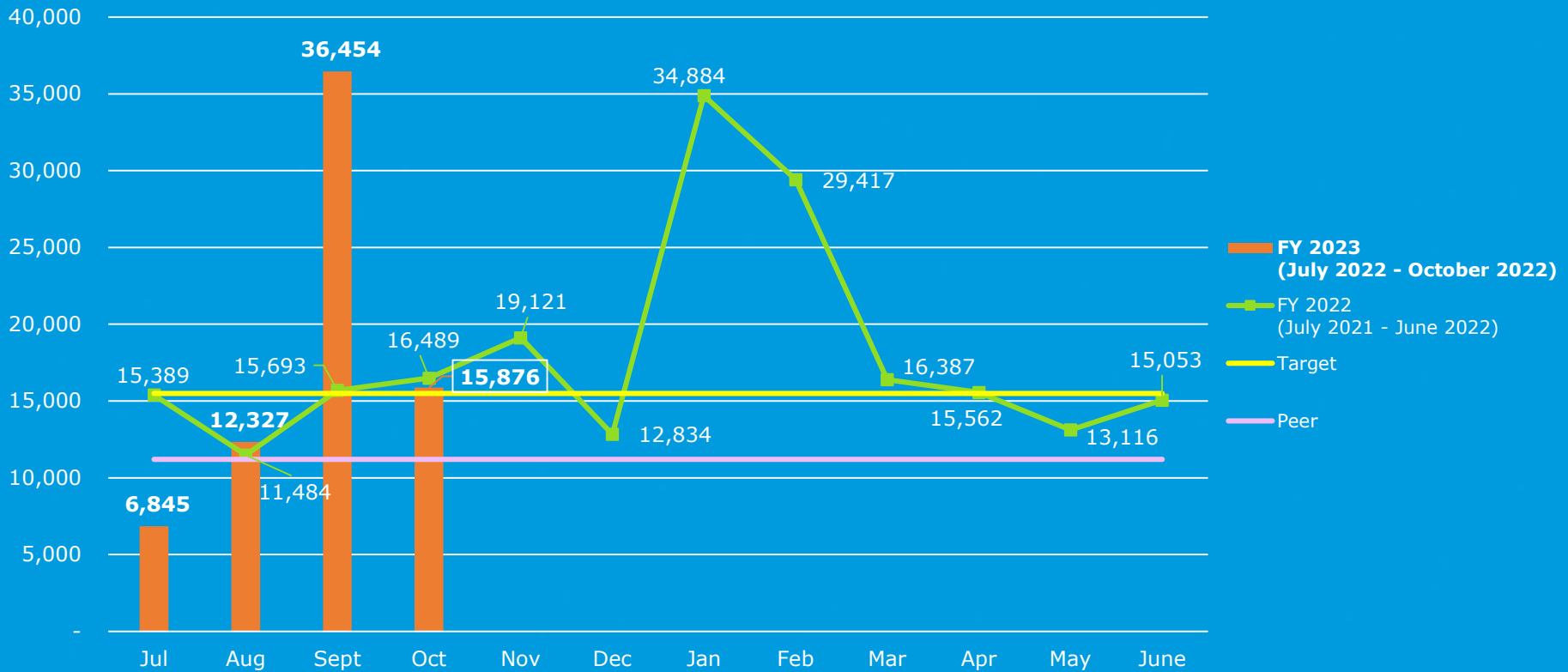
OCTOBER – SYSTEM WIDE AVERAGE: 77.0%

TARGET: 85%



AVERAGE MILES BETWEEN SERVICE INTERRUPTIONS

OCTOBER: 15,876 Target: 15,500



KEY PERFORMANCE INDICATORS

	October 2022 FY 2023	September 2022 FY 2023	October 2021 FY 2022
Boarding Activity	110,403	107,787	101,075
Complaints / 100,000 Boardings	18.12	30.62	31.66
Preventable Accidents / 100,000 Miles	-	-	1.89
On Time Performance	77.0%	76.5%	77%
Average Miles Between Service Interruptions	15,876	36,454	16,489



Thank you!

Questions?





Regular Meeting of the Board of Directors

Tuesday, October 25, 2022

10:00 a.m.

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

UNOFFICIAL MINUTES

CALL TO ORDER

Chairman Crist called the meeting to order at 10:00 a.m.

PLEDGE OF ALLEGIANCE

Director Hofbauer led the Pledge of Allegiance.

ROLL CALL:

Present

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

APPROVAL OF AGENDA

Motion: Approve the agenda as comprised.

Moved by Director Hofbauer, seconded by Vice Chair Knippel

Vote: Motion carried (6-0-0-0)

Yeas: Chairman Crist, Vice Chair Knippel, Directors Hofbauer, Loa, Malhi, Flanagan

Nays: None

Abstain: None

Absent: None

PUBLIC BUSINESS – AGENDIZED AND NON-AGENDIZED ITEMS:

Fran Sereseres – Thanked AVTA for providing Dial-A-Ride service to the Senior Expo.

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

SRP 1 PRESENTATION TO AVTA EMPLOYEE OF THE FIRST QUARTER FISCAL YEAR 2022/2023

Executive Director/CEO Martin Tompkins presented the award to Cecil Foust, Maintenance Compliance Manager.

SRP 2 PRESENTATION TO MV TRANSPORTATION EMPLOYEE OF THE MONTH

MV Transportation General Manager Michael Sherrill presented awards to the Operator of the Month Dorei Galvan and the Employee of the month Hector Vargas.

SRP 3 PRESENTATION TO AV TRANSPORTATION SERVICES EMPLOYEE OF THE MONTH

AV Transportation Services President Art Minasyan presented the award to Raquel Carr.

SRP 4 MICROTRANSIT AND DIAL-A-RIDE KEY PERFORMANCE INDICATORS (KPI) REPORT

Mr. Minasyan presented the report.

SRP 5 LEGISLATIVE REPORT FOR OCTOBER 2022

Chief Financial Officer Judy Vaccaro-Fry reported on Federal Appropriations for FFY 2023, small bus industry crisis and current backlog, the Governor’s special session regarding gas prices, MTA’s proposed fare changes, AVTA’s approved application for enrollment in the Medi-Cal program, and the United Nations International Civil Aviation Organization’s adoption of a long-term aspirational goal of making carbon emissions from air travel net zero by 2050.

She announced that she accepted the award honoring AVTA as the “Most Accomplished” at the APTA TRANSform Conference and recently passed APTA’s course to become a credentialed Environmental and Sustainable Infrastructure professional.

SRP 6 LEGISLATIVE REPORT FROM SENATOR SCOTT WILK’S OFFICE

Shawntwayne Cannon, Field Representative for Senator Scott Wilk, provided an update on the 2022 legislative session. He added that the Governor has called a Special Session to be convened on December 5th to consider a windfall tax on oil companies that would go directly back to California taxpayers.

Two of Senator Wilk’s Bills that were signed by the Governor in September included: 1) Senate Bill (SB) 1271, which will increase oversight by requiring that the terms & conditions of no-bid contracts of \$75 million or more entered on or after January 1, 2023, to be submitted to the Joint Legislative Budget Committee prior to a renewal or extension, ensuring that no-bid contracts are not simply auto-renewed; and 2) SB 1089, which will extend the sunset date from January 1, 2025, to January 1, 2035, of an existing law that requires the CA State Teachers' Retirement System (CalSTRS) and the CA Public Employees' Retirement System (CalPERS) to divest from investments in Turkey 18 months after the federal government imposes sanctions on the Turkish Government for its refusal to take responsibility for the Armenian Genocide.

Senator Wilk opposed Assembly Bill (2147), a major Bill signed by Governor Newsom that prohibits police officers from giving pedestrians tickets for jaywalking unless there is an immediate danger of collision with a moving vehicle and would make it legal to cross a street when not at a crosswalk or against the crosswalk light when it is not an immediate hazard to do so.

SRP 7 LEGISLATIVE REPORT FROM ASSEMBLYMAN TOM LACKEY

Assemblyman Tom Lackey spoke of the value of public transportation. He shared his opposition to AB 2147, which decriminalizes jaywalking in most cases, and SB 930 (4 a.m. Bar Bill), which would allow closing times for on-sale retailers to be extended from 2 a.m. to 4 a.m. He added that he co-authored 24 bills that became law, his office secured five budget requests totaling \$29.3 million for emergency management, which includes fire protection, public safety, housing construction for veterans, and research, and noted the importance of having the infrastructure in place as the state moves toward zero-emission vehicles.

SRP 8 MAINTENANCE KPI REPORT

Operations Analyst Joseph Sanchez presented the report. The Board discussed the average miles between service interruptions.

SRP 9 OPERATIONS KPI REPORT

Mr. Sherrill presented the report. The Board discussed on-time performance, how loading wheelchairs affects on-time performance, disciplinary action for passenger pass-ups, whether new or veteran operators are the offenders of passenger pass-ups, and stopping at every stop. Mr. Sherrill will differentiate whether it is new or veteran operators who are passing up passengers. Chairman Crist directed staff to schedule a strategic planning workshop in December with AVTA and MV staff, and the Board members.

PUBLIC HEARING (PH):

PH 1 PUBLIC HEARING TO CONSIDER APPROVING THE REVISED DUPLICATION FEE SCHEDULE FOR PUBLIC RECORDS REQUESTS

Chairman Crist opened the Public Hearing. Records Management Technician II Paulina Hurley presented the staff report. There was no public input regarding this item. Chairman Crist closed the Public Hearing.

Motion: Adopt Resolution No. 2022-014 approving the revised Fee Schedule for Public Records Requests.

Moved by Director Flanagan, seconded by Director Malhi

Vote: Motion carried (6-0-0-0)

Yeas: Chairman Crist, Vice Chair Knippel, Directors Hofbauer, Loa, Malhi, Flanagan

Nays: None

Abstain: None

Absent: None

CONSENT CALENDAR (CC):

CC 1 BOARD OF DIRECTORS MEETING MINUTES OF SEPTEMBER 27, 2022

Approve the Board of Directors Regular Meeting Minutes of September 27, 2022.

CC 2 FINANCIAL REPORT FOR SEPTEMBER 2022

Receive and file the Financial Report for September 2022.

CC 3 FISCAL YEAR 2022/2023 (FY 2023) FIRST - QUARTER LOS ANGELES COUNTY SHERIFF'S DEPARTMENT (LASD) REPORT (JULY 1 – SEPTEMBER 30, 2022)

Receive and file the FY 2023 First Quarter LASD report for the period covering July 1 through September 30, 2022.

Motion: Approve the Consent Calendar as comprised.

Moved by Director Loa, seconded by Vice Chair Knippel

Vote: Motion carried (6-0-0-0)
Yeas: Chairman Crist, Vice Chair Knippel, Directors Hofbauer, Loa, Malhi, Flanagan
Nays: None
Abstain: None
Absent: None

NEW BUSINESS (NB):

NB 1 CONTRACT #2023-20 TO SHI INTERNATIONAL CORP. FOR IN-HOUSE IT BACKUP ENVIRONMENT

Mr. Foust presented the staff report.

Motion: Authorize the Executive Director to execute Contract #2023-20 with SHI International Corp for the In-House IT Backup Environment for an amount of \$79,957.31, plus applicable sales tax

Moved by Director Flanagan, seconded by Director Hofbauer

Vote: Motion carried (6-0-0-0)
Yeas: Chairman Crist, Vice Chair Knippel, Directors Hofbauer, Loa, Malhi, Flanagan
Nays: None
Abstain: None
Absent: None

NB 2 CONTRACT #2023-16 TO MEDALLION CONTRACTING, INC. FOR THE REFINISHED EPOXY FLOORING, PAINTED CEILINGS AND WALLS PROJECT

Mr. Foust presented the staff report.

Motion: Authorize the Executive Director/CEO to execute Contract #2023-16 with Medallion Contracting, Inc. Lancaster, CA, for the refinished epoxy flooring, painted ceilings and walls project for an amount of \$911,760, plus applicable permit fees and sales tax.

Moved by Director Flanagan, seconded by Vice Chair Knippel

Vote: Motion carried (6-0-0-0)

Yeas: Chairman Crist, Vice Chair Knippel, Directors Hofbauer, Loa, Malhi, Flanagan

Nays: None

Abstain: None

Absent: None

NB 3 CONTRACT AMENDMENT NO. 3 TO CONTRACT #2022-24 WITH BYD MOTORS INC. TO ADD AMERICANS WITH DISABILITIES ACT (ADA) EQUIPMENT TO EIGHT 40-FOOT BATTERY-ELECTRIC BUSES

Procurement and Contracts Officer Lyle Block presented the staff report.

Motion: Authorize the Executive Director/CEO to execute Contract Amendment No. 3 to Contract #2022-24 with BYD Motors LLC to add ADA equipment to eight 40-foot battery-electric buses for an additional amount not to exceed \$26,522, plus applicable sales tax. The total purchase will not exceed \$6,016,648, plus applicable sales tax.

Moved by Vice Chair Knippel, seconded by Director Loa

Vote: Motion carried (6-0-0-0)

Yeas: Chairman Crist, Vice Chair Knippel, Directors Hofbauer, Loa, Malhi, Flanagan

Nays: None

Abstain: None

Absent: None

REPORTS AND ANNOUNCEMENTS (RA):

RA 1 REPORT BY THE EXECUTIVE DIRECTOR/CEO

Mr. Tompkins thanked staff and the Board members for their support during his leave.

MISCELLANEOUS BUSINESS – NON-AGENDA BOARD OF DIRECTORS ITEMS:

Chairman Crist noted he had received many complaints about the unhoused being put on the Metrolink by other organizations and disembarking at the Lancaster Metrolink Station, the last stop on the line. He directed staff to research the cost of creating a bus bridge from the Lancaster Metrolink Station to the Palmdale Metrolink Station, and the Palmdale Metrolink Station to the Acton Metrolink Station.

ADJOURNMENT:

Chairman Crist adjourned the meeting at 11:20 to the Regular Meeting of the Board of Directors on November 22, 2022 at 10:00 a.m. in the Antelope Valley Transit Authority Community Room, 42210 6th Street West, Lancaster, CA.

PASSED, APPROVED, and ADOPTED this 22nd day of NOVEMBER 2022.

Marvin Crist, Chairman of the Board

ATTEST:

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 Ms. Karen Darr, Clerk of the Board at (661) 729-2206 to arrange to review a recording.



DATE: November 22, 2022

TO: BOARD OF DIRECTORS

SUBJECT: Financial Report for October 2022 and Q1

RECOMMENDATION

That the Board of Directors receive and file the Financial Report, including Quarterly Treasurer, Capital Reserve, and Farebox Recovery information, for October 2022.

FISCAL IMPACT

	October 2022
PAYROLL	\$389,848
CASH DISBURSEMENTS	\$5,167,537

FY 2023 Farebox Recovery Ratio

	Q1	Q1 + Q2	Q1 + Q2 + Q3	Q1+Q2+Q3+ Q4
Directly Generated Revenue	\$910,757			
Operating Expenses	\$8,652,317			
Farebox Recovery Ratio	10.5%			

Notes: Revenue includes Farebox, Advertisements and 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 Director of Finance and Administration 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, Martin Tompkins, Executive Director/CEO of AVTA, declare that the above information is accurate.

Prepared by:

Submitted by:

Vianney Mclaughlin
Sr. Finance Manager

Martin J. Tompkins
Executive Director/CEO

Attachment: A – First Quarter Treasurer's Report

ANTELOPE VALLEY TRANSIT AUTHORITY
Treasurer's Report
For the quarter ended 9/30/2022

Investment Type	Description	Beginning Balance 7/1/22	Deposits & Transfers	Disbursements & Transfers	Interest	Ending Balance 9/30/22
Cash and Investments Under the Direction of the Treasurer						
	Local Agency Investment Fund (LAIF) - Cap & Op Reserve	5,488,213	10,000,000	(545,000)	41,833	14,985,046
	Mission Bank- Reserve Investments	12,066,372		(7,000,000)	16,598	5,082,969
	Total Capital & Op. Reserves and Restricted Funds	17,554,585	10,000,000	(7,545,000)	58,431	20,068,016
	General Account- Mission Bank	4,430,991	27,442,760	(28,761,811)	599	3,112,539
	Stuff-a-Bus *	100	10,000			10,100
	Petty Cash Balance	750				750
	Operating Accounts Total	4,431,841	27,452,760	(28,761,811)	599	3,123,389
	TOTAL CASH AND INVESTMENTS	\$ 21,986,426	\$ 37,452,760	\$ (36,306,811)	\$ 59,030	\$ 23,191,405

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:

Submitted by:

Vianney McLaughlin
Sr. Finance Manager

Judy Vaccaro-Fry
Chief Finance Officer



DATE: November 22, 2022
TO: BOARD OF DIRECTORS
SUBJECT: Board of Directors Meeting Calendar for 2023

RECOMMENDATION

That the Board of Directors approve the attached Board of Directors meeting calendar for 2023.

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:

DeeAnna Cason
Executive Assistant

Martin J. Tompkins
Executive Director/CEO

Attachment: A – 2023 Board of Directors Meeting Calendar



BOARD OF DIRECTORS 2022 MEETING CALENDAR

BOARD OF DIRECTORS
1/24/2023
2/28/2023
3/28/2023
4/25/2023
5/23/2023
6/27/2023
7/25/2023
8/22/2023
9/26/2023
10/24/2023
11/28/2023

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



DATE: November 22, 2022

TO: BOARD OF DIRECTORS

SUBJECT: Cancel Sole Source Contract #2022-54 with Cubic Transportation Systems, Inc. and Modify Sole Source Contract #2022-53 with GFI Genfare

RECOMMENDATION

That the Board of Directors authorize the Executive Director/CEO to cancel Sole Source Contract #2022-54 with Cubic Transportation Systems, Inc. and increase the amount of Sole Source Contract #2022-53 with GFI Genfare from \$24,304.80 to \$347,880, plus applicable sales tax and freight.

FISCAL IMPACT

Funds from various grants will be re-allocated from previously awarded contracts to pay for this purchase. Total modified purchase with GFI Genfare will not exceed the highest original award of \$358,732.50, plus applicable sales tax and freight.

Total Previous Award	Total Updated Award	Impact
\$383,073.30	\$347,880.00	(\$35,193.30)

DISTRIBUTION CHANGES

Vendor	Previous Award	New Award
GFI Genfare	\$24,304.80	\$347,880.00
CUBIC	\$358,732.50	\$0

BACKGROUND

At the June 28, 2022 meeting, the Board authorized the Executive Director/CEO to execute Sole Source Contract #2022-53 with GFI Genfare and Sole Source Contract #2022-54 with CUBIC Transportation Systems, Inc. for 25 operational fareboxes.

Cancel Sole Source Contract #2022-54 with Cubic Transportation Systems, Inc. and
Modify Sole Source Contract #2022-53 with GFI Genfare
November 22, 2022
Page 2

Since that time, CUBIC Transportation Systems, Inc. moved to a "no bid" status due to the inability to obtain parts and stopped the support for this generation of fareboxes. GFI Genfare has 18 complete fare boxes available for purchase. Although this is seven fewer operational fare boxes than originally planned; it will increase our available spare parts for continued service of this generation of fareboxes, until a new generation of fareboxes are developed and available for purchase.

Prepared by:

Submitted by:

Cecil Foust
Maintenance Compliance Manager

Martin J. Tompkins
Executive Director/CEO



DATE: November 22, 2022

TO: BOARD OF DIRECTORS

SUBJECT: Contract #2023-19 to Transformance Consulting to Conduct an Employee Compensation and Classification Study

RECOMMENDATION

That the Board of Directors authorizes the Executive Director/CEO to execute Sole Respondent Contract #2023-19 with Transformance Consulting, Corona, CA, to conduct an employee Compensation and Classification Study for \$75,000, including all related travel expenses.

FISCAL IMPACT

Sufficient funds have been included in the FY 2023 Budget for these services.

BACKGROUND

AVTA recognizes the need to maintain wages and positions competitive in the community and within the transit industry to ensure we attract high-quality candidates to career our Authority's culture; "To mobilize and empower our community by connecting people to resources for opportunities that enrich and elevate their lives."

With the authority's aggressive goal of becoming a 100% zero emission transit operation, the transition of the fleet, and the lingering COVID pandemic, we have suffered delays in an extensive review and evaluation of job descriptions, wage rates, and benefits. These past few years of transition have produced the strongest team and lengthiest terms of employment in the Authority's history.

AVTA desires to complete an evaluation of pay ranges by position, ensure the competitiveness and reasonableness of existing wages, succession planning, and the creation of a framework for the future. In addition to evaluating compensation by position, we require a review of our pay plan and compensation philosophy, last reviewed in 2015. As time and funding allow, evaluate performance tables and present options of other pay-for-performance programs, i.e., grades and percentage increases.

AVTA released a Request for Proposal (RFP) on September 4, 2022. The solicitation documents were posted to AVTA's procurement website, and advertisements were placed in the *Antelope Valley Press*, *Transit Talent*, and the *Our Weekly Lancaster Newsletter*. The local Chambers of Commerce and our Board of Directors were also notified via their respective email lists. AVTA's online procurement system provided the solicitation documents to 47 registered firms from across the state, with one firm from Palmdale.

One (1) proposal was submitted on October 10, 2022, in response to the RFP closing date and time. Five staff members evaluated and ranked the submitted proposal on the following criteria: Qualifications (30%), work plan/project understanding (35%), staffing and project organization (20%), and project costs (15%). There were 500 total possible points available.

The submitted proposal was received from the following firm:

Firm	Location	Pricing	500 Points Possible
Transformance Consulting	Corona, CA	\$75,000, including necessary travel	407

Transformance Consulting earned 407 points out of 500 from the evaluation committee. In addition to their fair and reasonable pricing, they will provide an all-inclusive solution for AVTA. Despite being the Sole-respondent, It was apparent in their response to the RFP that they have a clear insight into our requirements and mission. Staff is confident that Transformance Consulting of Corona, CA, will perform their duties accurately and on time.

Prepared by:

Submitted by:

Cecil Foust
Maintenance Compliance Manager

Martin J. Tompkins
Executive Director/CEO