

**AGENDA
PALOS VERDES PENINSULA TRANSIT AUTHORITY
REGULAR MEETING
January 20, 2022**

NOTE: PUBLIC PARTICIPATION INFORMATION

Pursuant to the Governor's Executive Order N-29-20, Board Members will be participating via teleconference.

Members of the public may listen to the meeting live by calling: (669) 900-6833) from any phone, Meeting ID: 869 9918 9795, Meeting Password: 200408. (Please note you will not have the ability to speak using the call-in option from a phone line.)

Public correspondence may be emailed to transit@pvtransit.net. Emails received before 5:00 p.m. the night of the Board meeting will be forwarded to the Board of Directors for their consideration and included as part of the record.

- Members of the public who wish to speak during this meeting may join the Zoom meeting by accessing the Zoom app from a computer (downloaded at Zoom.com) or tablet or phone (downloaded in the App Store), by entering the following credentials: Meeting ID 869 9918 9795: Meeting Password: 200408. Members of the public who join the Zoom meeting will not have video, and may request to speak using the following process: After joining the Zoom meeting, if you wish to speak, please select the "raise hand" option at the lower portion of your screen. A staff member will send you a chat message to identify which item on the agenda you would like to speak on and will unmute your mic at the appropriate time.

Time Estimates: The time noted next to an agenda item is only an estimate of the amount of time that will be spent during the meeting on that particular item. Accordingly, these estimates should not be relied on in determining when a matter will be heard, especially since agenda items are often re-ordered during a meeting and may be discussed at any time.

6:00 P.M. REGULAR SESSION

(5 mins) **CALL TO ORDER:**

ROLL CALL:

FLAG SALUTE:

CONFIRM POSTING OF THE AGENDA BY ROLLING HILLS ESTATES CITY CLERK:

PUBLIC COMMENTS: (All matters listed under the Consent Calendar are considered to be routine and will be enacted by one vote. There will be no discussion of these items unless members of the Board request specific items to be removed from the Consent Calendar for separate action.

If you need special assistance to participate in an Authority meeting under the Americans with Disabilities Act (ADA) or as a person with limited English proficiency (LEP) under Executive Order 13166, please contact the Secretary (310-544-7108) with request for reasonable accommodation at least forty-eight hours prior to the meeting.

(5 mins) **APPROVAL OF CONSENT CALENDAR (1-6):**

1. Consideration to Approve Resolution to Continue Public Meetings through Teleconferencing Page 4

2. Register of Standing demands and Previously Authorized demands under Resolution 94/95-01 and per attached listing: Page 7

	Checks	Amount
Oct.	6302-8120	\$190,306.31
Nov.	6311-6329	\$200,107.35
Dec.	6330-6349	\$167,287.70
TOTAL		\$557,701.36

3. Approval of September 30, 2021 Board Minutes Page 9
4. Operations Report as of December 31, 2021 Page 11
5. Financial Statements as of September 30, 2021 Page 17
6. Administrative Services Co-Op Contract Extension Page 21

Recommendation: Approve Consent Calendar items

(10 mins) **ADMINISTRATOR REPORT:**

(45 mins) **REGULAR BUSINESS:**

I. NEW BUSINESS

Fiscal Year 2020-21 Audit Report

Page 23

Recommendation: Approve FY 2020-21 Audit Report.

II. OLD BUSINESS

None

(5 mins) **FUTURE AGENDA ITEMS:** (This section of the agenda is designated for individual Board Members to request that an item be placed on a future PVPTA meeting agenda.)

(10 mins) **CHAIR AND MEMBER ITEMS REPORT:**

- A. PVPUSD Update
- B. Election of Board Officers

Verbal
Page 54

ADJOURNMENT: Rolling Hills Estates City Hall, April 21, 2022

MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: January 13, 2022
SUBJECT: Resolution Authorizing Teleconferenced Public Meetings

Recommendation

Adopt Resolution 2022-01 authorizing teleconferenced public meetings for 30 days.

Analysis

Government Code Section 54953 of the Ralph M. Brown Act was amended by AB 361 on an urgency basis to permit continued agency public meetings by teleconference on and after October 1, 2021, subject to making the following findings:

- (A) The legislative body has reconsidered the circumstances of the state of emergency.
- (B) Any of the following circumstances exist:
 - (i) The state of emergency continues to directly impact the ability of the members to meet safely in person.
 - (ii) State or local officials continue to impose or recommend measures to promote social distancing.

To continue to convene public meetings by teleconferencing for 30 days after January 20 2022, (through February 20, 2022), the Board of Directors must now make the findings embodied in Resolution 2022-01.

RESOLUTION NO. 2022-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALOS VERDES PENINSULA
TRANSIT AUTHORITY AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE
PALOS VERDES PENINSULA TRANSIT AUTHORITY PURSUANT TO RALPH M. BROWN ACT

The Palos Verdes Peninsula Transit Authority Board of Directors does resolve as follows:

1. Findings. The Board of Directors hereby finds and declares the following:

A. Government Code Section 54953 of the Ralph M. Brown Act was amended by AB 361 on an urgency basis to permit continued agency public meetings by teleconference on and after October 1, 2021, subject to the following findings:

(1) The Governor issued a Proclamation of State of Emergency on March 4, 2020, pursuant to section 8625 of the California Emergency Services Act, and that Proclamation has not been terminated pursuant to section 8629 of that Act.

(2) The Board of Directors has reconsidered the circumstances of the state of emergency.

(3) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(4) State or local officials continue to impose or recommend measures to promote social distancing.

B. There is accordingly a need for the Palos Verdes Peninsula Transit Authority Board of Directors to meet by teleconferencing meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953.

2. Action.

B. This Resolution shall be effective immediately and remain in effect through February 20, 2022, or until such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of Palos Verdes Peninsula Transit Authority may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

[Continued on page 2.]

3. Adoption. PASSED AND ADOPTED at a meeting of the Board of Directors held on January 20, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

VICTORIA LOZZI, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
STEVE ZUCKERMAN, BOARD SECRETARY

By: _____

By: _____

Palos Verdes Peninsula Transit Authority
Checks Written for
October - December 2021

	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Paid Amount</u>
Oct 21	10/14/2021	6302	MV Transportation, Inc.	Fixed Route Service, September 2021	\$126,581.47
	10/14/2021	6303	PitneyBowes Global Financial Services	Account 0015571055 Invoice 3105014387	296.88
	10/14/2021	6304	Q Document Solutions Inc.	Copier Maintenance	184.90
	10/14/2021	6305	ReadyRefresh by Nestle	Account 0024293722	49.96
	10/14/2021	6306	Transit Information Products	Invoice 21267 Fall Brochure update	123.19
	10/14/2021	6307	Wells Fargo	Acct 4484610008047386	130.81
	10/14/2021	6308	White Wings Cleaning Service	Invoice 8184 9/21/21	110.00
	10/15/2021	6309	Administrative Services Co-Op	Invoice 93015, September 2021 Dial-A-Ride Service	8,999.02
	10/19/2021	6310	Mobility Advancement Group	Administrative Services for October 2021 Invoices 071821172, 072521172, 080121172, 080821172	17,334.37
	10/14/2021	8113	Temps Incorporated		2,762.19
	10/14/2021	8114	Temps Incorporated	Invoices 06021172, 091221172, 091921172, 092621172, 100321172	3,271.53
	10/14/2021	8115	AT&T	Account No. 0206360576001	136.52
	10/14/2021	8116	Clean Energy	CNG Fuel, Invoice 2433867 September 2021	21,402.13
	10/14/2021	8117	Cooperative, Inc.	VOID: Invoice 93015	0.00
	10/14/2021	8118	County Sanitation Districts of LA County	Parking Lot Lease	8,202.35
	10/14/2021	8119	Cox Business	Account 001 7401 035340502	385.00
	10/14/2021	8120	Frontier Communications7108	310 544-7108-062795-5	335.99
Oct 21	TOTAL				<u>\$190,306.31</u>

	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Paid Amount</u>
Nov 21	11/18/2021	6311	Patricia Vincent	Dial-A-Ride Refund	\$ 60.00
	11/18/2021	6312	Administrative Services Co-Op	Dial-A-Ride, Invoice 103102, October 2021	8,477.52
	11/18/2021	6313	Alltech of Lomita, Inc.	Computer Network assistance, Invoice 18988	522.50
	11/18/2021	6314	AT&T	Account No. 0206360576001	152.87
	11/18/2021	6315	Clean Energy	CNG Fuel, CE12442758 October 2021	21,390.37
	11/18/2021	6316	Cooperative, Inc.	VOID: Invoice 93015	0.00
	11/18/2021	6317	County Sanitation Districts of LA County	Parking Lot Lease	8,202.35
	11/18/2021	6318	Cox Business	Account 001 7401 035340502	385.00
	11/18/2021	6319	Frontier Communications7108	310 544-7108-062795-5	133.70
	11/18/2021	6320	Gayle Albin-Bailey	Bookkeeping Service	768.75
	11/18/2021	6321	MV Transportation, Inc.	October '21 Fixed Route Service, Invoice 115862	123,083.19
	11/18/2021	6322	PVPUSD	Printing and copy supplies	216.27
	11/18/2021	6323	Q Document Solutions Inc.	Copier Maintenance	97.50
	11/18/2021	6324	ReadyRefresh by Nestle	Account 0024293722	52.71
	11/18/2021	6325	Rogers, Anderson, Malody & Scott LLP	FY '21 Audit	15,000.00
	11/18/2021	6326	Temps Incorporated	Invoices 191721172, 102421172, 103121172, 110721172	2,625.06
	11/18/2021	6327	Wells Fargo	APTA Transit Conference Travel for Gombert, Reimbursed	1,017.49
	11/18/2021	6328	Temps Incorporated	Invoice 101021172	587.70
	11/29/2021	6329	Mobility Advancement Group	Administrative Services for October 2021	17,334.37
Nov 21	TOTAL				<u>\$200,107.35</u>

	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Paid Amount</u>
Dec 21	12/15/2021	6330	Lois Daluiso	Dial-A-Ride Refund	\$ 144.00
	12/15/2021	6331	Administrative Services Co-Op	Dial-A-Ride Invoice 113001 Nov. '21	8,554.22

Palos Verdes Peninsula Transit Authority
Checks Written for
October - December 2021

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Paid Amount</u>
12/15/2021	6332	AT&T	Account No. 0206360576001	7.54
12/15/2021	6333	Cal Act	2022 Membership renewal	650.00
12/15/2021	6334	Clean Energy	CNG Fuel, 2450330 Nov. '21	17,369.14
12/15/2021	6335	County Sanitation Districts of LA County	Parking Lot Lease	8,694.49
12/15/2021	6336	Cox Business	Account 001 7401 035340502	385.00
12/15/2021	6337	Darold D. Pieper	Legal Services	269.50
12/15/2021	6338	Frontier Communications7108	310 544-7108-062795-5	175.08
12/15/2021	6339	MV Transportation, Inc.	Fixed Route Service, Nov. '21 Invoice 116241	103,651.40
12/15/2021	6340	Office Depot	Account 34585368	80.39
12/15/2021	6341	Palos Verdes On the Net	Invoice 2021-2022 2Q	1,675.00
12/15/2021	6342	PVPUSD	Utilities and supplies	683.86
12/15/2021	6343	Q Document Solutions Inc.	Copier Maintenance	95.64
12/15/2021	6344	ReadyRefresh by Nestle	Account 0024293722	38.72
12/15/2021	6345	Rogers, Anderson, Malody & Scott LLP	FY '21 Audit	4,190.00
12/15/2021	6346	Temps Incorporated	Invoice 111421172, 112121172, 112821172, 120521172	3,036.45
12/15/2021	6347	Wells Fargo	Acct 4484610008047386	32.90
12/30/2021	6348	Mobility Advancement Group	Administrative Services for December 2021	17,334.37
12/30/2021	6349	White Wings Cleaning Service	Invoice For October and November '21 Cleaning Serv	220.00
			TOTAL	<u>\$167,287.70</u>

Dec 21

**MINUTES
PALOS VERDES PENINSULA TRANSIT AUTHORITY**

Thursday, September 30, 2021

The meeting was called to order at 6:05 p.m. by Chairperson Lozzi.

REGULAR SESSION:

Board roll call was answered as follows:

PRESENT: Victoria Lozzi, PVE; David Bradley, RPV; Debby Stegura, RHE;
Ken Dyda, RPV

ABSENT: Jim Roos, PVE; Steve Zuckerman, RHE

Also present were Martin Gombert, PVPTA; Jessica Slawson, RHE; Charles Eder, RPV; Rick Phillips, PVPUSD

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chairperson Lozzi

CONFIRM POSTING OF THE AGENDA BY ROLLING HILLS ESTATES CITY CLERK

City of Rolling Hills Estates confirmed the posting of the Authority Agenda.

APPROVAL OF CONSENT CALENDAR (1-4):

There were several questions regarding Board Minutes, register of demands and pandemic payments to MV Transportation.

Member Stegura moved approval of the Consent Calendar as amended, seconded by Member Bradley.

The motion passed on the following roll call vote:

AYES: Bradley, Lozzi, Dyda, Stegura

NOES: None

ABSENT: Roos, Zuckerman

ABSTAINED: None

PUBLIC COMMENTS: (Audience Comments regarding Items not on the Agenda)

None

ADMINISTRATOR REPORT

Administrator Gombert presented the Administrator Report and commented in detail about the return of Fall Service on August 25th. There were several questions from Board Members. Member Stegura suggested staff contact the Village regarding PV Transit service.

NEW BUSINESS

1. California JPIA, Designation of Voting Delegates

Chair Lozzi moved approval of Martin Gombert, Administrator as delegate and David Bradley as an alternate, Seconded by Member Bradley and approved by unanimous vote.

2. AB-361-Remote Local Meetings

Rick Phillips, PVPUSD commented on the item and there were other comments by Board Members. Member Stegura requested an update to the Board as needed.

FUTURE AGENDA ITEMS

Gombert commented about a technology review at the January '22 update.

CHAIR AND MEMBER ITEMS

Rick Phillips made a commented that only 20 K-5 students are attending distance learning.

Member Bradley comment on zero emission vehicles.

ADJOURNMENT

At 6:56 p.m. Member Lozzi moved to adjourn the Board Meeting until January 20, 2022.

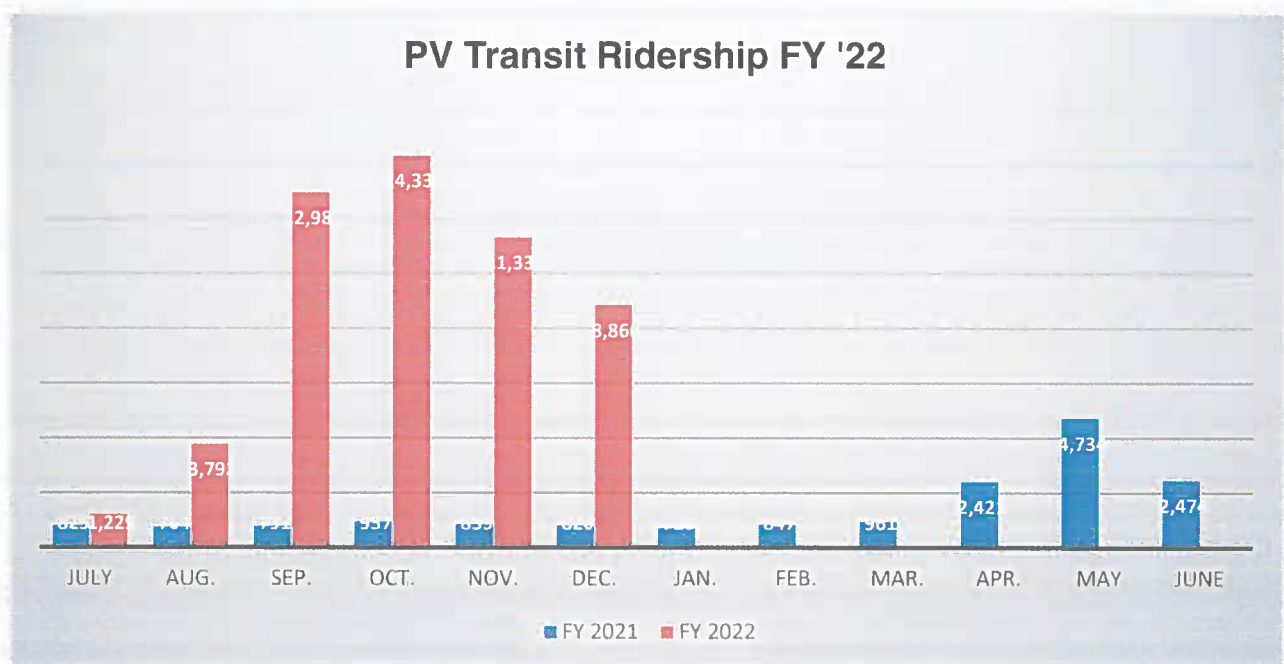
MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: January 14, 2022
SUBJECT: Operations Report for the period ending December 31, 2021

PV TRANSIT

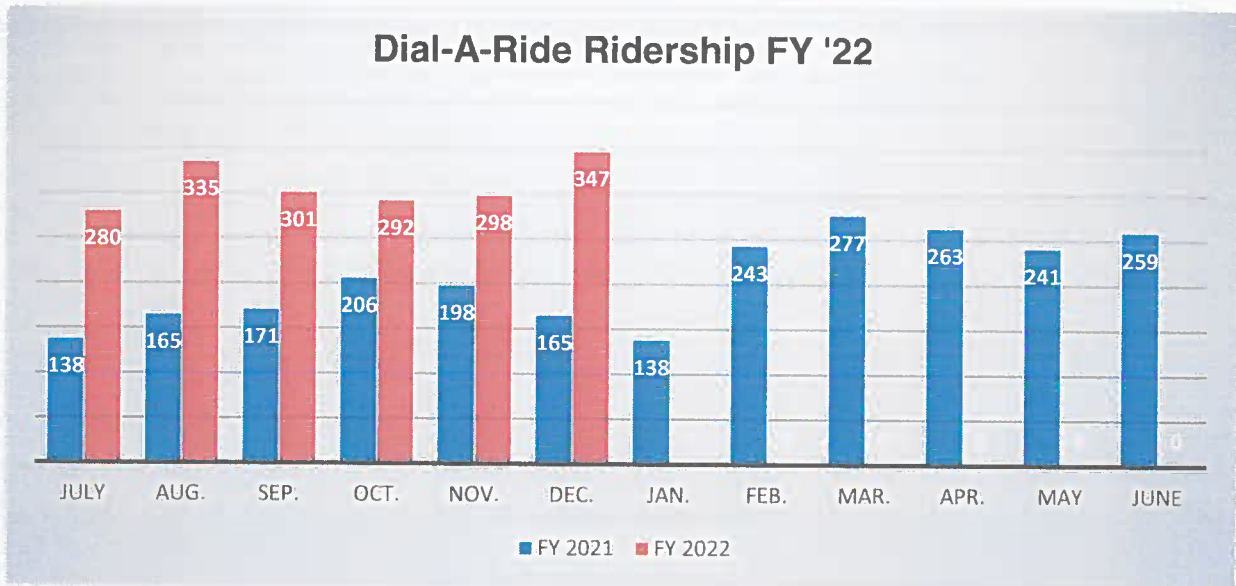
PV Transit ridership totaled 52,534 through December 31, 2021, a 947% increase over previous years totals.

Copies of ridership graphs for all seven routes are included at the end of this report.



DIAL-A-RIDE

Dial-A-Ride ridership totaled 1,853 for the period ending December 31, 2021, an 78% increase over previous year's totals. December ridership of 347 passengers is the highest monthly total since the Pandemic started in March 2020.



GOVERNMENT RELATIONS

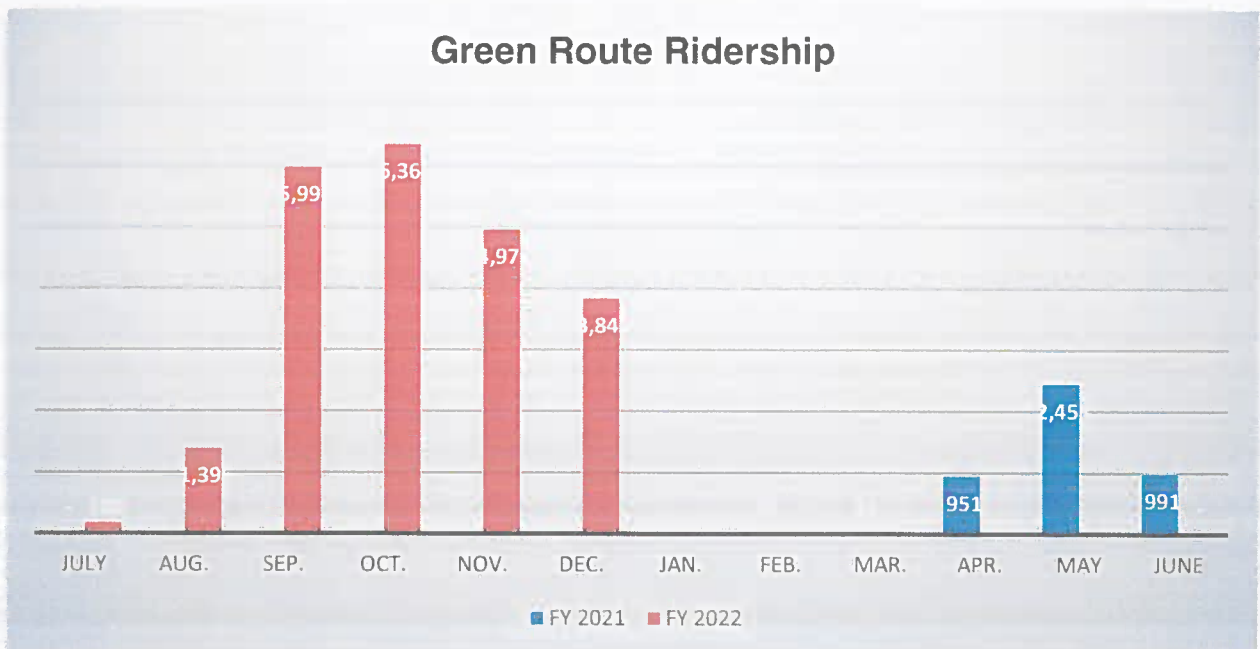
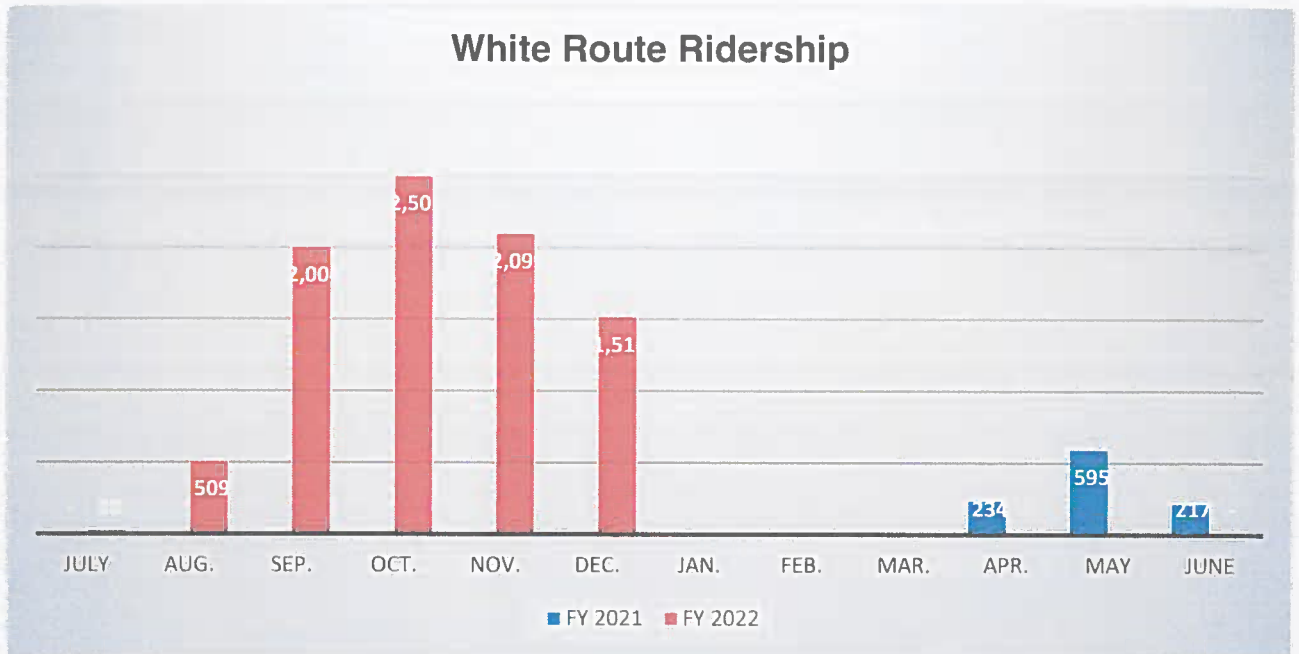
During the past three months staff has attended virtual meetings of Metro's Local Transit Service Subcommittee (LTSS), Access Services Board Meetings, and Metro's Bus Operations Subcommittee (BOS).

On December 14, 2021 PV Transit gave a transit update to the Palos Verdes Estates City Council.

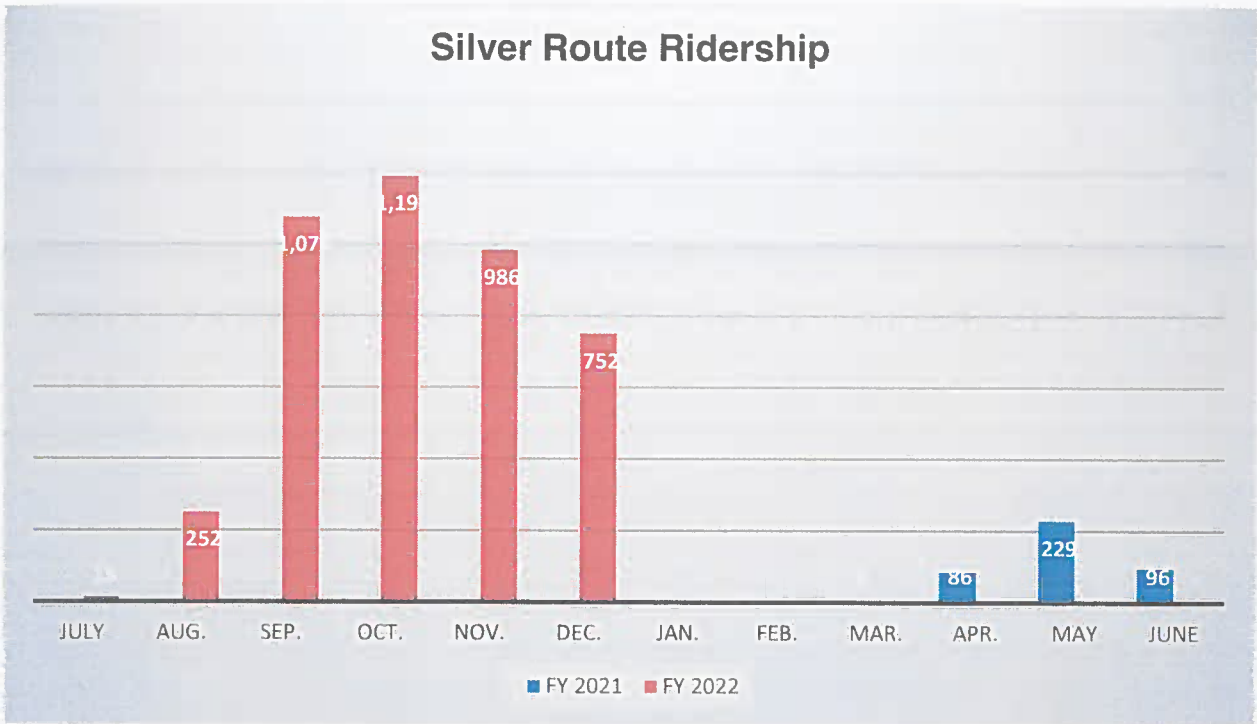
RECOMMENDATION

Receive and file report.

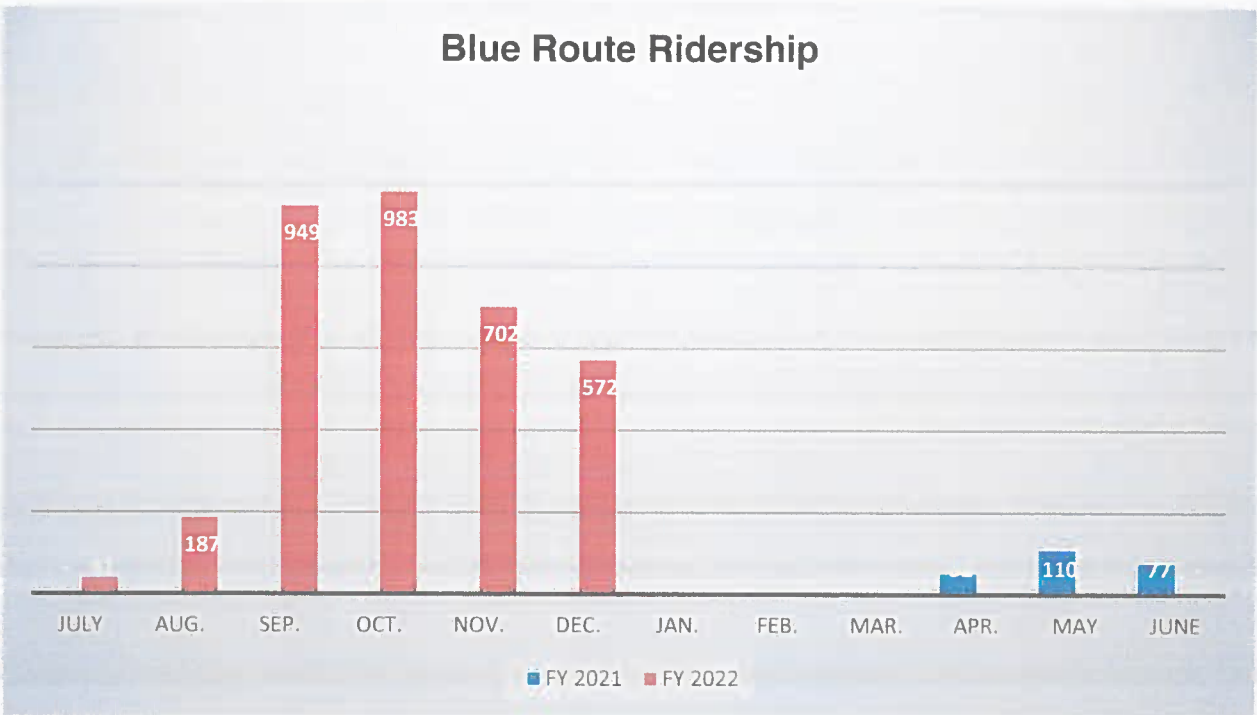
RIDERSHIP REPORTS



Silver Route Ridership



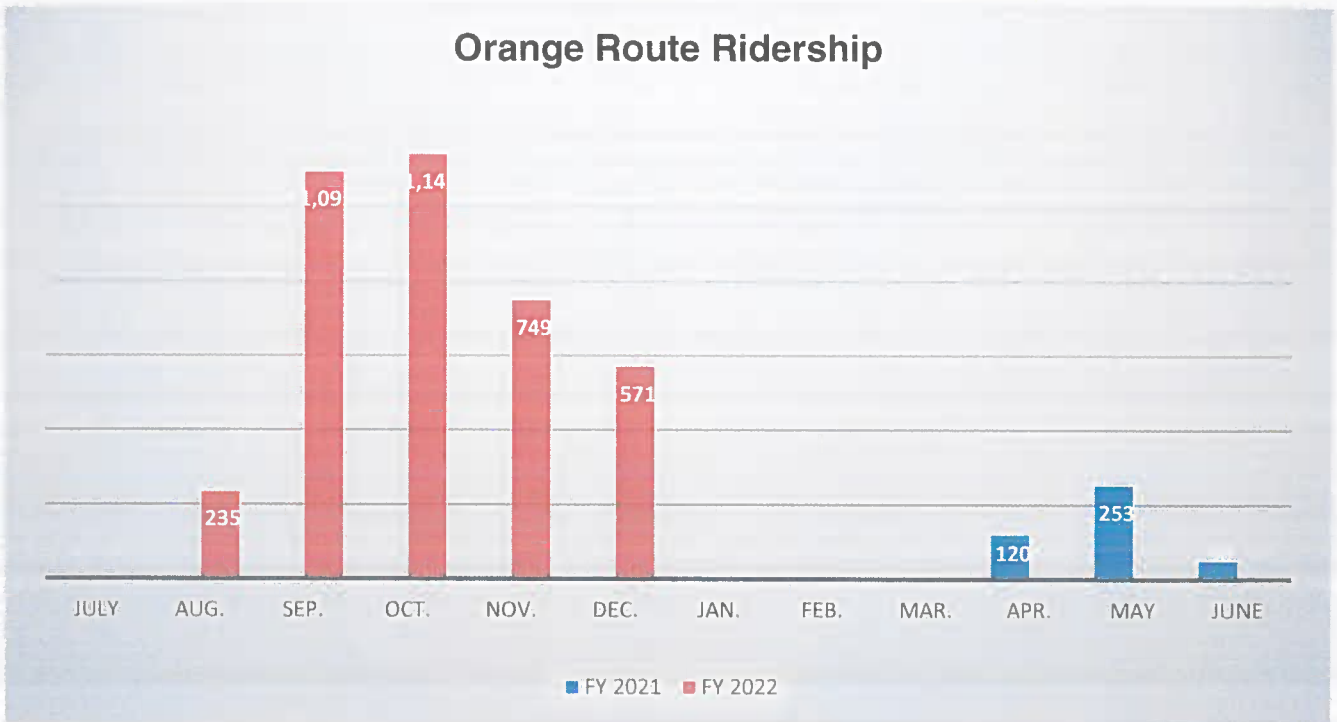
Blue Route Ridership



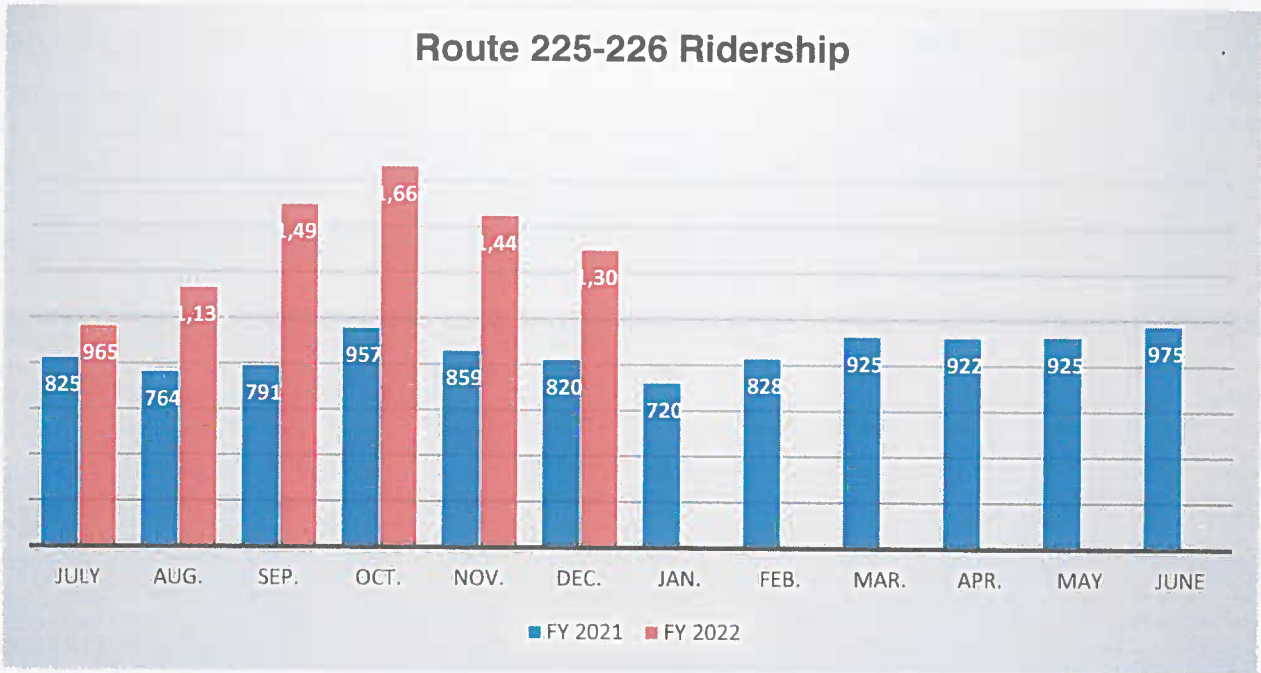
Gold Route Ridership



Orange Route Ridership



Route 225-226 Ridership



MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: January 16, 2022
SUBJECT: Financial Statements for the period ending September 30, 2021.

Attached are the *draft* Financial Statements for the period ending September 30, 2021.

The first report presented is Management Analysis-Budget vs. Actual. The results of this report are analyzed below. The following two reports are Profit and Loss YTD Comparison and Balance Sheet generated by the Quick Books accounting software. These reports have been modified to show previous year comparison as requested by Board Members.

Budget vs. Actual

Total expenses through September 30, 2021 totaled \$536,736, 2.44% below budgeted amounts.

Fuel costs were 38% above budget due to a significant rise in the cost for natural gas (CNG) fuel.

Charges for Services

Passenger revenue totaled \$97,085 for the first quarter of the fiscal year. This was 28% above budgeted amounts (\$21,715) due to higher than anticipated fixed route ridership.

Government Revenue

PV Transit is current with all grant payments from member agencies as of September 30, 2021.

Attachments
-Financial Statements

Palos Verdes Peninsula Transit Authority
Management Analysis
Budget vs. Actual
YTD September 30, 2021

	YTD 9/30/21	Budget	\$ Over Budget	% Diff
Operating Revenue				
Charges for Services				
Fixed Route	\$ 79,239	\$ 56,000	\$ 23,239	41.5%
Dial-A-Ride	\$ 8,501	\$ 10,000	\$ (1,499)	-14.99%
Advertising	\$ 540	\$ 4,369	\$ (3,829)	-87.64%
Charters	\$ 8,805	\$ 5,000	\$ 3,805	0.0%
TOTAL OPERATING REVENUE	\$ 97,085	\$ 75,369	\$ 21,715	28.81%
Operating Expenses				
Operator Fees				
Fixed Route	\$ 294,543	\$ 275,520	\$ 19,022	6.9%
Dial-A-Ride	\$ 18,087	\$ 37,500	\$ (19,413)	-51.77%
Subtotal	\$ 312,630	\$ 313,020	\$ (390)	-0.12%
Contract Administration	\$ 51,853	\$ 52,800	\$ (947)	-1.79%
Fuel Purchases	\$ 47,270	\$ 34,200	\$ 13,070	38.22%
Marketing and Promotions	\$ 2,236	\$ 9,785	\$ (7,549)	-77.15%
Facility Leasing	\$ 23,215	\$ 24,976	\$ (1,761)	-7.05%
Other operating Expenses	\$ 49,237	\$ 29,283	\$ 19,954	68.14%
Depreciation	\$ 50,295	\$ 86,113	\$ (35,818)	-41.59%
Subtotal	\$ 224,106	\$ 237,157	\$ (13,051)	-5.5%
TOTAL EXPENSE	\$ 536,736	\$ 550,178	\$ (13,442)	-2.44%
OPERATING LOSS	\$ (439,651)	\$ (474,809)	\$ 35,157	-7.4%

Palos Verdes Peninsula Transit Authority
Profit & Loss Prev Year Comparison
July through September 2021

	<u>Jul - Sep 21</u>	<u>Jul - Sep 20</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
46400 · Other Types of Income	540.00	0.00	540.00	100.0%
500.00 · Charges for Services	96,544.64	4,874.99	91,669.65	1,880.41%
Total Income	<u>97,084.64</u>	<u>4,874.99</u>	<u>92,209.65</u>	<u>1,891.48%</u>
Expense				
621.03 · Facility Leasing	23,215.05	22,796.61	418.44	1.84%
620.00 · Operator fees	312,629.70	225,821.30	86,808.40	38.44%
660.00 · Marketing and promotions	2,236.31	2,139.25	97.06	4.54%
650.00 · Fuel Purchases	47,270.11	18,954.63	28,315.48	149.39%
640.00 · Depreciation	50,295.00	51,270.00	-975.00	-1.9%
630.00 · Contract administration	51,853.11	51,853.11	0.00	0.0%
680.00 · Other Operating Expense	49,236.62	33,584.70	15,651.92	46.6%
Total Expense	<u>536,735.90</u>	<u>406,419.60</u>	<u>130,316.30</u>	<u>32.06%</u>
Net Ordinary Income	-439,651.26	-401,544.61	-38,106.65	-9.49%
Other Income/Expense				
Other Income				
900.00 · Interest Income	254.83	4,241.79	-3,986.96	-93.99%
920.00 · Member contributions	586,181.00	0.00	586,181.00	100.0%
Total Other Income	<u>586,435.83</u>	<u>4,241.79</u>	<u>582,194.04</u>	<u>13,725.2%</u>
Net Other Income	<u>586,435.83</u>	<u>4,241.79</u>	<u>582,194.04</u>	<u>13,725.2%</u>
Net Income	<u><u>146,784.57</u></u>	<u><u>-397,302.82</u></u>	<u><u>544,087.39</u></u>	<u><u>136.95%</u></u>
Net Assets, Beginning of Year	<u>4,499,376.86</u>	<u>3,669,985.07</u>		
Net Assets, End of Year	<u>4,646,161.43</u>	<u>3,272,682.25</u>		

**Palos Verdes Peninsula Transit Authority
Balance Sheet Prev Year Comparison**

As of September 30, 2021

	<u>Sep 30, 21</u>	<u>Sep 30, 20</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
101.00 · Cash and cash equivalents	3,287,441.10	2,427,747.05	859,694.05	35.41%
Total Checking/Savings	<u>3,287,441.10</u>	<u>2,427,747.05</u>	<u>859,694.05</u>	<u>35.41%</u>
Accounts Receivable				
120.00 · Due from other governments	406,247.06	128,923.75	277,323.31	215.11%
Total Accounts Receivable	<u>406,247.06</u>	<u>128,923.75</u>	<u>277,323.31</u>	<u>215.11%</u>
Other Current Assets				
140.00 · Prepaid Expense	57,456.77	67,768.38	-10,311.61	-15.22%
1499 · Undeposited Funds	34.00	34.00	0.00	0.0%
Total Other Current Assets	<u>57,490.77</u>	<u>67,802.38</u>	<u>-10,311.61</u>	<u>-15.21%</u>
Total Current Assets	<u>3,751,178.93</u>	<u>2,624,473.18</u>	<u>1,126,705.75</u>	<u>42.93%</u>
Fixed Assets				
212.00 · Accum. Depreciation - Vehicles	-3,841,919.82	-3,951,734.82	109,815.00	2.78%
212.10 · Accum Deprec Infrastructures	-11,711.17	-10,688.17	-1,023.00	-9.57%
15900 · Leasehold Improvements	12,449.00	12,449.00	0.00	0.0%
16400 · Vehicles	4,891,850.05	4,682,917.25	208,932.80	4.46%
Total Fixed Assets	<u>1,050,668.06</u>	<u>732,943.26</u>	<u>317,724.80</u>	<u>43.35%</u>
TOTAL ASSETS	<u>4,801,846.99</u>	<u>3,357,416.44</u>	<u>1,444,430.55</u>	<u>43.02%</u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
310.00 · Vouchers Payable	155,223.69	79,599.10	75,624.59	95.01%
Total Accounts Payable	<u>155,223.69</u>	<u>79,599.10</u>	<u>75,624.59</u>	<u>95.01%</u>
Credit Cards				
315.00 · Wells Fargo Business Card	-466.17	-466.17	0.00	0.0%
Total Credit Cards	<u>-466.17</u>	<u>-466.17</u>	<u>0.00</u>	<u>0.0%</u>
Total Current Liabilities	<u>154,757.52</u>	<u>79,132.93</u>	<u>75,624.59</u>	<u>95.57%</u>
Long Term Liabilities				
355.00 · Deferred Rent	928.04	5,601.26	-4,673.22	-83.43%
Total Long Term Liabilities	<u>928.04</u>	<u>5,601.26</u>	<u>-4,673.22</u>	<u>-83.43%</u>
Total Liabilities	<u>155,685.56</u>	<u>84,734.19</u>	<u>70,951.37</u>	<u>83.73%</u>
Equity				
3900 · Retained Earnings	4,499,376.86	3,669,985.07	829,391.79	22.6%
Net Income	146,784.57	-397,302.82	544,087.39	136.95%
Total Equity	<u>4,646,161.43</u>	<u>3,272,682.25</u>	<u>1,373,479.18</u>	<u>41.97%</u>
TOTAL LIABILITIES & EQUITY	<u>4,801,846.99</u>	<u>3,357,416.44</u>	<u>1,444,430.55</u>	<u>43.02%</u>

MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: January 14, 2022
SUBJECT: Administrative Services Cooperative (ASC) Contract Extension

BACKGROUND

The current Agreement with our dial-a-ride provider Administrative Services Cooperative (ASC) expires on January 31, 2022. Amendment Number 17 would extend the existing Agreement through January 31, 2023 with no increase in fees.

FISCAL IMPACT

Funding for this contract is contained in the Fiscal Year 2021-22 budget.

RECOMMENDATION

Approve Amendment #17 with Administrative Services Cooperative.

**AMENDMENT NUMBER SEVENTEEN (17)
TO
ADMINSTRATIVE SERVICES COOPERATIVE**

February 17, 2005 Agreement

This amendment to the February 17, 2005 Agreement is made and entered into by and between the PALOS VERDES PENINSULA TRANSIT AUTHORITY, hereinafter referred to as "Authority", and ADMINSTRATIVE SERVICES COOPEATIVE, hereinafter referred to as "ASC".

WITNESSETH

Whereas, on February 17, 2005, Authority and ASC entered into an Agreement to provide transportation to senior and disabled persons; and

WHEREAS, said Agreement can be extended on an annual basis each year, with periodic amendments to modify the amount to be expended; and

NOW, THEREFORE, in consideration of the mutual covenants in said Agreement and the welfare of the above mentioned persons, Authority and ASC agree to revise the Agreement, as amended, as follows:

Section 6-Term: The first sentence shall read as follows:

This Agreement shall commence on ~~January 31, 2021~~ **January 31, 2022** and end on ~~January 31, 2022~~ **January 31, 2023**, unless the Authority and ASC agree to extend it for an additional term not to exceed one (1) year after the initial termination date.

Section 4-Compensation: The first paragraph shall read as follows:

The Authority shall pay ASC the actual amount of the taxicab fare for each ride. The compensation paid by the Authority shall be the actual amount of the taxicab fare to the approved location, and eligible person will not be required to pay ASC. The standard cab rate shall be **\$2.85** at boarding, **\$2.70** per mile after boarding, (partial miles will be assessed at 10ths of a mile) and **\$29.19** per hour traffic delay/waiting time. The standard rate for dial-a-lift service shall be \$20.00 flag drop and be **\$2.70** per mile with traffic delay/waiting time established at **\$29.19** per hour traffic delay/waiting time.

The above rates will be adjusted when changes are made to the taxi rates by the City of Los Angeles Department of Transportation. The new rates will be effective the same date as the City of Los Angeles'. The dial-a-lift rates will be adjusted the same percentage as the change in taxi rates.

Except as herein and previously amended, the Agreement shall remain in full force and effect.

This Amendment shall become effective as of the date it is approved by the Authority.

IN WITNESSS THEREOFF, the parties hereto have caused this Amendment Number SEVENTEEN to be executed by their respective Officers, duly authorized, by the Authority on **January 20, 2022** and by ASC on _____.

ADMINISTRATIVE SERVICES COOPERATIVE

Date _____ By _____

PALOS VERDES PENINSULA TRANSIT AUTHORITY

Date _____ By _____

MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: January 14, 2022
SUBJECT: Fiscal Year 2020-2021 Audit Report

BACKGROUND

The firm of Rogers, Anderson, Malody, and Scott, LLP (RAMS) will present the Fiscal Year 2020-21 audit report. A copy of the SAS 114 letter, Management Comment Letter, and Audit Report is attached.

RECOMMENDATION

Receive and file the audit report.

**PALOS VERDES PENINSULA
TRANSIT AUTHORITY**

**Annual Financial Statements
(With Independent Auditor's Reports Thereon)**

For the years ended June 30, 2021 and 2020

PALOS VERDES PENINSULA TRANSIT AUTHORITY
Annual Financial Statements
For the years ended June 30, 2021 and 2020

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

Independent Auditor's Report

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Certified Public Accountants



To the Board of Directors of the
Palos Verdes Peninsula Transit Authority

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Authority and to meet our other ethical responsibilities, in accordance with the 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 audit opinion.

Responsibilities of Management for the Financial Statements

The Authority's 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 Authority'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 opinion. 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 GAAS 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 GAAS, 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 Authority'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 Authority'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, as listed 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Schedules of Revenues and Expenses by Category are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Revenues and Expenses by category are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Revenues and Expenses by category are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2021 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November 23, 2021

PALOS VERDES PENINSULA TRANSIT AUTHORITY

Management's Discussion and Analysis

For the years ended June 30, 2021 and 2020

This section of the financial report of the Financial Report presents our discussion and analysis of the financial performance of the Palos Verdes Peninsula Transit Authority (Authority) for the fiscal years ended June 30, 2021 and 2020 and should be read in conjunction with the Authority's financial statements that begin on page 12. Descriptions and other details pertaining to the Authority are included in the notes to the financial statements (Notes). A reference to the Notes is indicated where applicable.

OVERVIEW OF THE FINANCIAL REPORT

The Authority's financial statements are prepared on an accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) practiced in the United States of America.

This financial report consists of management's discussion and analysis (MD&A) and the Authority's financial statements, which include the accompanying notes to the Authority's financial statements.

The *statement of net position* presents information on the Authority's assets and liabilities. The fund's total assets minus total liabilities result to the fund's *net position*. Net position indicates the net worth of the Authority. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the fund is improving or deteriorating.

The *statement of revenues, expenses and changes in net position* present information that shows how the Authority's net position changed between the 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 the related cash flows.

The *statement of cash flows* presents the cash provided and used by operating activities, as well as other cash sources and uses, including but not limited to, investment income, and capital assets additions and betterment.

The Management's Discussion and Analysis (MD&A) presents the financial position, highlights, and analysis of the Authority in a Condensed Statement of Net Position (Table I) and Condensed Statement of Revenues, Expenses and Change in Net Position (Table II), followed by an analysis of significant changes in major accounts of the Authority.

PALOS VERDES PENINSULA TRANSIT AUTHORITY

Management's Discussion and Analysis

For the years ended June 30, 2021 and 2020

Table I - Condensed Statement of Net Position

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets			
Current assets	\$ 3,869,499	\$ 3,022,498	\$ 2,693,133
Capital assets, net of accumulated depreciation	753,625	784,213	893,011
Total assets	<u>4,623,124</u>	<u>3,806,711</u>	<u>3,586,144</u>
Liabilities			
Current liabilities	123,747	136,726	257,061
Total liabilities	<u>123,747</u>	<u>136,726</u>	<u>257,061</u>
Net Position			
Net investment in capital assets	753,625	784,213	893,011
Unrestricted	3,745,752	2,885,772	2,436,072
Total Net Position	<u>\$ 4,499,377</u>	<u>\$ 3,669,985</u>	<u>\$ 3,329,083</u>

Table II - Condensed Statement Revenues, Expenses and Changes in Net Position

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenues:			
Charges for services	\$ 52,761	\$ 236,670	\$ 337,476
Route 225/226 operating support	627,693	627,693	618,852
Governmental sources	30,247	32,200	32,000
Total operating revenues	<u>710,701</u>	<u>896,563</u>	<u>988,328</u>
Operating expenses:			
Operator fees	1,427,782	1,836,589	1,951,064
Depreciation	205,082	274,332	396,921
Other operating expenses	147,553	155,595	136,155
Total operating expenses	<u>1,780,417</u>	<u>2,266,516</u>	<u>2,484,140</u>
Operating loss	<u>(1,069,716)</u>	<u>(1,369,953)</u>	<u>(1,495,812)</u>
Nonoperating revenues (expenses):			
Nonoperating revenues	2,134,083	2,047,605	2,089,619
Nonoperating expenses	(234,975)	(336,750)	(393,000)
Total nonoperating revenues (expenses)	<u>1,899,108</u>	<u>1,710,855</u>	<u>1,696,619</u>
Change in net position	829,392	340,902	200,807
Net position, beginning of year	<u>3,669,985</u>	<u>3,329,083</u>	<u>3,128,276</u>
Net position, end of year	<u>\$ 4,499,377</u>	<u>\$ 3,669,985</u>	<u>\$ 3,329,083</u>

PALOS VERDES PENINSULA TRANSIT AUTHORITY

Management's Discussion and Analysis

For the years ended June 30, 2021 and 2020

Assets

Current Assets

Total current assets increased in 2021 by \$842,336 or 27.9%, compared to 2020, primarily due to CARES ACT funding and increase in contributions from participating member cities during the year. Total current assets increased in 2020 by \$329,365 or 12.2%, compared to 2019, primarily due to an increase in contributions from participating member cities during the year.

Capital Assets

The Authority's assets consist mainly of capital assets, which are twenty-four transit vehicles used in operations. The Authority's capital assets net book value as of June 30, 2021 was \$753,625, a 3.9% decrease compared to the prior year, and depreciation expense was \$205,082 for the year ended June 30, 2021. The total net book value decreased in 2020 due to depreciation expense.

The Authority replaces vehicles on a regular basis to reduce operating costs and ensure service reliability. The Federal Transit Administration's (FTA) guidelines for vehicle lifespan are a useful tool in estimating when to replace transit vehicles.

<u>Vehicle Type</u>	<u>Years of Service</u>	<u>Max. Mileage</u>	<u># in PV Fleet</u>
Large Buses	12	500,000	3
Medium Buses	10	350,000	1
Medium, Light-Duty	5	150,000	20

Historically the Authority has operated light-duty buses to approximately 200,000 miles before replacement. The Authority maintains a bus replacement schedule that's updated annually to determine vehicle replacement needs in coming years. An estimated ten vehicles will be replaced between Fiscal Year 2021 and Fiscal Year 2025.

Liabilities and Net Position

Long-Term Debt

The Palos Verdes Peninsula Transit Authority has no long-term debt outstanding as of June 30, 2021 and 2020, respectively.

Authority Net Position

The Authority's net position increased in Fiscal Year 2021 and 2020 primarily due to increase in Net Investment in Capital Assets impacted by the introduction of one new vehicle into the Authority's fleet each year.

PALOS VERDES PENINSULA TRANSIT AUTHORITY

Management's Discussion and Analysis
For the years ended June 30, 2021 and 2020

Revenues, Expenses and Changes in Authority Net Position

Operating Revenues

The Authority recovers the cost of transit operations and capital expenses through passenger fares and government contributions. The five components of revenue sources are:

Passenger Fares: The Authority's fixed route service charges the following fees for service:

- Adult Cash Fare = \$2.50
- Senior & Disabled Cash Fare = \$1.00
- Monthly Pass = \$77
- Semester Pass = \$295
- Annual Pass = \$590

The Authority's dial-a-ride services charges customers \$6 for a one-way trip on the Peninsula and \$12 for a one-way trip to surrounding cities for medical trips.

Advertising revenue is under \$2,000 per year.

Member Contributions: The Authority receives contributions from the three-member agencies. This contribution level was set in 1992 based on population. Member contributions come from different transportation funding sources including Local Return Funds administered by the Los Angeles County Metropolitan Transportation Authority (Proposition A, C, Measure R, Measure M) and South Coast Air Quality Management (SCAQMD) subvention funds. Contribution levels generally increase annually at the rate of increase in local return funds.

Los Angeles County Department of Public Works (DPW): The Authority receives two sources of funding from the DPW. The Authority receives \$30,247 annually for the operation of fixed route and dial-a-ride service in the unincorporated area of the Palos Verdes Peninsula (Academy Hills). The annual contribution from the District 4 supervisor is \$376,000.

Los Angeles County Metropolitan Transportation Authority (Metro) Proposition A Incentive Fund: The Authority receives \$440,244 annually from Metro's Proposition A Incentive Fund. Funding is provided to dial-a-ride systems that provide service to multiple jurisdictions. The program is designed to reward agencies that combine their services and hopefully lower operating costs. Since the Authority was originally a general public dial-a-ride system until 1994, the Authority has been "grandfathered" into this funding source.

PALOS VERDES PENINSULA TRANSIT AUTHORITY

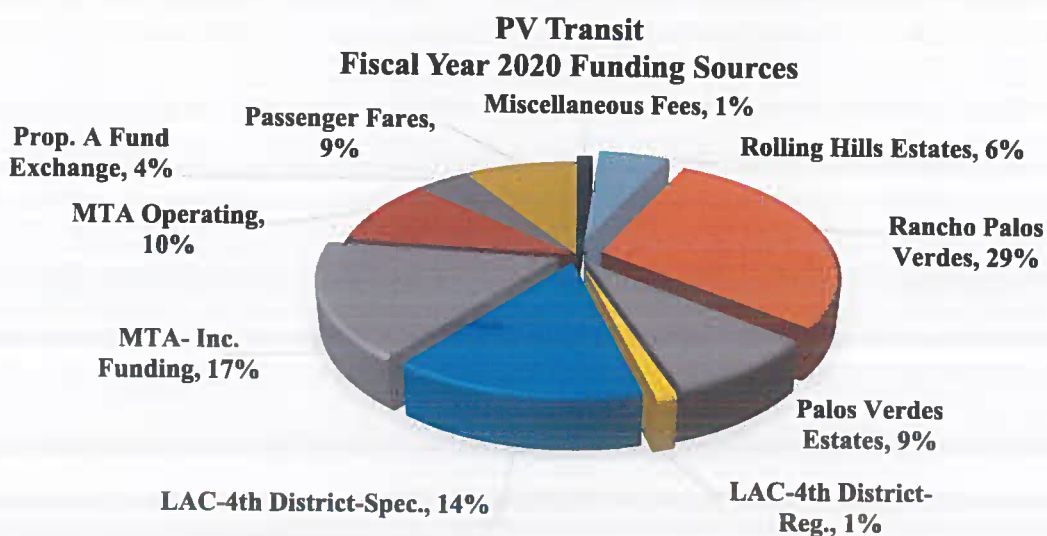
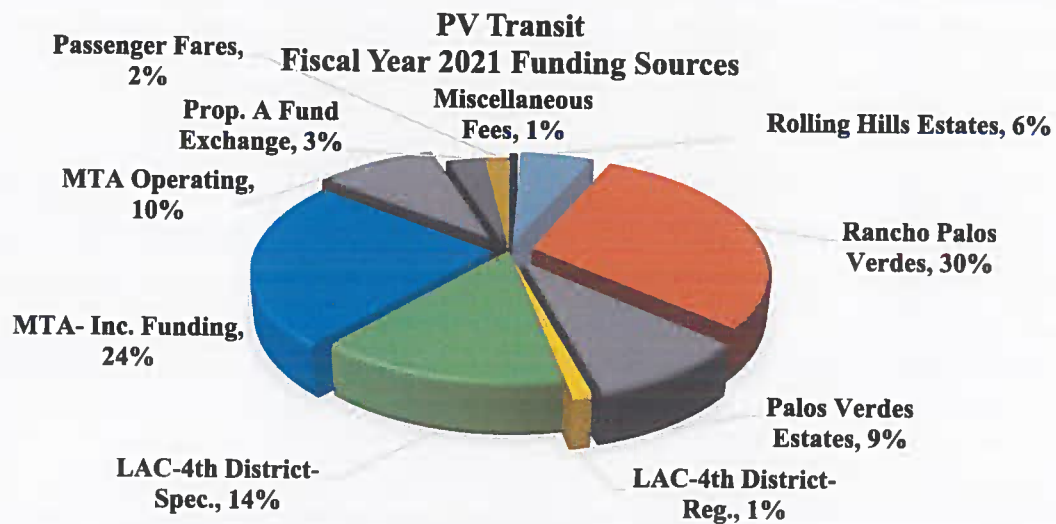
Management's Discussion and Analysis

For the years ended June 30, 2021 and 2020

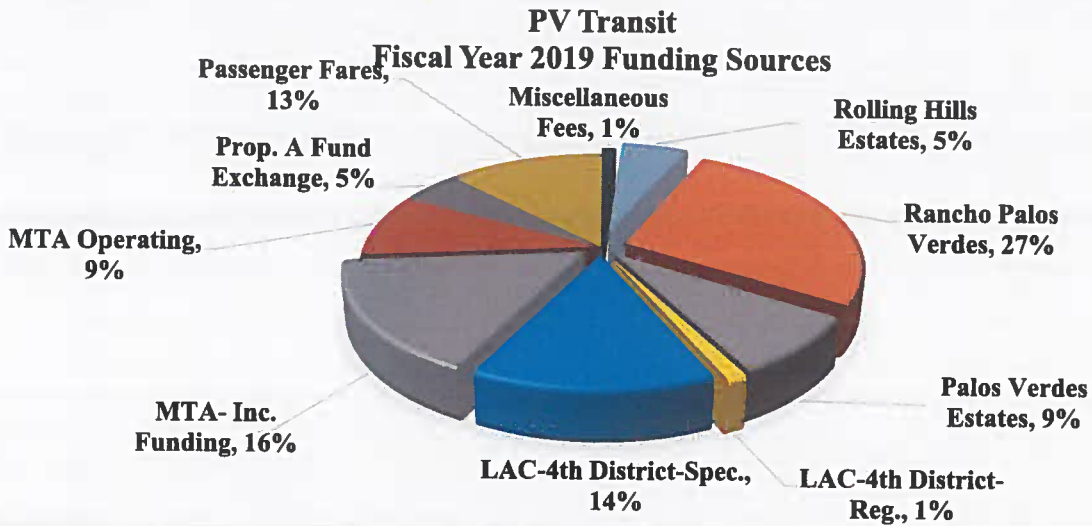
Los Angeles County Metropolitan Transportation Authority (Metro) Route 225-226 Operating Funds: In June 2006 the Authority assumed operation of Metro's Route 225-226 and has received annual operating funding since this time. The current operating agreement, which expires in 2021, provides \$251,693 in annual funding to the Authority.

Proposition A Fund Exchange: Over the past five years, the Authority has participated in Proposition A Fund Exchanges with the Cities of Bell, Cudahy, Hidden Hills, Palos Verdes Estates, and Rolling Hills. The Authority exchanges fare revenue with each respective City in exchange for Proposition A funds. The Authority gains funds at the rate of \$0.75 /\$1.00 and the respective Cities exchange transit funds for general funds.

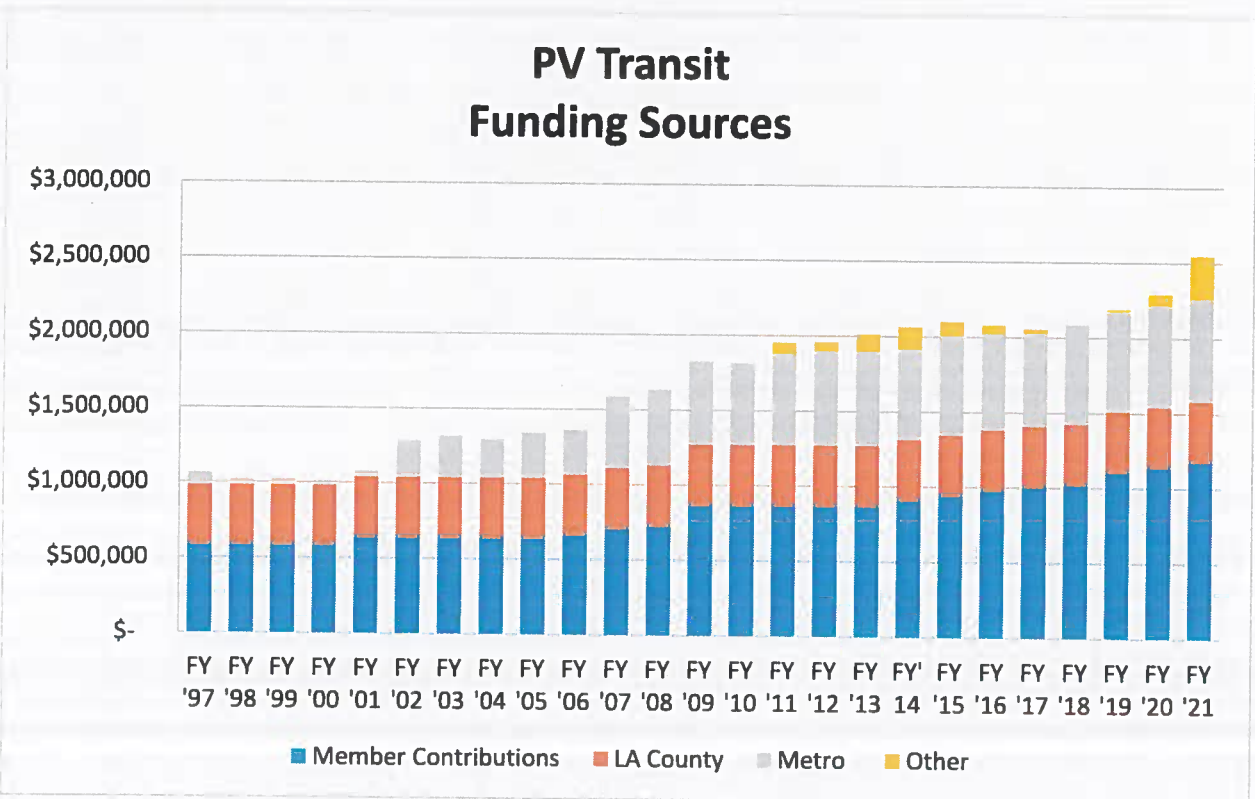
Miscellaneous Fee: These include interest revenue and advertising fees.



PALOS VERDES PENINSULA TRANSIT AUTHORITY
 Management's Discussion and Analysis
 For the years ended June 30, 2021 and 2020



During the last twenty years the Authority has diversified its sources of funding. There has been a significant increase in funding from Metro (operating and Incentive Funding).

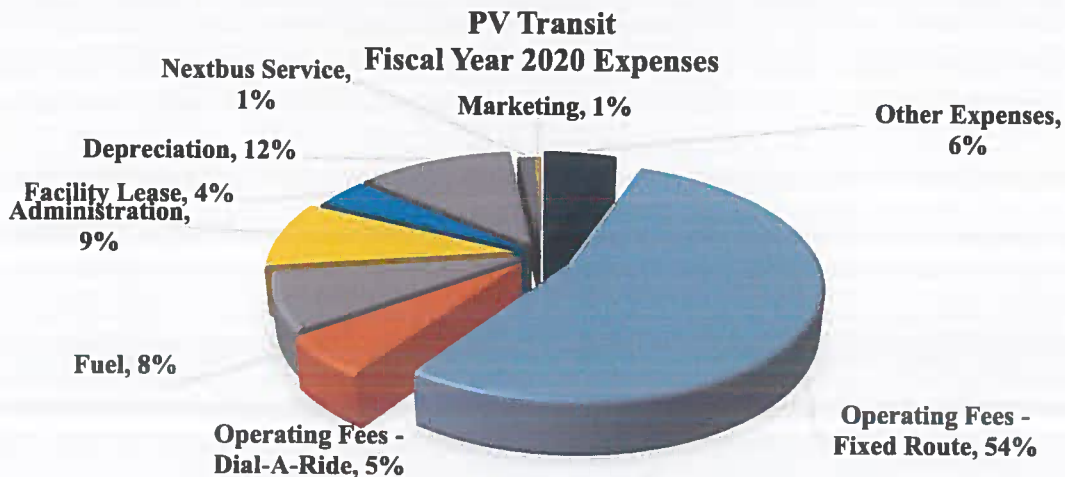
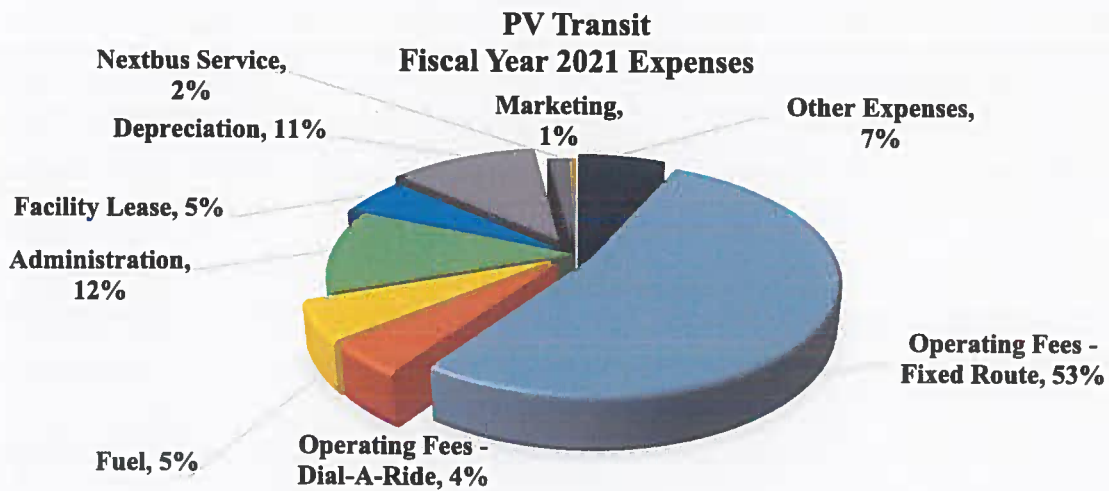


PALOS VERDES PENINSULA TRANSIT AUTHORITY
 Management's Discussion and Analysis
 For the years ended June 30, 2021 and 2020

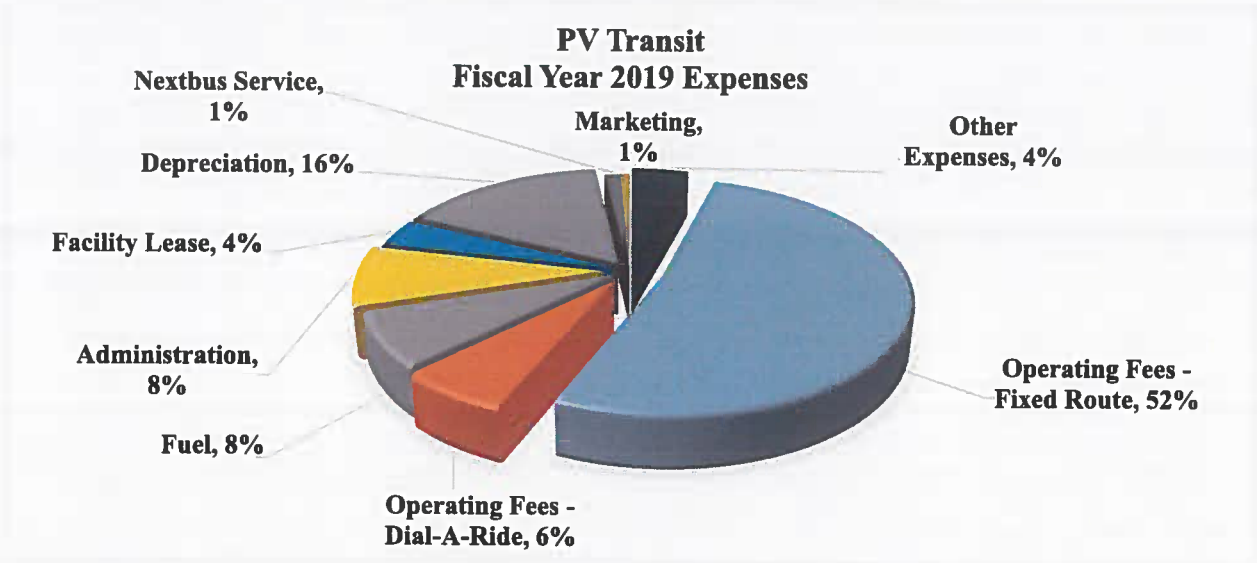
Operating Expenses

The Authority's major operating expenses are for the operation of the fixed route and dial-a-ride transit service. Operating contracts with the fixed route and dial-a-ride contractors consists of fifty-seven (57%) of total operating expenses. Expenses for fuel (compressed natural gas (CNG) and propane (LPG)) consists of 5% of total expenses.

The Authority's largest contract is with MV Transportation for the operation of fixed route service. This five-year contract extends through June 30, 2021 for a total contract value of \$7,944,298.



PALOS VERDES PENINSULA TRANSIT AUTHORITY
 Management's Discussion and Analysis
 For the years ended June 30, 2021 and 2020



Total annual expenses are primarily based on the number of revenue hours operated in fixed route service. Operating hours have not changed in over five years, which has resulted in very moderate annual increases in operating costs.

Unrestricted Net Position

The Authority's operating reserve at the end of 2021 was \$252,949 and the remaining unrestricted net position of \$3,492,803 is designated for vehicle replacement. The Authority's operating reserve at the end of 2020 was \$252,649 and the remaining unrestricted net position of \$2,633,123 is designated for vehicle replacement. The amount designated for vehicle replacement has increased \$1,304,108 over the past three fiscal years but is expected to be reduced over the next several years as vehicles are replaced. As noted in the previous section, the Authority has ten vehicles scheduled for replacement in the next five years.

Request for Information

This financial report is designed to provide interested parties, public and private sector alike, with an overview of the Authority's financial operations and condition. If you have questions about this report or need additional information, you can contact the Authority's Administrator at 38 Crest Road West, Rolling Hills, CA 90274.

PALOS VERDES PENINSULA TRANSIT AUTHORITY
Statements of Net Position
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 3,068,999	\$ 2,466,177
Due from other governments	752,215	488,131
Accounts receivable	-	217
Prepaid expenses	48,285	67,973
Total current assets	<u>3,869,499</u>	<u>3,022,498</u>
Non-current assets		
Capital assets, net of accumulated depreciation	<u>753,625</u>	<u>784,213</u>
Total non-current assets	<u>753,625</u>	<u>784,213</u>
Total assets	<u>4,623,124</u>	<u>3,806,711</u>
Liabilities:		
Accounts payable	121,427	130,031
Unearned revenue	<u>2,320</u>	<u>6,695</u>
Total liabilities	<u>123,747</u>	<u>136,726</u>
Net Position:		
Net investment in capital assets	753,625	784,213
Unrestricted	<u>3,745,752</u>	<u>2,885,772</u>
Total net position	<u>\$ 4,499,377</u>	<u>\$ 3,669,985</u>

See accompanying notes to the basic financial statements.

PALOS VERDES PENINSULA TRANSIT AUTHORITY
Statements of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Charges for services	\$ 52,761	\$ 236,670
Route 225/226 operating support	627,693	627,693
Governmental sources	30,247	32,200
	<u>710,701</u>	<u>896,563</u>
Operating expenses:		
Operator fees	1,116,937	1,440,563
Contract administration	207,412	207,412
Depreciation	205,082	274,332
Fuel purchases	97,867	177,672
Marketing and promotions	5,566	10,942
Other operating expenses	147,553	155,595
	<u>1,780,417</u>	<u>2,266,516</u>
Total operating expenses	<u>1,780,417</u>	<u>2,266,516</u>
Operating loss	<u>(1,069,716)</u>	<u>(1,369,953)</u>
Nonoperating revenues (expenses):		
Interest income	14,793	30,761
Prop A incentive funding - Metropolitan Transportation Authority	628,048	434,031
Member contributions	1,172,362	1,133,813
Other expense - Prop A Exchange	(234,975)	(336,750)
Other income - Prop A Exchange	313,300	449,000
Gain on asset disposal	5,580	-
	<u>1,899,108</u>	<u>1,710,855</u>
Total nonoperating revenues (expenses)	<u>1,899,108</u>	<u>1,710,855</u>
Change in net position	<u>829,392</u>	<u>340,902</u>
Net position, beginning of year	<u>3,669,985</u>	<u>3,329,083</u>
Net position, end of year	<u>\$ 4,499,377</u>	<u>\$ 3,669,985</u>

See accompanying notes to the basic financial statements.

PALOS VERDES PENINSULA TRANSIT AUTHORITY
Statements of Cash Flows
For the years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash received from customers	\$ 72,401	\$ 238,516
Cash received from route 225/226 operating support	501,847	962,320
Cash received from government agencies	(376,000)	64,200
Cash paid to supplier for goods and services	<u>(1,568,626)</u>	<u>(2,130,689)</u>
Net cash used by (used for) operating activities	<u>(1,370,378)</u>	<u>(865,653)</u>
Cash flows from noncapital financing activities:		
County grants received	876,634	403,067
Member contributions received	1,172,362	1,133,813
Cash received for Prop A exchange	313,300	449,000
Cash paid for Prop A exchange	<u>(234,975)</u>	<u>(336,750)</u>
Net cash provided by (used for) noncapital financing activities	<u>2,127,321</u>	<u>1,649,130</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(174,494)	(165,534)
Cash received from disposal of capital assets	5,580	-
Net cash provided (used) by capital and related financing activities	<u>(168,914)</u>	<u>(165,534)</u>
Cash flows from investing activities:		
Interest received	14,793	30,761
Net cash provided by (used for) investing activities	<u>14,793</u>	<u>30,761</u>
Net increase (decrease) in cash and cash equivalents	602,822	648,704
Cash and cash equivalents, beginning of year	<u>2,466,177</u>	<u>1,817,473</u>
Cash and cash equivalents, end of year	<u>\$ 3,068,999</u>	<u>\$ 2,466,177</u>

See accompanying notes to the basic financial statements.

PALOS VERDES PENINSULA TRANSIT AUTHORITY
Statements of Cash Flows (Continued)
For the years ended June 30, 2021 and 2020

Reconciliation of operating income (loss) to net cash provided (used) by operating activities	<u>2021</u>	<u>2020</u>
Operating income (loss)	\$ (1,069,716)	\$ (1,369,953)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	205,082	274,332
(Increase) decrease in assets:		
Accounts receivable	217	1,846
Due from other governments	(512,670)	366,627
Prepaid expenses	19,688	(18,170)
Increase (decrease) in liabilities:		
Accounts payable	(8,604)	(118,792)
Unearned revenue	(4,375)	(1,543)
Total adjustments	<u>(300,662)</u>	<u>504,300</u>
Net cash used by operating activities	<u>\$ (1,370,378)</u>	<u>\$ (865,653)</u>

See accompanying notes to the basic financial statements.

PALOS VERDES PENINSULA TRANSIT AUTHORITY

Note to the Financial Statements

For the years ended June 30, 2021 and 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Palos Verdes Peninsula Transit Authority (Authority) was formed on May 5, 1992 under a Joint Powers Agreement (JPA) with three local city governments, which are considered members, to provide public transportation on the Palos Verdes Peninsula. The local cities consist of Rancho Palos Verdes, Rolling Hills Estates and Palos Verdes Estates. Under the JPA, the members of the Board of the Authority are elected city council members who are appointed by their respective city council. The Board is responsible for setting policies and the review of operating decisions made by management. The Authority is considered a governmental entity. The Authority has no employees and all services are contracted, which are recorded as operating activities.

(b) Basic Financial Statements

The basic financial statements (Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows) report information on all of the enterprise activities of the Authority.

(c) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Authority operates as an enterprise fund. Enterprise fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods or services in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Authority are charges for services and revenues received from the Los Angeles County Metropolitan Transportation Authority (Route 225/226 operating support) for services provided on their behalf. Operating expenses of the Authority include the cost of services, administrative expenses and depreciation on capital assets. Nonoperating revenues are comprised primarily of Proposition A Incentive Funding from the Metropolitan Transportation Authority (MTA), member contributions, and Proposition A Local Return funds exchanged with the Cities of Cudahy, Palos Verdes Estates, and Rolling Hills through which the City assigns uncommitted Proposition A Local Return funds in exchange for the Authority's general funds.

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

PALOS VERDES PENINSULA TRANSIT AUTHORITY

Note to the Financial Statements

For the years ended June 30, 2021 and 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America includes the use of estimates that affect the financial statements and related disclosures. Accordingly, actual results could differ from those estimates.

(e) Assets, Liabilities, and Net Position

1. Cash and Cash Equivalents

Cash and cash equivalents includes amounts in demand deposits and Local Agency Investment Fund (LAIF).

For purposes of the statement of cash flows, cash equivalents include all pooled cash and investments, restricted cash and cash with fiscal agents with an original maturity of three months or less. The Authority considers the LAIF investment pool to be a demand deposit account where funds may be withdrawn and deposited at any time without prior notice or penalty.

2. Due From Other Governments

Due From Other Governments balance consists primarily of grant receivables from the Los Angeles County Metropolitan Transportation Authority, participating cities and the Los Angeles County Public Works. Total Due From Other Governments balance is \$752,215 and \$488,131 as of June 30, 2021 and 2020, respectively.

3. Capital Assets

Capital assets are comprised of transportation equipment (vehicles) and leasehold improvements and are stated at cost. Donated capital assets are recorded at acquisition value as of the date received. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and a useful life of at least one year. Depreciation has been provided over the estimated useful lives ranging from 5 to 10 years using the straight-line method.

4. Net Position

Net position is classified in three categories: net investment in capital assets, restricted net position and unrestricted net position.

- Net investment in capital assets - This component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, and other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

PALOS VERDES PENINSULA TRANSIT AUTHORITY

Note to the Financial Statements

For the years ended June 30, 2021 and 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Assets, Liabilities, and Net Position (continued)

4. Net Position (continued)

- Restricted net position - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments and constraints imposed by law through constitutional provisions and enabling legislation. The Authority had no restricted net position at June 30, 2021 and 2020.
- Unrestricted net position - This component represents the net position of the Authority that does not meet the definition of "restricted" or "net investment in capital assets" and is designated for tentative management plans that are subject to change.

(f) Effects of New Pronouncements

The GASB has issued several pronouncements that have effective dates that may impact future presentations. The Authority is evaluating the potential impacts of the following GASB statements on its accounting practices and financial statements.

- GASB Statement No. 87, *Leases*, effective for the Authority's fiscal year ending June 30, 2022.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the Authority's fiscal year ending June 30, 2022.
- GASB Statement No. 91, *Conduit Debt Obligations* is effective for periods beginning after December 15, 2021.
- GASB Statement No. 92 *Omnibus 2020* is effective for periods beginning after June 15, 2021.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates* is effective for periods beginning after June 15, 2021.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* is effective for periods beginning after June 15, 2022.

PALOS VERDES PENINSULA TRANSIT AUTHORITY

Note to the Financial Statements

For the years ended June 30, 2021 and 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Effects of New Pronouncements (continued)

- GASB Statement No. 96, *Subscription- Based Information Technology Arrangements* is effective for periods beginning after June 15, 2022.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* is effective for fiscal years beginning after June 15, 2021.

(2) DETAILED NOTES ON ENTERPRISE FUND

(a) Cash and Cash Equivalents

Cash and cash equivalent components are as follows:

	<u>2021</u>	<u>2020</u>
Deposits in Bank	\$ 460,118	\$ 870,951
Local Agency Investment Fund (LAIF)	<u>2,608,880</u>	<u>1,595,226</u>
Total cash and cash equivalents	<u>\$ 3,068,998</u>	<u>\$ 2,466,177</u>

Authorized Investments

The Authority is authorized to invest in the following: demand accounts, investment pools and fixed rate certificates of deposit.

Deposits

Custodial credit risk is the risk that, in the event of failure of a depository financial institution, the Authority will not be able to receive its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority does not have a deposit policy for custodial credit risk. Under California Government Code Section 53652, each financial institution in California is required to pledge a pool of securities as collateral against all of its public deposits. California Government Code Section 53651 delineates the types of eligible securities, and the required collateral percentage, generally at 110%. The Authority is subject to custodial credit risk for amounts that exceed the Federal Deposit Insurance Corporation (FDIC) insurance limit of \$250,000 per financial institution. The bank balance for the Authority's deposits was \$793,204 and \$971,808 at June 30, 2021 and 2020, respectively, of which \$250,000 is federally insured. The remaining bank balance of \$543,204 and \$721,808 is uncollateralized and uninsured as of June 30, 2021 and 2020, respectively.

PALOS VERDES PENINSULA TRANSIT AUTHORITY

Note to the Financial Statements

For the years ended June 30, 2021 and 2020

(2) DETAILED NOTES ON ENTERPRISE FUND (continued)

(a) Cash and Cash Equivalents (continued)

Investment in State Investment Pool

The Authority is a voluntary participant in LAIF that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying statements of net position at amounts based upon the Authority's pro-rata share of the value provided by LAIF from the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The total amount invested in all public agencies in LAIF as of June 30, 2021 and 2020, was \$37.1 billion and \$32.1 billion, respectively. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2021 and 2020 had a balance of \$193.3 billion and \$101 billion, respectively. Of those amounts, 2.31% in 2021 and 3.37% in 2020 were invested in medium-term and short-term structured notes and asset backed securities. The average maturity of PMIA investments as of June 30, 2021 and 2020 was 291 and 191 days, respectively.

Various Investment Risks

The Authority does not have any investments subject to the following risks: interest rate, credit, foreign currency, and concentration of credit risk.

Fair Value Measurement

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

The Authority currently does not have any investments subject to the fair value hierarchy.

(b) Government Revenues and Due From Other Governments

Under the JPA, each of the three participating cities contributes revenue to the Authority. Participation is based on each City's proportionate share of the Palos Verdes Peninsula's total population. In addition, the County of Los Angeles and the Los Angeles County Metropolitan Transportation Authority provide revenue under contractual relationships with the Authority.

PALOS VERDES PENINSULA TRANSIT AUTHORITY

Note to the Financial Statements

For the years ended June 30, 2021 and 2020

(2) DETAILED NOTES ON ENTERPRISE FUND (continued)

(b) Government Revenues and Due From Other Governments (continued)

Revenues received from other governments during the fiscal year and the related receivables at June 30, 2021, are listed below.

	<u>Revenue</u>	<u>Due From Other Governments</u>
City Participation		
Rancho Palos Verdes	\$ 774,570	\$ -
Rolling Hills Estates	152,249	-
Palos Verdes Estates	245,543	-
Total city participation	<u>1,172,362</u>	<u>-</u>
Other Income - Prop A Exchange		
City of Cudahy ⁽¹⁾	313,300	-
Total other income - Prop A exchange	<u>313,300</u>	<u>-</u>
Operating support, governmental sources, and incentive funding ⁽²⁾		
Los Angeles County - Public Works	406,247	532,093
Los Angeles County - Metropolitan Transportation Authority	<u>879,741</u>	<u>220,122</u>
Total operating support, governmental sources, and incentive funding	<u>1,285,988</u>	<u>752,215</u>
Total government revenues and due from other governments	<u>\$ 2,771,650</u>	<u>\$ 752,215</u>

- (1) On September 24, 2020, the Authority and City of Cudahy, California, entered into an Assignment Agreement to exchange Proposition A Local Return funds to assist in the financing of the Authority's fixed route transit operations, and to provide funds for acquisition of new transit related equipment. Per the agreement, the City of Cudahy assigned \$313,300 of uncommitted Proposition A Local Return funds in exchange for \$234,975 of the Authority's general funds. This transaction was recorded in the accompanying statements of revenues, expenses and changes in net position's nonoperating activities section as other income and other expense, respectively.

PALOS VERDES PENINSULA TRANSIT AUTHORITY

Note to the Financial Statements

For the years ended June 30, 2021 and 2020

(2) DETAILED NOTES ON ENTERPRISE FUND (continued)

(b) Government Revenues and Due From Other Governments (continued)

- (2) Revenue received from Los Angeles County – Public Works and Los Angeles County Metropolitan Transportation Authority are presented as route 228/226 operating support, governmental sources, and Prop A incentive funding in the statement of revenues, expenses and changes in net position. The Los Angeles County – Public Works provides \$376,000 of funds which are presented as 228/226 operating support and \$30,247 which are presented as governmental sources. The Los Angeles County Metropolitan Transportation Authority provides \$251,693 of funds which are presented as 228/226 operating support and \$628,048 which are presented as Prop A incentive funding.

Revenues received from other governments during the fiscal year and the related receivables at June 30, 2020, are listed below.

	Revenue	Due From Other Governments
City Participation:		
Rancho Palos Verdes	\$ 749,101	\$ -
Rolling Hills Estates	147,243	-
Palos Verdes Estates	237,469	-
Total city participation	1,133,813	-
Other Income - Prop A Exchange		
City of Cudahy ⁽¹⁾	449,000	-
Total other income - Prop A exchange	449,000	-
Operating support, governmental sources, and incentive funding ⁽²⁾		
Los Angeles County - Public Works	408,200	-
Los Angeles County - Metropolitan Transportation Authority	685,724	488,131
Total operating support, governmental sources, and incentive funding	1,093,924	488,131
Total government revenues and due from other governments	\$ 2,676,737	\$ 488,131

- (1) On August 20, 2019, the Authority and City of Cudahy, California, entered into an Assignment Agreement to exchange Proposition A Local Return funds to assist in the financing of the Authority's fixed route transit operations, and to provide funds for acquisition of new transit related equipment. Per the agreement, the City of Cudahy assigned \$449,000 of uncommitted Proposition A Local Return funds in exchange for \$336,750 of the Authority's general funds. This transaction was recorded in the accompanying statements of revenues, expenses and changes in net position's nonoperating activities section as other income and other expense, respectively.

PALOS VERDES PENINSULA TRANSIT AUTHORITY

Note to the Financial Statements

For the years ended June 30, 2021 and 2020

(2) DETAILED NOTES ON ENTERPRISE FUND (continued)

(b) Government Revenues and Due From Other Governments (continued)

(2) Revenue received from Los Angeles County – Public Works and Los Angeles County Metropolitan Transportation Authority are presented as route 228/226 operating support, governmental sources, and Prop A incentive funding in the statement of revenues, expenses and changes in net position. The Los Angeles County – Public Works provides \$376,000 of funds which are presented as 228/226 operating support and \$32,200 which are presented as governmental sources. The Los Angeles County Metropolitan Transportation Authority provides \$251,693 of funds which are presented as 228/226 operating support and \$434,031 which are presented as Prop A incentive funding.

(c) Capital Assets

Following is a summary of capital assets activity for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Vehicles	\$ 4,682,916	\$ 174,494	\$ (312,897)	\$ 4,544,513
Leasehold improvement	12,449	-	-	12,449
Accumulated depreciation	(3,911,152)	(205,082)	312,897	(3,803,337)
Capital asset, net	<u>\$ 784,213</u>	<u>\$ (30,588)</u>	<u>\$ -</u>	<u>\$ 753,625</u>

Depreciation expense for the year ended June 30, 2021, was \$205,082.

Following is a summary of capital assets activity for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Vehicles	\$ 4,517,382	\$ 165,534	\$ -	\$ 4,682,916
Leasehold improvement	12,449	-	-	12,449
Accumulated depreciation	(3,636,820)	(274,332)	-	(3,911,152)
Capital asset, net	<u>\$ 893,011</u>	<u>\$ (108,798)</u>	<u>\$ -</u>	<u>\$ 784,213</u>

Depreciation expense for the year ended June 30, 2020, was \$274,332.

(d) Unrestricted Net Position

The operating reserves are adjusted annually by 10% of the change (increase/decrease) in operating expense budget. The remaining unrestricted net position is designated for vehicle replacement.

PALOS VERDES PENINSULA TRANSIT AUTHORITY
 Note to the Financial Statements
 For the years ended June 30, 2021 and 2020

(2) DETAILED NOTES ON ENTERPRISE FUND (continued)

(d) Unrestricted Net Position (continued)

Following is a summary of unrestricted net position as of June 30:

	<u>2021</u>	<u>2020</u>
Designated for operating reserves	\$ 252,949	\$ 252,649
Designated for vehicle replacement	3,492,803	2,633,123
Total unrestricted net position	<u>\$ 3,745,752</u>	<u>\$ 2,885,772</u>

(e) Operating Leases

The Authority leases office and parking space from the Palos Verdes Peninsula Unified School District (School District). The lease is renewable annually by mutual agreement. The School District agreed to abate all rents in lieu of payment of \$1 per year.

The Authority also leases a bus parking area at the Joint Water Pollution Control Plant in Carson from Los Angeles County Sanitation District. The monthly rent is \$7,731 and is subject to automatic annual adjustments of three percent (3%) effective December 1 of each year. The future minimum payments are as follows as of June 30, 2021:

Fiscal Year Ending	Operating
<u>June 30:</u>	<u>Lease Payment</u>
2022	<u>\$ 41,012</u>

(3) RELATED PARTIES TRANSACTIONS

Member cities under the JPA (Rancho Palos Verdes, Rolling Hills Estates, and Palos Verdes Estates) provide contributions to the Authority. City Council Members are also on the Board of Directors of the Authority. The contributions paid to the Authority for the year ended June 30, 2021 and 2020 were \$1,172,362 and \$1,133,813, respectively.

(4) COVID-19

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States caused business disruption during the prior fiscal year. The business disruption was temporary, however, there is considerable uncertainty around the duration of the pandemic due to virus variants. The ultimate financial impact and duration cannot be estimated at this time.

SUPPLEMENTARY INFORMATION

PALOS VERDES PENINSULA TRANSIT AUTHORITY
Schedules of Revenues and Expenses by Category
For the years ended June 30, 2021 and 2020

	2021			2020			
	Charter	Dial-a-Ride	Fixed Route	Charter	Dial-a-Ride	Fixed Route	Total
Operating revenues:							
Charges for services	\$ 15,735	\$ 17,824	\$ 19,202	\$ 6,290	\$ 31,898	\$ 198,482	\$ 236,670
Governmental sources	-	-	30,247	-	-	32,200	32,200
Route 225/226 operating support	-	-	627,693	-	-	627,693	627,693
Total operating revenues	15,735	17,824	677,142	6,290	31,898	858,375	896,563
Operating expenses:							
Operator fees	-	79,476	1,037,461	-	124,204	1,316,359	1,440,563
Contract administration	-	41,482	165,930	-	41,482	165,930	207,412
Depreciation	-	-	205,082	-	-	274,332	274,332
Fuel purchases	-	-	97,867	-	-	177,672	177,672
Marketing and promotions	-	756	4,810	-	2,971	7,971	10,942
Other operating expenses	-	9,514	138,039	-	28,686	126,909	155,595
Total operating expenses	-	131,228	1,649,189	-	197,343	2,069,173	2,266,516
Operating income (loss)	\$ 15,735	\$ (113,404)	\$ (972,047)	\$ 6,290	\$ (165,445)	\$ (1,210,798)	\$ (1,369,953)

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

Independent Auditor's Report

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To the Board of Directors of the
 Palos Verdes Peninsula Transit Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Palos Verdes Peninsula Transit Authority (the Authority) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 23, 2021.

Internal Control Over Financial Reporting

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

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



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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November 23, 2021

MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: January 11, 2022
SUBJECT: Election of Officers

BACKGROUND

The Joint Powers Agreement provides for annual election of Officers.

Shown below is a list of the current Officers:

Ms. Victoria Lozzi, Chairperson

Michael Kemps, Vice Chairperson

Mr. Steve Zuckerman, Secretary Treasurer

The following offices need to be considered: Chair, Vice-Chair, and Secretary-Treasurer.

RECOMMENDATION

Elect officers for calendar year 2022.