



SunLine Transit Agency  
December 6, 2023  
10:20 a.m. – 11:20 a.m.

## AGENDA

### FINANCE/AUDIT COMMITTEE

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

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#### NOTICE TO THE PUBLIC

SunLine has discontinued its COVID-19 Emergency Declaration and has returned its Board and Board Committee meetings to live and in-person attendance at the location noted above. These meetings are no longer available for viewing, attendance, or comment by two-way audiovisual platform, two-way telephonic service, webcasting, or streaming video broadcast. SunLine may prepare audio or video recordings of Board meetings. In accordance with the Brown Act and California Public Records Act, these recordings are subject to public inspection for a period of thirty (30) days after the meeting.

In compliance with the Brown Act, agenda materials distributed 72 hours or less prior to the meeting, which are public records relating to open-session agenda items, will be available for inspection by members of the public prior to or at the meeting at SunLine Transit Agency's Administration Building, 32505 Harry Oliver Trail, Thousand Palms, CA 92276 and on the Agency's website, [www.sunline.org](http://www.sunline.org).

In compliance with the Americans with Disabilities Act, Government Code Section 54954.2, and the Federal Transit Administration Title VI, please contact the Clerk of the Board at (760) 343-3456 if special assistance is needed to participate in a Board meeting, including accessibility and translation services. Notification of at least 72 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.

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#### ITEM

#### RECOMMENDATION

1. CALL TO ORDER
2. FLAG SALUTE
3. ROLL CALL
4. PRESENTATIONS

**ITEM**

**RECOMMENDATION**

**5. FINALIZATION OF AGENDA**

**6. PUBLIC COMMENTS**

**RECEIVE COMMENTS**

**NON AGENDA ITEMS**

Members of the public may address the Committee regarding any item within the subject matter jurisdiction of the Committee; however, no action may be taken on off-agenda items unless authorized. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Comments may be limited to 3 minutes in length.

**7. COMMITTEE MEMBER COMMENTS**

**RECEIVE COMMENTS**

**8. CONSENT CALENDAR**

**RECEIVE & FILE**

All items on the Consent Calendar will be approved by one motion, and there will be no discussion of individual items unless a Board Member requests a specific item be pulled from the calendar for separate discussion. The public may comment on any item.

- 8a) [Checks \\$1,000 and Over Report for September 2023](#) (PAGE 4-8)
- 8b) [Credit Card Statement for September 2023](#) (PAGE 9-17)
- 8c) [Monthly Budget Variance Report for September 2023](#) (PAGE 18-22)
- 8d) [Contracts Signed in Excess of \\$25,000 for October 2023](#) (PAGE 23-24)
- 8e) [Union & Non-Union Pension Investment Asset Summary for October 2023](#) (PAGE 25-36)
- 8f) [Ridership Report for October 2023](#) (PAGE 37-40)
- 8g) [SunDial Operational Notes for October 2023](#) (PAGE 41-43)
- 8h) [Metrics for October 2023](#) (PAGE 44-63)
- 8i) [Quarterly Performance Summary for Q3 of Calendar Year 2023](#) (PAGE 64-68)
- 8j) [Board Member Attendance for October 2023](#) (PAGE 69-70)

**9. FISCAL YEAR 2023 AUDIT REPORTS**

(Staff: Luis Garcia, Chief Financial Officer)

**RECEIVE & FILE**

(PAGE 71-168)

**10. RESOLUTION NO. 0804 TO SUBMIT APPLICATION FOR VOLKSWAGEN ENVIRONMENTAL MITIGATION TRUST FUND**

(Staff: Luis Garcia, Chief Financial Officer)

**APPROVE**

(PAGE 169-172)

**ITEM**

**RECOMMENDATION**

- |  |                                      |
|--|--------------------------------------|
| 11. <b>CALIFORNIA SENATE BILL 125 (SB 125) PROJECT LIST AND STATE TRANSIT ASSISTANCE FUNDING ALLOCATION</b><br>(Staff: Luis Garcia, Chief Financial Officer) | <b>APPROVE</b><br>(PAGE 173-177)     |
| 12. <b>LIQUID HYDROGEN STATION CHANGE ORDER/ CHANGE DIRECTIVE</b><br>(Staff: Walter Watcher, Procurement Officer)  | <b>APPROVE</b><br>(PAGE 178-179)     |
| 13. <b>FIXED ROUTE SERVICE STATUS REPORT</b><br>(Staff: Manuel Alcala, Planning Manager)   | <b>INFORMATION</b><br>(PAGE 180-192) |
| 14. <b>ADJOURN</b>   |                                      |

**SunLine Transit Agency**

**CONSENT CALENDAR**

DATE: December 6, 2023

**RECEIVE & FILE**

TO: Finance/Audit Committee  
Board of Directors

RE: Checks \$1,000 and Over Report September 2023

Summary:

The Checks \$1,000 and Over Report lists all of the checks processed at the Agency with a value of over \$1,000 for a given month.

Recommendation:

Receive and file.

**SunLine Transit Agency  
Checks \$1,000 and Over  
September 2023**

<b>Vendor Filed As Name</b>	<b>Description</b>	<b>Check #</b>	<b>Payment Date</b>	<b>Payment Amount</b>
PERMA - INSURANCE	Oct-Dec 2023 General Liab/Workers Comp/Liab Trust Premium	694017	09/20/2023	508,503.26
CALPERS	Group Health Premiums	694060	09/27/2023	358,088.15
ANEW RNG, LLC	Utilities	693972	09/20/2023	157,156.49
U.S. BANK INSTITUTIONAL TRUST-WESTERN	Pension Deposit	694033	09/20/2023	128,020.59
U.S. BANK INSTITUTIONAL TRUST-WESTERN	Pension Deposit	693882	09/06/2023	127,084.83
SO CAL GAS CO.	Utilities	693948	09/13/2023	60,764.40
IMPERIAL IRRIGATION DIST	Utilities	694005	09/20/2023	59,123.58
TRUGUARD SECURITY SERVICES, INC	Security Guard Services	693955	09/13/2023	41,713.75
IMPERIAL IRRIGATION DIST	Utilities	693920	09/13/2023	41,111.32
MUTUAL OF OMAHA INSURANCE COMPANY	Supplement Benefits LTD/STD/LIFE Ins Prem	694084	09/27/2023	35,953.29
BURKE, WILLIAMS & SORENSEN, LLP	Legal Service	694059	09/27/2023	31,139.99
MICHELIN NORTH AMERICA, INC.	Lease Tires Services	693926	09/13/2023	25,921.21
THE LEFLORE GROUP LLC	Projects Consultant	694099	09/27/2023	22,918.25
PDC MACHINES, INC	Inventory Repair Parts	694091	09/27/2023	17,098.78
TEC EQUIPMENT, INC.	Inventory Repair Parts	693952	09/13/2023	16,434.69
RUSH TRUCK CENTERS OF CALIFORNIA, INC.	Inventory Repair Parts	693945	09/13/2023	15,076.80
AVAIL TECHNOLOGIES	Inventory Repair Parts	694056	09/27/2023	14,544.09
VERIZON WIRELESS	Wireless Telephone Service	693957	09/13/2023	14,303.01
YELLOW CAB OF THE DESERT	SunRide Ride Share Expenses	694041	09/20/2023	13,744.63
ABSOLUTE SELF STORAGE	Storage Rental	694045	09/27/2023	12,276.00
COACHELLA VALLEY TAXI	SunRide Ride Share Expenses	694009	09/20/2023	12,177.36
YELLOW CAB OF THE DESERT	SunRide Ride Share Expenses	693961	09/13/2023	11,848.83
UNUM	Group Dental & Vision Premiums	694028	09/20/2023	11,573.37
NFI PARTS	Inventory Repair Parts	694046	09/27/2023	11,444.73
WSP USA INC.	TDM & Vanpool Program	693887	09/06/2023	10,134.75
DOVE PRINTING	Printing Expense	694082	09/27/2023	9,989.48
PRUDENTIAL OVERALL SUPPLY	Uniforms	693872	09/06/2023	9,730.58
HTEC HYDROGEN TECHNOLOGY & ENERGY	Consulting-General	693857	09/06/2023	9,675.00
DYNAMIC BUILDING MAINTENANCE INC	Janitorial Services	693990	09/20/2023	9,410.00
VANTAGE ID APPLICATIONS, INC.	WIP-TAM Zabra Scanner & Printer -Project Acct#1512	694110	09/27/2023	9,308.00
TOWNSEND PUBLIC AFFAIRS, INC	Consulting-General Aug	694031	09/20/2023	9,000.00
TOWNSEND PUBLIC AFFAIRS, INC	Consulting-General July	693954	09/13/2023	9,000.00
DESERT BUSINESS INTERIORS	WIP-Fixed Assets-Office Furn & Equip - Project Acct#2418-01	693987	09/20/2023	8,843.04
PALM SPRINGS MOTORS, INC.	Inventory Repair Parts	693938	09/13/2023	8,810.36
YELLOW CAB OF THE DESERT	SunRide Ride Share Expenses	694116	09/27/2023	8,354.11
4IMPRINT, INC.	Advertising	693889	09/13/2023	8,344.34
CREATIVE OFFICE INTERIORS	WIP-Fixed Assets-Office Furn & Equip - Project Acct#2418-02	693984	09/20/2023	8,167.08
US BANK VOYAGER FLEET SYSTEMS	Unleaded/Diesel Fuel	694035	09/20/2023	7,930.02
AMERICAN MOVING PARTS	Inventory Repair Parts	694054	09/27/2023	7,761.97

**SunLine Transit Agency  
Checks \$1,000 and Over  
September 2023**

<b>Vendor Filed As Name</b>	<b>Description</b>	<b>Check #</b>	<b>Payment Date</b>	<b>Payment Amount</b>
SPORTWORKS NORTHWEST, INC.	Inventory Repair Parts	693950	09/13/2023	6,862.85
COACHELLA VALLEY TAXI	SunRide Ride Share Expenses	693924	09/13/2023	6,808.20
COACHELLA VALLEY TAXI	SunRide Ride Share Expenses	694081	09/27/2023	6,763.20
BABAUTA, MONA	Reimbursement Expense	693962	09/18/2023	6,639.97
ENTECH ENGINEERING INC.	Storm Water Prevention Plan	693991	09/20/2023	6,250.00
CMD CORPORATION	Inventory Repair Parts	694062	09/27/2023	5,974.01
AMALGAMATED TRANSIT UNION	Union Dues	693969	09/20/2023	5,844.52
AMALGAMATED TRANSIT UNION	Union Dues	693838	09/06/2023	5,844.52
GENFARE, LLC	Contract Services-Maintenance	694072	09/27/2023	5,500.00
ANDREA CARTER & ASSOCIATES	Marketing & Communication Services	693971	09/20/2023	5,500.00
BALLARD POWER SYSTEMS	Inventory Repair Parts	693977	09/20/2023	5,490.96
IMPERIAL IRRIGATION DIST	Utilities	694075	09/27/2023	5,467.72
RIDECO US INC	SunRide Ride Share Expenses	694020	09/20/2023	5,410.95
ATKINSON, ANDELSON, LOYA RUUD AND ROMO	Legal Services	694055	09/27/2023	5,228.00
NAPA AUTO PARTS	Inventory Repair Parts	693928	09/13/2023	5,163.07
SAFETY-KLEEN CORPORATION	Contract Svc-Haz Waste Removal	694101	09/27/2023	5,130.04
FRANKLIN TRUCK PARTS, INC	Inventory Repair Parts	693915	09/13/2023	5,014.79
FORENSIC DRUG TESTING SERVICES	Alcohol & Drug Testing	693998	09/20/2023	4,719.25
OPW FUELING COMPONENTS	Inventory Repair Parts	694015	09/20/2023	4,597.32
ALLIED REFRIGERATION, INC	Freon & Coolant	694051	09/27/2023	4,382.24
OLD GREEN HOUSE LLC	Planning Consultant	693944	09/13/2023	4,200.00
TPX COMMUNICATIONS	Communication Service	694032	09/20/2023	4,150.40
NFI PARTS	Inventory Repair Parts	693965	09/20/2023	4,027.43
SC FUELS	Lubricants- Oil	693964	09/18/2023	3,908.34
SC FUELS	Lubricants- Oil	693876	09/06/2023	3,908.34
PLAZA TOWING, INC.	Towing Services	694094	09/27/2023	3,885.00
DESERT SUN PUBLISHING CO., THE	Advertising	693849	09/06/2023	3,749.99
PALM SPRINGS MOTORS, INC.	Inventory Repair Parts	694087	09/27/2023	3,606.17
PIEDMONT PLASTICS, INC.	Bus Stop Supplies	694092	09/27/2023	3,507.26
RUSH TRUCK CENTERS OF CALIFORNIA, INC.	Inventory Repair Parts	694100	09/27/2023	3,451.66
APPLE VALLEY COMMUNICATIONS, INC.	WIP-Boardroom Equipment Upgrade- Project Acct#2003-01	693973	09/20/2023	3,431.90
ODP BUSINESS SLOUTIONS LLC	Office Supplies	693932	09/13/2023	3,371.37
OPW FUELING COMPONENTS	Inventory Repair Parts	694085	09/27/2023	3,229.04
NFI PARTS	Inventory Repair Parts	693891	09/13/2023	3,221.47
HOME DEPOT CREDIT SERVICES	Facility Maintenance	694003	09/20/2023	3,205.29
CHARTER COMMUNICATIONS	Utilities	693949	09/13/2023	3,174.31
COACH GLASS	Inventory Repair Parts	693858	09/06/2023	3,158.50
CUMMINS SALES AND SERVICE	Inventory Repair Parts	693985	09/20/2023	2,976.58
NFI PARTS	Inventory Repair Parts	693834	09/06/2023	2,965.20

**SunLine Transit Agency  
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<b>Vendor Filed As Name</b>	<b>Description</b>	<b>Check #</b>	<b>Payment Date</b>	<b>Payment Amount</b>
BROADLUX, INC.	Contract Services-General	694058	09/27/2023	2,960.00
VALLEY SANITARY DISTRICT	Annual Sewer Service Permit	694109	09/27/2023	2,925.19
CALIFORNIA STATE DISBURSEMENT UNIT	Garnishment	693963	09/18/2023	2,918.45
CALIFORNIA STATE DISBURSEMENT UNIT	Garnishment	693845	09/06/2023	2,918.45
CALIFORNIA STATE DISBURSEMENT UNIT	Garnishment	693981	09/20/2023	2,851.47
JOSEPH LYNN FRIEND	Contracted Services	694080	09/27/2023	2,835.00
DESERT AIR CONDITIONING, INC.	Air Conditioning Expense	694065	09/27/2023	2,806.91
AMAZON CAPITAL SERVICES, INC	Facility Maintenance	693970	09/20/2023	2,769.03
CARQUEST AUTO PARTS STORES	Inventory Repair Parts	693902	09/13/2023	2,720.86
JESSE FRESCAS JR.	Consulting-General	694007	09/20/2023	2,720.00
BASIN VALVE COMPANY-SIGNAL HILL	Repair Parts-CNG	693842	09/06/2023	2,547.28
SMITTY'S AUTO PAINT OF HEMET	Shop Supplies	694025	09/20/2023	2,539.81
PRUDENTIAL OVERALL SUPPLY	Uniforms	694019	09/20/2023	2,421.53
VERONICA MANZO STUMPF	WIP-Consultant TAM Software Project Acct #1512-01	694111	09/27/2023	2,375.00
SC FUELS	Lubricants- Oil	694102	09/27/2023	2,356.49
AVAIL TECHNOLOGIES	Inventory Repair Parts	693897	09/13/2023	2,270.34
AMAZON CAPITAL SERVICES, INC	Facility Maintenance	694052	09/27/2023	2,187.06
VALLEY OFFICE EQUIPMENT, INC.	Copier Service	693956	09/13/2023	2,143.27
AMAZON CAPITAL SERVICES, INC	Facility Maintenance	693894	09/13/2023	2,142.87
ANDERSON COMMUNICATIONS	Radio Repeater Hill Top Rental	693975	09/20/2023	2,100.00
ALLTORC	Equipment Repairs-Shop Equipment	693967	09/20/2023	2,087.88
BURRTEC WASTE & RECYCLING SERVICES	Trash Service	693898	09/13/2023	2,074.05
MAKAI SOLUTIONS	Equipment Repairs-Shop Equipment	694011	09/20/2023	2,070.00
SC FUELS	Lubricants- Oil	693947	09/13/2023	2,051.56
ROMAINE ELECTRIC CORP.	Inventory Repair Parts	694098	09/27/2023	2,047.25
DOCUSIGN, INC.	Computer/Network Software Agreement	693989	09/20/2023	1,987.20
PARKHOUSE TIRE, INC.	Inventory Repair Parts	694090	09/27/2023	1,960.76
CMD CORPORATION	Inventory Repair Parts	693847	09/06/2023	1,941.19
JESSE FRESCAS JR.	Consulting-General	693923	09/13/2023	1,920.00
WILLIAM LOPER	Consulting-General	693886	09/06/2023	1,900.00
WILLIAM LOPER	Consulting-General	694038	09/20/2023	1,900.00
OMNITRACS, LLC	General Services	693935	09/13/2023	1,820.00
BURRTEC WASTE & RECYCLING SERVICES	Trash Service	693899	09/13/2023	1,811.09
YELLOW CAB OF THE DESERT	Taxi Voucher Program	693888	09/06/2023	1,799.00
VERONICA MANZO STUMPF	WIP-Consultant TAM Software Project Acct #1512-01	693958	09/13/2023	1,675.00
DEWEY PEST CONTROL	Contract Services-Maintenance	694043	09/25/2023	1,660.00
DEWEY PEST CONTROL	Contract Services-Maintenance	693850	09/06/2023	1,660.00
YELLOW CAB OF THE DESERT	Taxi Voucher Program	694040	09/20/2023	1,633.05
BATTERY SYSTEMS, INC.	Inventory Repair Parts	693978	09/20/2023	1,603.82

**SunLine Transit Agency  
Checks \$1,000 and Over  
September 2023**

<b>Vendor Filed As Name</b>	<b>Description</b>	<b>Check #</b>	<b>Payment Date</b>	<b>Payment Amount</b>
TOTAL CARE WORK INJURY CLINIC	Medical Exam & Testing	694039	09/20/2023	1,570.00
FRONTIER COMMUNICATIONS	Utilities- OPS Bldg	694000	09/20/2023	1,525.00
VANESSA MORA	Reimbursement Expense	694036	09/20/2023	1,481.40
MILE3 WEB DEVELOPMENT	Website Maintenance	693927	09/13/2023	1,470.00
MARC MARTINEZ	Reimbursement Expense	693863	09/06/2023	1,284.14
ANDREW HOGAN	Reimbursement Expense	693839	09/06/2023	1,238.16
SUN CHEMICAL	Cleaning Supplies-Vehicles	694096	09/27/2023	1,226.80
LEADERSHIP COACHELLA VALLEY	Travel Meetings/Seminars	693862	09/06/2023	1,200.00
ROBERT BACH	Consulting	693943	09/13/2023	1,180.68
CITY CAB	Taxi Voucher Program	693946	09/13/2023	1,170.27
HIRERIGHT, LLC	Background Service	693909	09/13/2023	1,095.41
QUADIENT FINANCE USA, INC.	Postage	693941	09/13/2023	1,066.20
ABSOLUTE SELF STORAGE	Storage Rental	693833	09/06/2023	1,023.00
DS AIR	Materials & Supplies	694061	09/27/2023	1,018.37
TEAMSTERS LOCAL 1932	Union Dues	693880	09/06/2023	1,000.14
RONNIE HUERTA	Reimbursement Expense	694023	09/20/2023	1,000.00
ROBERTO VALADEZ	Reimbursement Expense	694022	09/20/2023	1,000.00
CESAR ACEVEDO	Reimbursement Expense	693906	09/13/2023	1,000.00
MARIO LUNA	Reimbursement Expense	693925	09/13/2023	1,000.00
<b>Total Checks Over \$1,000</b>	\$2,171,860.42			
<b>Total Checks Under \$1,000</b>	\$33,114.56			
<b>Total Checks</b>	\$2,204,974.98			



**SunLine Transit Agency**

**CONSENT CALENDAR**

DATE: December 6, 2023

**RECEIVE & FILE**

TO: Finance/Audit Committee  
Board of Directors

RE: Credit Card Statement for September 2023

Summary:

The attached report summarizes the Agency's credit card expenses for September 2023. The report summarizes transactions for the credit card utilized for Procurement which aligns with the statement closing date of September 30, 2023.

Recommendation:

Receive and file.

**SunLine Transit Agency Visa Credit Card Statement**

**Closing Date: 9/30/2023**

**Name on Card: Walter Watcher (Procurement Card)**

	<b>Trans. Date</b>	<b>Post. Date</b>	<b>Name</b>	<b>Detail-Description</b>	<b>Credits</b>	<b>Charges</b>
1	09/01/23	9/4/2023	Sp Ram Mounts	RAM Key Locking Powered Dock		\$ 359.69
2	09/02/23	9/4/2023	Microsoft	Microsoft 365 Office - October Charge		\$ 176.00
3	09/08/23	9/11/2023	American Air	2023 APTA Transform Conference (Harman Singh) Flight Palm Springs to Orlando		\$ 269.20
4	09/08/23	9/11/2023	APTA Hotel Expo	APTA Expo for Lisa Middleton - Hotel Deposit		\$ 338.63
5	09/08/23	9/11/2023	Delta Air	2023 APTA Transform Conference (Harman Singh) Flight Palm Springs to Orlando		\$ 249.20
6	09/08/23	9/11/2023	Rosen Hotels Centre	Latinos in Transit Graduation for Ruby Galvan - Hotel Room		\$ 707.20
7	09/08/23	9/11/2023	APTA Hotel Expo	APTA Expo for Mona Babauta - Hotel Deposit		\$ 338.63
8	09/08/23	9/11/2023	APTA Hotel Expo	2023 APTA Transform Conference (Harman Singh) Hotel Room		\$ 1,354.52
9	09/08/23	9/11/2023	American Air	2023 APTA Transform Conference (Harman Singh) Airplane Seat Cost		\$ 52.57
10	09/08/23	9/11/2023	Dropbox	Dropbox License Renewals (8)		\$ 2,620.80
11	09/08/23	9/11/2023	APTA Hotel Expo	2023 APTA Transform Conference (Harman Singh) Hotel Deposit		\$ 338.63
12	09/08/23	9/13/2023	APTA Hotel Expo	APTA Expo - Lisa Middleton Conference Registration		\$ 1,100.00
13	09/08/23	9/13/2023	APTA Hotel Expo	2023 APTA Transform Conference Registration (Harman Singh, Ray Allen, Vanessa Mora, Tina Hamel, Isabel Vizcarra)		\$ 5,500.00
14	09/09/23	9/11/2023	Priceline/Delta Air	2023 APTA Transform Conference (Harman Singh) Airplane seat cost		\$ 33.97
15	09/11/23	9/12/2023	Dropbox	Dropbox License Renewal (1)		\$ 198.30
16	09/11/23	9/12/2023	Dropbox	Dropbox License Renewals Refund (2)	\$ (403.20)	\$ -

17	09/11/23	9/13/2023	Delta Air	2023 APTA Transform Conference (Isabel Vizcarra) Flight Palm Springs to Orlando		\$	249.20	
18	09/11/23	9/13/2023	Delta Air	2023 APTA Transform Conference (Vanessa Mora) Flight Palm Springs to Orlando		\$	249.20	
19	09/11/23	9/13/2023	Delta Air	2023 APTA Transform Conference (Ray Allen) Flight Palm Springs to Orlando		\$	249.20	
20	09/12/23	9/13/2023	Sunccry Air	2023 APTA Transform Conference (Isabel Vizcarra, Ray Allen, Vanessa Mora) Seat Charge		\$	77.00	
21	09/12/23	9/13/2023	Sunccry Air	2023 APTA Transform Conference (Isabel Vizcarra, Ray Allen, Vanessa Mora) Flight Orlando to Palm Springs		\$	678.60	
22	09/14/23	9/14/2023	Wild Apricot	SolVan Website & Data Management Currency Conversion Fee		\$	8.10	
23	09/14/23	9/14/2023	Wild Apricot	SolVan Website & Data Management		\$	810.00	
24	09/15/23	9/18/2023	GrassHopper	SolVan Toll Free Number & Web Traffic		\$	19.65	
25	09/18/23	9/19/2023	Compliancesigns	Assembly Area & No Parking Signs		\$	157.91	
26	09/20/23	9/21/2023	Perb Arb Full List	SMCS Arbitrator List Service Fee		\$	1.15	
27	09/20/23	9/21/2023	Perb Arb Full List	SMCS Arbitrator List		\$	50.00	
28	09/22/23	9/25/2023	Woobox	Student Art Contest Woobox Voting Subscription		\$	37.00	
29	09/22/23	9/25/2023	Venlo Rv	Trailer Hardware		\$	94.45	
30	09/25/23	9/26/2023	Priceline	Mona Babauta Hotel Reservation - Mobility 21 Summit	\$	(250.44)	\$ -	
31	09/28/23	9/29/2023	Smk	SolVan Web Forms - 1 Month Subscription		\$	19.00	
						\$	(653.64)	\$ 16,337.80



Reporting Period : 9/1/2023 - 9/29/2023

**Statement Summary**

<b>Name</b>	Walter Watcher	<b>Company</b>	Sunline Transit Agency
<b>Account #</b>	XXXX-XXXX-XXXX-████	<b>Currency</b>	US Dollar
<b>Reporting Period</b>	9/1/2023 - 9/29/2023		

Trans Date	Post Date	Merchant Name	Charge Codes	Approved	Personal	Receipt	Amount
1 9/1/2023	9/4/2023	Sp Ram Mounts Rammount.Com, WA					359.69
		Mounts for Micro Transit Vans	General Ledger Code: 5099900002 Fund: 00				
		Safety Department					
2 9/2/2023	9/4/2023	Msft * E0800ou1so Msbill.Info, WA					176.00
		Microsoft Teams - Office 365 - October Charge	General Ledger Code: 5030300011 Fund: 00				
		IT Department					
3 9/8/2023	9/11/2023	American Air Fort Worth, TX					269.20
		American Air - Palm Springs to Orlando - Harman Singh - APTA Conference	General Ledger Code: 5090200000 Fund: 00				
		Performance Department					
4 9/8/2023	9/11/2023	Apta Hotel* Apta Hotel Www.Expovisio, FL					338.63
		APTA Hotel Deposit - Lisa Middleton	General Ledger Code: 5039903800 Fund: 00				

Trans Date	Post Date	Merchant Name	Charge Codes	Approved	Personal	Receipt	Amount
5 9/8/2023	9/11/2023	Delta Air Norwalk, CT					249.20
Purchase Delta Air - Orlando to Palm Springs - Harman Singh - APTA Conference			General Ledger Code: 5090200000				
Performance Department			Fund: 00				
6 9/8/2023	9/11/2023	Rosen Hotels Centre Orlando, FL					707.20
Purchase Rosen Hotels - Ruby Galvan - APTA Conference							
Marketing Department			General Ledger Code: 5090200000 Fund: 00				
7 9/8/2023	9/11/2023	Apta Hotel* Apta Hotel Www.Expovisio, FL					338.63
APTA Hotel* - Hotel Deposit for APTA Conference - Mona Babauta			General Ledger Code: 5039903800				
Executive Department			Fund: 00				
8 9/8/2023	9/11/2023	Apta Hotel* Apta Hotel Www.Expovisio, FL					1,354.52
APTA Hotel reservation - Harman Singh - APTA Conference			General Ledger Code: 5039903800 Fund: 00				
Performance Department							
9 9/8/2023	9/11/2023	American Air Fort Worth, TX					52.57
Purchase American Air Seat Charge - Harman Singh - APTA Conference			General Ledger Code: 5090200000 Fund: 00				
Performance Department							
10 9/8/2023	9/11/2023	Dropbox*j4tq482b6bc9 Dropbox.Com, CA					2,620.80
Dropbox License Renewal			General Ledger Code: 5030300011 Fund: 00				
IT Department							

Trans Date	Post Date	Merchant Name	Charge Codes	Approved	Personal	Receipt	Amount
11 9/8/2023	9/11/2023	Apta Hotel* Apta Hotel Www.Expovisio, FL					338.63
APTA Hotel Deposit - Harman Signh - APTA Conference			General Ledger Code: 5039903800 Fund: 00				
Performance Department							
12 9/8/2023	9/13/2023	Apta 202-4964800, DC					1,100.00
Purchase APTA - Conference Registration - Lisa Middleton			General Ledger Code: 5090100000 Fund: 00				
Executive Department							
13 9/8/2023	9/13/2023	Apta 202-4964800, DC					5,500.00
Purchase APTA - Conference Attendee Registration for Harman Signh, Isabel Vizcarra, Vanessa Mora, Tina Hamel, and Ramon Allen			General Ledger Code: 5090100000 Fund: 00				
14 9/9/2023	9/11/2023	Priceln*delta Air Line 203-299-8000, CT					33.97
Purchase Priceln*delta Air Line - Seat Charge for Harman Signh - APTA Conference							
Performance Department			General Ledger Code: 5090200000 Fund: 00				
15 9/11/2023	9/12/2023	Dropbox*758ln6pcx2gd Dropbox.Com, CA					198.30
Dropbox License to add Vanessa Ordorica			General Ledger Code: 5030300011 Fund: 00				
Performance Department							
16 9/11/2023	9/12/2023	Dropbox*j4tq482b6bc9 Dropbox.Com, CA					-403.20
Credit Voucher Dropbox to remove inactive employees			General Ledger Code: 5030300011 Fund: 00				
Performance Department, and Marketing							

Trans Date	Post Date	Merchant Name	Charge Codes	Approved	Personal	Receipt	Amount
17 9/11/2023	9/13/2023	Delta Air Seattle, WA					249.20
Delta Air - Flight from Palm Springs to Orlando - Isabel Acosta - APTA Conference			General Ledger Code: 5090200000 Fund: 00				
Transportation Department							
18 9/11/2023	9/13/2023	Delta Air Seattle, WA					249.20
Delta Air - Flight from Palm Springs to Orlando - Vanessa Mora - APTA Conference			General Ledger Code: 5090200000 Fund: 00				
Safety Department							
19 9/11/2023	9/13/2023	Delta Air Seattle, WA					249.20
Delta Air - Flight from Palm Springs to Orlando - Ramon Allen - APTA Conference			General Ledger Code: 5090200000 Fund: 00				
Maintenance Department							
20 9/12/2023	9/13/2023	Suncryair Minneapolis, MN					77.00
Purchase Suncryair - Flight Seat Charge for Isabel Vizcarra, Ramon Allen, and Vanessa Mora - APTA Conference			General Ledger Code: 5090200000 Fund: 00				
21 9/12/2023	9/13/2023	Suncryair Minneapolis, MN					678.60
Purchase Suncryair - Flight Charge from Orlando to Palm Springs for Isabel Vizcarra, Vanessa Mora, and Ramon Allen			General Ledger Code: 5090200000 Fund: 00				
22 9/14/2023	9/14/2023						8.10
Other Debits Currency Conversion Fee - Wild Apricot - SolVan Website			Fund: 00				
Safety Department							

Trans Date	Post Date	Merchant Name	Charge Codes	Approved	Personal	Receipt	Amount
23 9/14/2023	9/14/2023	Wild Apricot 877-493-6090, ON					810.00
		Purchase Wild Apricot - SolVan Website	General Ledger Code: 5030300011 Fund: 00				
		Safety Department					
24 9/15/2023	9/18/2023	Grasshopper.Com Logmein.Com, MA					19.65
		Purchase Grasshopper.Com - Toll Free Number for SolVan	General Ledger Code: 5099900002 Fund: 00				
		Safety Department					
25 9/18/2023	9/19/2023	Compliancesigns.Com 800-5781245, FL					157.91
		Purchase Compliancesigns.Com - Parking Signs	General Ledger Code: 5099900002 Fund: 00				
		Safety Department					
26 9/20/2023	9/21/2023	Elavon Srv Fee Arbitratio 678-7315974, GA					1.15
		Purchase Elavon Srv Fee- SMCS Arbitrator List	General Ledger Code: 5099900002 Fund: 00				
		Compliance Department					
27 9/20/2023	9/21/2023	Perb Arb Full List 916-3272275, CA					50.00
		Purchase Perb Arb Full List - SMCS Arbitrator List	General Ledger Code: 5099900002 Fund: 00				
		Compliance Department					
28 9/22/2023	9/25/2023	Woobox 360-450-5200, WA					37.00
		Student Art Contest Woobox Voting Subscription	General Ledger Code: 5030300011 Fund: 00				
		Marketing Department					





**SunLine Transit Agency**  
**CONSENT CALENDAR**

DATE: December 6, 2023 **RECEIVE & FILE**

TO: Finance/Audit Committee  
Board of Directors

RE: Monthly Budget Variance Report for September 2023

Summary:

The budget variance report compares revenues and expenses to the respective line item budgets. The report identifies current monthly revenues and expenses as well as fiscal year to date (FYTD) values. The budgetary figures are represented as a straight line budget. Accordingly, the current monthly budget values are calculated by taking 1/12<sup>th</sup> of the annual budget. The FYTD budget values for the month of September 2023 are equal to 3/12<sup>ths</sup> of the yearly budget.

Year to Date Summary

- As of September 30, 2023, the Agency's FY revenues are \$145,012 or 24.09% above the FYTD budget.
- As of September 30, 2023, the Agency's FY expenditures are \$464,767 or 3.92% below the FYTD budget.

Monthly Spotlight

- The negative variance in operator and mechanic wages is primarily due to unexpected arbitration awards in the maintenance department.

Recommendation:

Receive and file.

SunLine Transit Agency  
Budget Variance Report  
September 2023

Description	FY24 Total Budget	Current Month			Fiscal Year to Date			
		Actual	Budget	Positive (Negative)	FYTD Actual	FY24 FYTD Budget	Positive (Negative)	Percentage Remaining
<b>Operating Revenues:</b>								
Passenger Revenue	1,550,964	135,036	129,247	5,789	383,469	387,741	(4,272)	75.3%
Other Revenue	857,170	119,406	71,431	47,975	363,577	214,293	149,284	57.6%
<b>Total Operating Revenue</b>	<b>2,408,134</b>	<b>254,441</b>	<b>200,678</b>	<b>53,764</b>	<b>747,045</b>	<b>602,034</b>	<b>145,012</b>	<b>69.0%</b>
<b>Operating Expenses:</b>								
Operator & Mechanic Salaries & Wages	9,642,603	788,528	803,550	15,022	2,711,077	2,410,651	(300,426)	71.9%
Operator & Mechanic Overtime	1,226,000	119,668	102,167	(17,501)	468,266	306,500	(161,766)	61.8%
Administration Salaries & Wages	7,325,230	516,321	610,436	94,115	1,788,326	1,831,308	42,981	75.6%
Administration Overtime	109,250	15,922	9,104	(6,817)	55,468	27,313	(28,155)	49.2%
Fringe Benefits	11,591,219	893,108	965,935	72,827	2,602,963	2,897,805	294,842	77.5%
Communications	230,400	22,561	19,200	(3,361)	67,728	57,600	(10,128)	70.6%
Legal Services	400,000	53,095	33,333	(19,762)	146,234	100,000	(46,234)	63.4%
Computer/Network Software Agreement	861,455	44,112	71,788	27,676	158,118	215,364	57,246	81.6%
Uniforms	129,360	6,299	10,780	4,481	20,205	32,340	12,135	84.4%
Contracted Services	855,022	65,512	71,252	5,740	185,204	213,756	28,551	78.3%
Equipment Repairs	14,000	6,433	1,167	(5,266)	8,777	3,500	(5,277)	37.3%
Security Services	295,000	43,446	24,583	(18,862)	125,012	73,750	(51,262)	57.6%
Fuel - CNG	2,530,920	162,568	210,910	48,342	533,576	632,730	99,154	78.9%
Fuel - Hydrogen	1,418,612	54,158	118,218	64,060	238,260	354,653	116,393	83.2%
Tires	259,155	16,415	21,596	5,181	52,951	64,789	11,838	79.6%
Office Supplies	72,285	5,420	6,024	604	15,619	18,071	2,452	78.4%
Travel/Training	163,720	9,997	13,643	3,646	13,752	40,930	27,178	91.6%
Repair Parts	1,809,339	145,240	150,778	5,538	435,154	452,335	17,181	75.9%
Facility Maintenance	51,450	7,762	4,288	(3,475)	15,619	12,863	(2,756)	69.6%
Electricity - CNG & Hydrogen	1,530,000	65,663	127,500	61,837	269,206	382,500	113,294	82.4%
Natural Gas	2,610,000	155,511	217,500	61,989	520,856	652,500	131,644	80.0%
Water and Gas	19,001	834	1,583	750	2,733	4,750	2,018	85.6%
Insurance Losses	1,079,253	46,881	89,938	43,057	166,817	269,813	102,996	84.5%
Insurance Premium - Property	125,000	16,047	10,417	(5,630)	48,140	31,250	(16,890)	61.5%
Repair Claims	85,000	702	7,083	6,382	927	21,250	20,323	98.9%
Fuel Taxes	114,400	8,628	9,533	905	31,842	28,600	(3,242)	72.2%
Other Expenses	6,911,896	485,759	575,991	90,233	1,491,084	1,727,974	236,890	78.4%
Self Consumed Fuel	(3,992,196)	(216,726)	(332,683)	(115,957)	(771,835)	(998,049)	(226,214)	80.7%
<b>Total Operating Expenses (Before Depreciation)</b>	<b>47,467,374</b>	<b>3,539,862</b>	<b>3,955,615</b>	<b>415,752</b>	<b>11,402,076</b>	<b>11,866,844</b>	<b>464,767</b>	<b>76.0%</b>
<b>Operating Expenses in Excess of Operating Revenue</b>		<b>\$ (3,285,421)</b>			<b>\$ (10,655,031)</b>			
<b>Subsidies:</b>								
Local - Measure A, Commuter 10, Haul Pass	8,456,000	616,555	704,667	88,111	1,999,566	2,114,000	114,434	76.4%
State - LTF, LCTOP	26,808,875	1,954,725	2,234,073	279,348	6,339,419	6,702,219	362,800	76.4%
Federal	9,794,365	714,140	816,197	102,057	2,316,046	2,448,591	132,545	76.4%
<b>Total Subsidies</b>	<b>45,059,240</b>	<b>3,285,421</b>	<b>3,754,937</b>	<b>469,516</b>	<b>10,655,031</b>	<b>11,264,810</b>	<b>609,779</b>	<b>76.4%</b>
<b>Net Operating Gain (Loss) After Subsidies</b>	<b>\$ -</b>	<b>\$ -</b>			<b>\$ -</b>			

SunLine Transit Agency  
Budget Variance Report  
September 2023

Description	FY24 Total Budget	Current Month			Fiscal Year to Date			
		Actual	Budget	Positive (Negative)	FYTD Actual	FY24 FYTD Budget	Positive (Negative)	Percentage Remaining
<b>Operating Expenses:</b>								
Wages & Benefits	29,894,302	2,333,547	2,491,192	157,645	7,626,099	7,473,576	(152,524)	74.5%
Services	5,598,654	440,108	466,555	26,446	1,227,937	1,399,664	171,727	78.1%
Fuels & Lubricants	4,115,207	246,465	342,934	96,469	839,222	1,028,802	189,579	79.6%
Tires	259,155	16,415	21,596	5,181	52,951	64,789	11,838	79.6%
Materials and Supplies	2,313,768	196,016	192,814	(3,202)	555,372	578,442	23,070	76.0%
Utilities	4,504,781	253,253	375,398	122,145	891,335	1,126,195	234,861	80.2%
Casualty & Liability	3,309,926	215,609	275,827	60,218	817,526	827,482	9,955	75.3%
Taxes and Fees	114,400	8,628	9,533	905	31,842	28,600	(3,242)	72.2%
Miscellaneous Expenses	1,349,377	46,546	112,448	65,902	131,629	337,344	205,716	90.2%
Self Consumed Fuel	(3,992,196)	(216,726)	(332,683)	(115,957)	(771,835)	(998,049)	(226,214)	80.7%
<b>Total Operating Expenses (Before Depreciation)</b>	<b>47,467,374</b>	<b>3,539,862</b>	<b>3,955,615</b>	<b>415,752</b>	<b>11,402,076</b>	<b>11,866,844</b>	<b>464,767</b>	<b>76.0%</b>
<b>Revenues:</b>								
Passenger Revenue	1,550,964	135,036	129,247	5,789	383,469	387,741	(4,272)	75.3%
Other Revenue	857,170	119,406	71,431	47,975	363,577	214,293	149,284	57.6%
<b>Total Operating Revenue</b>	<b>2,408,134</b>	<b>254,441</b>	<b>200,678</b>	<b>53,764</b>	<b>747,045</b>	<b>602,034</b>	<b>145,012</b>	<b>69.0%</b>
<b>Net Operating Gain (Loss)</b>		<b>\$ (3,285,421)</b>			<b>\$ (10,655,031)</b>			
<b>Subsidies:</b>								
Local - Measure A, Commuter 10, Haul Pass	8,456,000	616,555	704,667	88,111	1,999,566	2,114,000	114,434	76.4%
State - LTF, LCTOP	26,808,875	1,954,725	2,234,073	279,348	6,339,419	6,702,219	362,800	76.4%
Federal - CMAQ,5307,5309,5310,5311,5311(f),5312	9,794,365	714,140	816,197	102,057	2,316,046	2,448,591	132,545	76.4%
<b>Total Subsidies</b>	<b>45,059,240</b>	<b>3,285,421</b>	<b>3,754,937</b>	<b>469,516</b>	<b>10,655,031</b>	<b>11,264,810</b>	<b>609,779</b>	<b>76.4%</b>
<b>Net Operating Gain (Loss) After Subsidies</b>	<b>\$ -</b>	<b>\$ -</b>			<b>\$ -</b>			

**Budget Variance Analysis - SunLine Transit Agency**

**Passenger Revenue**

- The unfavorable variance in passenger revenue is due to lower ridership in the summer months.
- As of September, ridership was at 1.1% below FY23 FYTD totals.
- Total system ridership was 7,161 trips below FY23 FYTD amounts.

**Ridership**

	FY23-Sept.	FY24-Sept.	Variance	%Δ
Fixed Route	215,388	205,433	(9,955)	-4.6%
Paratransit	8,934	9,858	924	10.3%
SolVan	1,676	1,932	256	15.3%
SunRide	656	1,682	1,026	156.4%
System Total	226,654	218,905	(7,749)	-3.4%

**Ridership**

	FYTD-FY23	FYTD-FY24	Variance	%Δ
Fixed Route	595,445	580,884	(14,561)	-2.4%
Paratransit	26,124	29,677	3,553	13.6%
SolVan	4,926	5,863	937	19.0%
SunRide	1,471	4,381	2,910	197.8%
System Total	627,966	620,805	(7,161)	-1.1%

**Other Revenue**

- The positive variance in other revenue is primarily due to outside fuel sales of CNG.

**Operator & Mechanic Salaries & Wages**

- The unfavorable variance in wages is primarily due to unexpected arbitration awards.

**Operator & Mechanic Overtime**

- The unfavorable variance is primarily attributed to overtime due to the vehicle maintenance as needed.

**Administration Salaries & Wages**

- The favorable variance in administrative salaries and wages is primarily attributed to vacancies.

**Administration Overtime**

- The unfavorable variance is primarily attributed to overtime in the Operations and Maintenance departments.

**Fringe Benefits**

- Savings in fringe benefit expenditures are associated with vacancies across the Agency and budgeted cost increases scheduled to take effect in January 2024.

**Communications**

- Communication expenses are within an acceptable range of the budget.

**Legal Services**

- Legal services have had higher expenses due to legal representation for labor issues.

**Computer/Network Software Agreement**

- Software agreement expenditures are dependent on annual renewals of software agreements.

**Uniforms**

- Savings in uniform expenditures are related to fewer employees utilizing the entire uniform allowance.

**Contracted Services**

- Savings in contract services costs are primarily attributed to marketing and towing services.

**Equipment Repairs**

- The unfavorable balance in equipment repair costs are primarily associated with unexpected repairs conducted in September.

**Security Services**

- Security service are unfavorable primarily due to costs associated with increased service hours.

**Fuel - CNG**

- The positive variance is primarily attributed to lower usage of CNG fixed route vehicles over budgeted estimates for FY24.

**Fuel - Hydrogen**

- The savings in the fuel - hydrogen is primarily attributed to lower usage of hydrogen fixed route vehicles as the agency is not utilizing the fleet due to fueling issues.

**Tires**

- Tire expenses are less than anticipated due to fewer miles driven in FY24.

**Office Supplies**

- Office supply expenses are within an acceptable range of the budget.

**Travel/Training**

- The favorable variance for travel & training savings can be attributed to different times at which training sessions are attended.

**Repair Parts**

- The favorable variance is due to fewer YTD costs associated with fixed route vehicles.

**Facility Maintenance**

- Facility maintenance expenses are within an acceptable range of the budget.

**Electricity - CNG & Hydrogen**

- Electricity - CNG & Hydrogen expenses are less than anticipated due to fewer miles driven in FY24.

**Natural Gas**

- The positive variance is primarily attributed to lower usage of CNG fixed route vehicles over budgeted estimates for FY24.

**Water and Gas**

- Water and gas expenses are within an acceptable range of the budget.

**Insurance Losses**

- The positive variance is primarily due fewer YTD losses than anticipated.

**Insurance Premium - Property**

- Insurance premiums for property increased exceeding budgeted amount.

**Repair Claims**

- Repair claim expenses are favorable due to fewer than anticipated repairs conducted in the months of July & August.

**Fuel Taxes**

- Fuel tax expenses increased for August 2023 due to outside fuel sales.

**Other Expenses**

- The favorable variance is primarily due to YTD savings in contracted services.

**Self-Consumed Fuel**

- The variance is primarily due to less than anticipated fuel utilized by the Agency.

**SunLine Transit Agency**  
**CONSENT CALENDAR**

DATE: December 6, 2023 **RECEIVE & FILE**

TO: Finance/Audit Committee  
Board of Directors

RE: Contracts Signed between \$25,000 and \$250,000 for October 2023

Summary:

In accordance with Chapter 2, Section 1.2 of the Procurement Policy, the attached report summarizes SunLine's contracts, purchase orders and amendments signed in excess of \$25,000 and less than \$250,000. This ensures the Board is aware of the obligations entered into under the CEO/General Manager's authority.

There were three (3) Agreements executed in October 2023 between \$25,000 and \$250,000:

<b>Vendor</b>	<b>Purpose</b>	<b>Amount</b>
Remix Technology	Transit Planning Software	\$115,500.00
Packet Fusion	3 Year ShoreTel Phone Support	\$33,225.27
SC Commercial	Bulk Lubricant	\$33,941.25

Recommendation:

Receive and file.

**Contracts Signed Between \$25,000 and \$250,000**

October 2023

<b>Vendor</b>	<b>Product/Service</b>	<b>Need</b>	<b>Budgeted</b>	<b>Budgeted Amount</b>	<b>Cost</b>	<b>Type</b>
Remix Technology	Software	Transit Planning	FY23 FY24 FY25	\$115,500.00	\$115,500.00	Agreement
Packet Fusion	Phones	ShoreTel Support	FY24 FY25 FY26	\$33,225.27	\$33,225.27	Agreement
SC Commercial	Bulk Lubricant	Vehicle Maintenance	FY24	\$33,941.25	\$33,941.25	Agreement



**SunLine Transit Agency**  
**CONSENT CALENDAR**

DATE: December 6, 2023 **RECEIVE & FILE**

TO: Finance/Audit Committee  
Board of Directors

RE: Union & Non-Union Pension Investment Asset Summary for September 2023

Summary:

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

Asset Class		Target	Range
<b>Growth Assets</b>			
	Domestic Equity	36.0%	16% – 56%
	International Equity	19.0%	0% - 39%
	Other		0% – 20%
<b>Income Assets</b>			
	Fixed Income	45.0%	25% - 65%
	Other	0.0%	0% – 20%
<b>Real Return Assets</b>		0.0%	0% – 20%
<b>Cash Equivalents</b>		0.0%	0% – 20%

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

## Union

Asset Class		Actual	Range
<b>Growth Assets</b>			
	Domestic Equity	35.0%	16% – 56%
	International Equity	17.3%	0% - 39%
	Other	3.9%	0% – 20%
<b>Income Assets</b>			
	Fixed Income	37.2%	25% - 65%
	Other	5.6%	0% – 20%
<b>Real Return Assets</b>		0.0%	0% – 20%

<b>Cash Equivalents</b>	1.1%	0% – 20%
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## Non-Union

Asset Class		Actual	Range
<b>Growth Assets</b>			
	Domestic Equity	34.9%	16% – 56%
	International Equity	17.2%	0% - 39%
	Other	3.9%	0% – 20%
<b>Income Assets</b>			
	Fixed Income	37.3%	25% - 65%
	Other	5.6%	0% – 20%
<b>Real Return Assets</b>		0.0%	0% – 20%
<b>Cash Equivalents</b>		1.2%	0% – 20%

*Components may not sum to 100.0% due to rounding.*

For the month of September, the market value of assets decreased by \$1,116,505 and \$1,111,340 for the union and non-union plans, respectively.

## Month to Month Asset Comparison

Month	Market Value - Union	Market Value – Non-Union
August 2023	\$37,804,880	\$37,732,583
September 2023	\$36,688,375	\$36,621,243
Increase (Decrease)	(\$1,116,505)	(\$1,111,340)

Recommendation:

Receive and file.



Detail of Securities Held & Market Analytics

For the Month Ending September 30, 2023

SUNLINE EMPLOYEES RETIREMENT BARGAINING - [REDACTED]

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Ticker	Shares	Average Cost/Share	Original Cost	Market Price	Market Value	Unreal G/L on Cost	Percentage
<b>Exchange-Traded Fund - Bond</b>									
ISHARES CORE U.S. AGGREGATE	464287226	AGG	17,918.00	98.65	1,767,610.70	94.04	1,685,008.72	(82,601.98)	4.59
ISHARES CORE U.S. AGGREGATE	464287226	AGG	3,307.00	96.41	318,827.87	94.04	310,990.28	(7,837.59)	0.85
ISHARES CORE U.S. AGGREGATE	464287226	AGG	3,322.00	99.13	329,309.86	94.04	312,400.88	(16,908.98)	0.85
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	1,776.00	57.68	102,441.46	48.65	86,402.40	(16,039.06)	0.24
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	2,389.00	60.31	144,080.59	48.65	116,224.85	(27,855.74)	0.32
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	633.00	56.99	36,074.67	48.65	30,795.45	(5,279.22)	0.08
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	965.00	61.01	58,874.65	48.65	46,947.25	(11,927.40)	0.13
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	7,097.00	50.33	357,192.01	48.65	345,269.05	(11,922.96)	0.94
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	1,146.00	61.13	70,054.98	48.65	55,752.90	(14,302.08)	0.15
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	631.00	56.69	35,771.39	48.65	30,698.15	(5,073.24)	0.08
<b>Security Type Sub-Total</b>			<b>39,184.00</b>		<b>3,220,238.18</b>	<b>622.67</b>	<b>3,020,489.93</b>	<b>(199,748.25)</b>	<b>8.23</b>
<b>Exchange-Traded Fund - Equity</b>									
ISHARES MSCI EMERGING MKTS EX CHINA ETF	46434G764	EMXC	3,139.00	52.15	163,698.85	49.83	156,416.37	(7,282.48)	0.43
ISHARES MSCI EMERGING MKTS EX CHINA ETF	46434G764	EMXC	3,140.00	52.57	165,069.49	49.83	156,466.20	(8,603.29)	0.43
VANGUARD FTSE ALL-WLD EX-US SMCP ETF	922042718	VSS	1,464.00	112.48	164,670.72	106.20	155,476.80	(9,193.92)	0.42
VANGUARD FTSE ALL-WLD EX-US SMCP ETF	922042718	VSS	1,464.00	111.96	163,909.44	106.20	155,476.80	(8,432.64)	0.42
VANGUARD FTSE DEVELOPED MARKETS ETF	921943858	VEA	6,816.00	38.86	264,869.76	43.72	297,995.52	33,125.76	0.81
VANGUARD FTSE DEVELOPED MARKETS ETF	921943858	VEA	2,614.00	37.17	97,162.38	43.72	114,284.08	17,121.70	0.31
VANGUARD FTSE DEVELOPED MARKETS ETF	921943858	VEA	2,629.00	39.68	104,318.72	43.72	114,939.88	10,621.16	0.30
VANGUARD FTSE DEVELOPED MARKETS ETF	921943858	VEA	2,193.00	42.18	92,500.74	43.72	95,877.96	3,377.22	0.26
VANGUARD TOTAL INTL STOCK	921909768	VXUS	2,875.00	51.82	148,982.21	53.52	153,870.00	4,887.79	0.42
VANGUARD TOTAL INTL STOCK	921909768	VXUS	1,932.00	53.54	103,439.28	53.52	103,400.64	(38.64)	0.28
VANGUARD TOTAL INTL STOCK	921909768	VXUS	18,820.00	47.87	900,909.64	53.52	1,007,246.40	106,336.76	2.75
VANGUARD TOTAL INTL STOCK	921909768	VXUS	8,244.00	52.51	432,892.44	53.52	441,218.88	8,326.44	1.20
VANGUARD TOTAL INTL STOCK	921909768	VXUS	17,752.00	52.12	925,234.24	53.52	950,087.04	24,852.80	2.59
VANGUARD TOTAL INTL STOCK	921909768	VXUS	593.00	56.01	33,213.93	53.52	31,737.36	(1,476.57)	0.09
VANGUARD TOTAL INTL STOCK	921909768	VXUS	6,979.00	65.37	456,217.23	53.52	373,516.08	(82,701.15)	1.02

**Detail of Securities Held & Market Analytics**

For the Month Ending **September 30, 2023**

**SUNLINE EMPLOYEES RETIREMENT BARGAINING - [REDACTED]**

<b>Security Type/Description</b>	<b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Ticker</b>	<b>Shares</b>	<b>Average Cost/Share</b>	<b>Original Cost</b>	<b>Market Price</b>	<b>Market Value</b>	<b>Unreal G/L on Cost</b>	<b>Percentage</b>
<b>Exchange-Traded Fund - Equity</b>										
VANGUARD TOTAL INTL STOCK		921909768	VXUS	553.00	64.35	35,585.55	53.52	29,596.56	(5,988.99)	0.08
VANGUARD TOTAL INTL STOCK		921909768	VXUS	2,586.00	56.20	145,333.20	53.52	138,402.72	(6,930.48)	0.38
VANGUARD TOTAL INTL STOCK		921909768	VXUS	1,834.00	54.46	99,879.64	53.52	98,155.68	(1,723.96)	0.27
VANGUARD TOTAL INTL STOCK		921909768	VXUS	2,586.00	56.53	146,186.58	53.52	138,402.72	(7,783.86)	0.38
VANGUARD TOTAL STOCK MKT ETF		922908769	VTI	4,809.00	195.76	941,409.84	212.41	1,021,479.69	80,069.85	2.78
VANGUARD TOTAL STOCK MKT ETF		922908769	VTI	625.00	199.58	124,737.50	212.41	132,756.25	8,018.75	0.36
VANGUARD TOTAL STOCK MKT ETF		922908769	VTI	20,572.00	204.04	4,197,510.88	212.41	4,369,698.52	172,187.64	11.91
VANGUARD TOTAL STOCK MKT ETF		922908769	VTI	624.00	198.24	123,701.76	212.41	132,543.84	8,842.08	0.36
VANGUARD TOTAL STOCK MKT ETF		922908769	VTI	276.00	216.58	59,776.08	212.41	58,625.16	(1,150.92)	0.16
VANGUARD TOTAL STOCK MKT ETF		922908769	VTI	433.00	233.92	101,287.36	212.41	91,973.53	(9,313.83)	0.25
VANGUARD TOTAL STOCK MKT ETF		922908769	VTI	1,546.00	226.21	349,720.35	212.41	328,385.86	(21,334.49)	0.90
VANGUARD TOTAL STOCK MKT ETF		922908769	VTI	2,772.00	225.33	624,614.76	212.41	588,800.52	(35,814.24)	1.60
VANGUARD TOTAL STOCK MKT ETF		922908769	VTI	764.00	191.49	146,298.36	212.41	162,281.24	15,982.88	0.44
VANGUARD TOTAL STOCK MKT ETF		922908769	VTI	24,992.00	169.04	4,224,647.68	212.41	5,308,550.72	1,083,903.04	14.47
<b>Security Type Sub-Total</b>				<b>145,626.00</b>		<b>15,537,778.61</b>	<b>3,199.76</b>	<b>16,907,663.02</b>	<b>1,369,884.41</b>	<b>46.07</b>
<b>Money Market Mutual Fund</b>										
FIRST AMERICAN GOVERNMENT OBLIGATION - Z		31846V567	FGZXX	385,485.68	1.00	385,485.68	1.00	385,485.68	0.00	1.05
<b>Security Type Sub-Total</b>				<b>385,485.68</b>		<b>385,485.68</b>	<b>1.00</b>	<b>385,485.68</b>	<b>0.00</b>	<b>1.05</b>
<b>Mutual Fund - Bond</b>										
ARISTOTLE FUNDS FLOATING RATE INC I		04045F592	PLFRX	1.59	9.33	14.83	9.46	15.04	0.21	0.00
BAIRD CORE PLUS BOND - INST		057071870	BCOIX	388,021.39	11.12	4,316,588.94	9.60	3,725,005.30	(591,583.64)	10.15
BBH LIMITED DURATION I		05528X851	BBBIX	11.71	10.11	118.33	10.11	118.34	0.01	0.00
DOUBLELINE CORE FIXED INCOME I		258620301	DBLFX	184,947.82	10.53	1,948,208.85	8.87	1,640,487.13	(307,721.72)	4.47
MAINSTAY MACKAY HIGH YIELD CORP BD R6		56063N881	MHYSX	125,362.15	5.19	650,522.70	4.95	620,542.62	(29,980.08)	1.69
PRUDENTIAL TOTAL RETRN BND-Q		74440B884	PTRQX	264,236.04	13.95	3,685,704.10	11.40	3,012,290.87	(673,413.23)	8.21
VOYA INTERMEDIATE BOND R6		92913L569	IIBZX	198,127.34	10.11	2,002,117.95	8.30	1,644,456.96	(357,660.99)	4.48

**Detail of Securities Held & Market Analytics**

For the Month Ending **September 30, 2023**

<b>SUNLINE EMPLOYEES RETIREMENT BARGAINING - [REDACTED]</b>										
<b>Security Type/Description</b>	<b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Ticker</b>	<b>Shares</b>	<b>Average Cost/Share</b>	<b>Original Cost</b>	<b>Market Price</b>	<b>Market Value</b>	<b>Unreal G/L on Cost</b>	<b>Percentage</b>
<b>Security Type Sub-Total</b>				<b>1,160,708.03</b>		<b>12,603,275.70</b>	<b>62.69</b>	<b>10,642,916.26</b>	<b>(1,960,359.44)</b>	<b>29.00</b>
<b>Mutual Fund - Equity</b>										
GOLDMAN SACHS GQG PTNRS INTL OPPS INSTL		38147N293	GSIMX	25,956.28	18.30	475,000.00	18.03	467,991.80	(7,008.20)	1.28
HARDING LOEVNER INTERNATIONAL EQUITY POR		412295107	HLMIX	17,683.99	29.08	514,188.03	24.03	424,946.24	(89,241.79)	1.16
HRTFRD SCHR EM MRKT EQ-SDR		41665H789	SEMTX	19,895.92	15.19	302,219.10	14.67	291,873.21	(10,345.89)	0.80
JENSEN QUALITY GROWTH-Y		476313408	JENYX	11,085.13	54.14	600,182.14	57.80	640,720.38	40,538.24	1.75
JOHCM INTERNATIONAL SELECT I		46653M849	JOHIX	20,670.82	26.14	540,286.40	21.37	441,735.43	(98,550.97)	1.20
MFS EMERGING MARKETS DEBT R6		552746364	MEDHX	0.01	11.25	0.09	11.13	0.09	0.00	0.00
VANGUARD TOT INST ST IDX - ADM		921909818	VTIAX	0.00	33.33	0.03	28.74	0.03	0.00	0.00
<b>Security Type Sub-Total</b>				<b>95,292.15</b>		<b>2,431,875.79</b>	<b>175.77</b>	<b>2,267,267.18</b>	<b>(164,608.61)</b>	<b>6.19</b>
<b>Separate Account</b>										
ATEL PRIVATE DEBT PARTNERS II		ATEL00019	SA406	24,500.00	1.00	24,500.00	103.38	25,327.94	827.94	0.07
ATEL PRIVATE DEBT PARTNERS II		ATEL00019	SA406	10,286.93	1.00	10,286.93	103.38	10,634.56	347.63	0.03
ATEL PRIVATE DEBT PARTNERS II		ATEL00019	SA406	45,325.00	1.00	45,325.00	103.38	46,856.69	1,531.69	0.13
ATEL PRIVATE DEBT PARTNERS II		ATEL00019	SA406	21,070.00	1.00	21,070.00	103.38	21,782.02	712.02	0.06
ATEL PRIVATE DEBT PARTNERS II		ATEL00019	SA406	49,000.00	1.00	49,000.00	103.38	50,655.87	1,655.87	0.14
ATEL PRIVATE DEBT PARTNERS II		ATEL00019	SA406	45,325.00	1.00	45,325.00	103.38	46,856.68	1,531.68	0.13
ATEL PRIVATE DEBT PARTNERS II		ATEL00019	SA406	22,050.00	1.00	22,050.00	103.38	22,795.14	745.14	0.06
ATEL PRIVATE DEBT PARTNERS II		ATEL00019	SA406	49,980.00	1.00	49,980.00	103.38	51,668.99	1,688.99	0.14
ATEL PRIVATE DEBT PARTNERS II		ATEL00019	SA406	49,000.00	1.00	49,000.00	103.38	50,655.87	1,655.87	0.14
ATEL PRIVATE DEBT PARTNERS II		ATEL00019	SA406	45,325.00	1.00	45,325.00	103.38	46,856.68	1,531.68	0.13
ATEL PRIVATE DEBT PARTNERS II		ATEL00019	SA406	45,325.00	1.00	45,325.00	103.38	46,856.68	1,531.68	0.13
GOLUB CAPITAL PARTNERS INT'L XIV		GOLUB0090	SA467	180,000.00	1.00	180,000.00	102.92	185,248.71	5,248.71	0.50
GOLUB CAPITAL PARTNERS INT'L XIV		GOLUB0090	SA467	1,394,100.00	1.00	1,394,100.00	102.92	1,434,751.29	40,651.29	3.91
NB SECONDARY OPPORTUNITIES V OFFSHORE		NBSOFV007	SA425	191,676.07	1.00	191,676.07	133.33	255,556.88	63,880.81	0.70
NB SECONDARY OPPORTUNITIES V OFFSHORE		NBSOFV007	SA425	55,556.72	1.00	55,556.72	133.33	74,072.38	18,515.66	0.20

**Detail of Securities Held & Market Analytics**

For the Month Ending **September 30, 2023**

SUNLINE EMPLOYEES RETIREMENT BARGAINING - [REDACTED]										
Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Ticker	Shares	Average Cost/Share	Original Cost	Market Price	Market Value	Unreal G/L on Cost	Percentage	
<b>Separate Account</b>										
NB SECONDARY OPPORTUNITIES V OFFSHORE	NBSOFV007	SA425	309,750.00	1.00	309,750.00	133.33	412,981.88	103,231.88	1.13	
NB SECONDARY OPPORTUNITIES V OFFSHORE	NBSOFV007	SA425	130,837.59	1.00	130,837.59	133.33	174,442.47	43,604.88	0.48	
NB SECONDARY OPPORTUNITIES V OFFSHORE	NBSOFV007	SA425	127,930.57	1.00	127,930.57	133.33	170,566.61	42,636.04	0.46	
NB SECONDARY OPPORTUNITIES V OFFSHORE	NBSOFV007	SA425	252,000.00	1.00	252,000.00	133.33	335,985.25	83,985.25	0.92	
<b>Security Type Sub-Total</b>			<b>3,049,037.88</b>		<b>3,049,037.88</b>	<b>2,142.97</b>	<b>3,464,552.59</b>	<b>415,514.71</b>	<b>9.46</b>	
<b>Managed Account Sub-Total</b>			<b>4,875,333.74</b>		<b>37,227,691.84</b>	<b>6,204.86</b>	<b>36,688,374.66</b>	<b>(539,317.18)</b>	<b>100.00</b>	
<b>Securities Sub-Total</b>			<b>\$4,875,333.74</b>		<b>\$37,227,691.84</b>	<b>\$6,204.86</b>	<b>\$36,688,374.66</b>	<b>(\$539,317.18)</b>	<b>100.00%</b>	
<b>Accrued Interest</b>							<b>\$0.00</b>			
<b>Total Investments</b>							<b>\$36,688,374.66</b>			





Detail of Securities Held & Market Analytics

For the Month Ending September 30, 2023

SUNLINE EMPLOYEES RETIREMENT NON-BARGAIN - [REDACTED]

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Ticker	Shares	Average Cost/Share	Original Cost	Market Price	Market Value	Unreal G/L on Cost	Percentage
<b>Exchange-Traded Fund - Bond</b>									
ISHARES CORE U.S. AGGREGATE	464287226	AGG	3,317.00	96.41	319,791.97	94.04	311,930.68	(7,861.29)	0.85
ISHARES CORE U.S. AGGREGATE	464287226	AGG	3,372.00	99.13	334,266.36	94.04	317,102.88	(17,163.48)	0.87
ISHARES CORE U.S. AGGREGATE	464287226	AGG	17,957.00	98.65	1,771,458.05	94.04	1,688,676.28	(82,781.77)	4.60
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	7,130.00	50.33	358,852.90	48.65	346,874.50	(11,978.40)	0.95
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	982.00	61.01	59,911.82	48.65	47,774.30	(12,137.52)	0.13
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	631.00	56.69	35,771.39	48.65	30,698.15	(5,073.24)	0.08
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	1,113.00	61.13	68,037.69	48.65	54,147.45	(13,890.24)	0.15
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	633.00	56.99	36,074.67	48.65	30,795.45	(5,279.22)	0.08
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	2,405.00	60.31	145,045.55	48.65	117,003.25	(28,042.30)	0.32
ISHARES INTERMEDIATE-TERM CO	464288638	IGIB	1,779.00	57.68	102,614.50	48.65	86,548.35	(16,066.15)	0.24
<b>Security Type Sub-Total</b>			<b>39,319.00</b>		<b>3,231,824.90</b>	<b>622.67</b>	<b>3,031,551.29</b>	<b>(200,273.61)</b>	<b>8.27</b>
<b>Exchange-Traded Fund - Equity</b>									
ISHARES MSCI EMERGING MKTS EX CHINA ETF	46434G764	EMXC	3,134.00	52.57	164,754.07	49.83	156,167.22	(8,586.85)	0.43
ISHARES MSCI EMERGING MKTS EX CHINA ETF	46434G764	EMXC	3,133.00	52.15	163,385.95	49.83	156,117.39	(7,268.56)	0.43
VANGUARD FTSE ALL-WLD EX-US SMCP ETF	922042718	VSS	1,462.00	112.48	164,445.76	106.20	155,264.40	(9,181.36)	0.42
VANGUARD FTSE ALL-WLD EX-US SMCP ETF	922042718	VSS	1,461.00	111.96	163,573.56	106.20	155,158.20	(8,415.36)	0.42
VANGUARD FTSE DEVELOPED MARKETS ETF	921943858	VEA	2,614.00	37.17	97,162.38	43.72	114,284.08	17,121.70	0.31
VANGUARD FTSE DEVELOPED MARKETS ETF	921943858	VEA	2,484.00	39.68	98,565.12	43.72	108,600.48	10,035.36	0.30
VANGUARD FTSE DEVELOPED MARKETS ETF	921943858	VEA	2,211.00	42.18	93,259.98	43.72	96,664.92	3,404.94	0.26
VANGUARD FTSE DEVELOPED MARKETS ETF	921943858	VEA	6,915.00	38.86	268,716.90	43.72	302,323.80	33,606.90	0.83
VANGUARD TOTAL INTL STOCK	921909768	VXUS	580.00	56.01	32,485.80	53.52	31,041.60	(1,444.20)	0.08
VANGUARD TOTAL INTL STOCK	921909768	VXUS	1,714.00	53.54	91,767.56	53.52	91,733.28	(34.28)	0.25
VANGUARD TOTAL INTL STOCK	921909768	VXUS	2,875.00	51.82	148,982.21	53.52	153,870.00	4,887.79	0.42
VANGUARD TOTAL INTL STOCK	921909768	VXUS	17,679.00	52.12	921,429.48	53.52	946,180.08	24,750.60	2.58
VANGUARD TOTAL INTL STOCK	921909768	VXUS	632.00	64.35	40,669.20	53.52	33,824.64	(6,844.56)	0.09
VANGUARD TOTAL INTL STOCK	921909768	VXUS	2,469.00	56.20	138,757.80	53.52	132,140.88	(6,616.92)	0.36
VANGUARD TOTAL INTL STOCK	921909768	VXUS	6,883.00	65.37	449,941.71	53.52	368,378.16	(81,563.55)	1.01

Detail of Securities Held & Market Analytics

For the Month Ending September 30, 2023

SUNLINE EMPLOYEES RETIREMENT NON-BARGAIN - [REDACTED]

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Ticker	Shares	Average Cost/Share	Original Cost	Market Price	Market Value	Unreal G/L on Cost	Percentage
<b>Exchange-Traded Fund - Equity</b>									
VANGUARD TOTAL INTL STOCK	921909768	VXUS	8,570.00	52.51	450,010.70	53.52	458,666.40	8,655.70	1.25
VANGUARD TOTAL INTL STOCK	921909768	VXUS	2,470.00	56.53	139,629.10	53.52	132,194.40	(7,434.70)	0.36
VANGUARD TOTAL INTL STOCK	921909768	VXUS	1,375.00	54.46	74,882.50	53.52	73,590.00	(1,292.50)	0.20
VANGUARD TOTAL INTL STOCK	921909768	VXUS	18,935.00	47.87	906,414.66	53.52	1,013,401.20	106,986.54	2.77
VANGUARD TOTAL STOCK MKT ETF	922908769	VTI	1,551.00	226.21	350,851.40	212.41	329,447.91	(21,403.49)	0.90
VANGUARD TOTAL STOCK MKT ETF	922908769	VTI	4,931.00	195.76	965,292.56	212.41	1,047,393.71	82,101.15	2.86
VANGUARD TOTAL STOCK MKT ETF	922908769	VTI	20,562.00	204.04	4,195,470.48	212.41	4,367,574.42	172,103.94	11.93
VANGUARD TOTAL STOCK MKT ETF	922908769	VTI	433.00	233.92	101,287.36	212.41	91,973.53	(9,313.83)	0.25
VANGUARD TOTAL STOCK MKT ETF	922908769	VTI	499.00	198.24	98,921.76	212.41	105,992.59	7,070.83	0.29
VANGUARD TOTAL STOCK MKT ETF	922908769	VTI	2,790.00	225.33	628,670.70	212.41	592,623.90	(36,046.80)	1.62
VANGUARD TOTAL STOCK MKT ETF	922908769	VTI	500.00	199.58	99,790.00	212.41	106,205.00	6,415.00	0.29
VANGUARD TOTAL STOCK MKT ETF	922908769	VTI	138.00	216.58	29,888.04	212.41	29,312.58	(575.46)	0.08
VANGUARD TOTAL STOCK MKT ETF	922908769	VTI	983.00	191.49	188,234.67	212.41	208,799.03	20,564.36	0.57
VANGUARD TOTAL STOCK MKT ETF	922908769	VTI	24,762.00	169.04	4,185,768.48	212.41	5,259,696.42	1,073,927.94	14.36
<b>Security Type Sub-Total</b>			<b>144,745.00</b>		<b>15,453,009.89</b>	<b>3,199.76</b>	<b>16,818,620.22</b>	<b>1,365,610.33</b>	<b>45.92</b>
<b>Money Market Mutual Fund</b>									
FIRST AMERICAN GOVERNMENT OBLIGATION - Z	31846V567	FGZXX	426,415.50	1.00	426,415.50	1.00	426,415.50	0.00	1.16
<b>Security Type Sub-Total</b>			<b>426,415.50</b>		<b>426,415.50</b>	<b>1.00</b>	<b>426,415.50</b>	<b>0.00</b>	<b>1.16</b>
<b>Mutual Fund - Bond</b>									
ARISTOTLE FUNDS FLOATING RATE INC I	04045F592	PLFRX	1.60	9.33	14.93	9.46	15.14	0.21	0.00
BAIRD CORE PLUS BOND - INST	057071870	BCOIX	387,117.41	11.12	4,306,071.78	9.60	3,716,327.12	(589,744.66)	10.15
BBH LIMITED DURATION I	05528X851	BBBIX	11.75	10.11	118.83	10.11	118.83	0.00	0.00
DOUBLELINE CORE FIXED INCOME I	258620301	DBLFX	184,495.85	10.53	1,943,575.49	8.87	1,636,478.22	(307,097.27)	4.47
MAINSTAY MACKAY HIGH YIELD CORP BD R6	56063N881	MHYSX	125,030.52	5.19	648,636.85	4.95	618,901.10	(29,735.75)	1.69
PRUDENTIAL TOTAL RETRN BND-Q	74440B884	PTRQX	263,627.71	13.94	3,675,468.88	11.40	3,005,355.91	(670,112.97)	8.21
VOYA INTERMEDIATE BOND R6	92913L569	IIBZX	197,628.01	10.10	1,996,777.02	8.30	1,640,312.46	(356,464.56)	4.48

**Detail of Securities Held & Market Analytics**

For the Month Ending **September 30, 2023**

**SUNLINE EMPLOYEES RETIREMENT NON-BARGAIN - [REDACTED]**

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Ticker	Shares	Average Cost/Share	Original Cost	Market Price	Market Value	Unreal G/L on Cost	Percentage
<b>Security Type Sub-Total</b>			<b>1,157,912.86</b>		<b>12,570,663.78</b>	<b>62.69</b>	<b>10,617,508.78</b>	<b>(1,953,155.00)</b>	<b>29.00</b>
<b>Mutual Fund - Equity</b>									
GOLDMAN SACHS GQG PTNRS INTL OPPS INSTL	38147N293	GSIMX	25,901.64	18.30	474,000.00	18.03	467,006.55	(6,993.45)	1.28
HARDING LOEVNER INTERNATIONAL EQUITY POR	412295107	HLMIX	17,654.60	29.06	513,100.34	24.03	424,239.96	(88,860.38)	1.16
HRTFRD SCHR EM MRKT EQ-SDR	41665H789	SEMTX	19,859.48	15.19	301,665.51	14.67	291,338.57	(10,326.94)	0.80
JENSEN QUALITY GROWTH-Y	476313408	JENYX	11,063.25	54.14	598,998.75	57.80	639,455.90	40,457.15	1.75
JOHCM INTERNATIONAL SELECT I	46653M849	JOHIX	20,615.51	26.15	539,153.74	21.37	440,553.43	(98,600.31)	1.20
MFS EMERGING MARKETS DEBT R6	552746364	MEDHX	0.01	11.25	0.09	11.13	0.09	0.00	0.00
VANGUARD TOTAL STOCK MARKET INDEX	922908801	VITSX	0.00	75.00	0.03	103.42	0.04	0.01	0.00

<b>Security Type Sub-Total</b>			<b>95,094.48</b>		<b>2,426,918.46</b>	<b>250.45</b>	<b>2,262,594.54</b>	<b>(164,323.92)</b>	<b>6.19</b>
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**Separate Account**

ATEL PRIVATE DEBT PARTNERS II	ATEL00020	SA407	45,325.00	1.00	45,325.00	103.38	46,856.68	1,531.68	0.13
ATEL PRIVATE DEBT PARTNERS II	ATEL00020	SA407	24,500.00	1.00	24,500.00	103.38	25,327.94	827.94	0.07
ATEL PRIVATE DEBT PARTNERS II	ATEL00020	SA407	21,070.00	1.00	21,070.00	103.38	21,782.02	712.02	0.06
ATEL PRIVATE DEBT PARTNERS II	ATEL00020	SA407	49,000.00	1.00	49,000.00	103.38	50,655.87	1,655.87	0.14
ATEL PRIVATE DEBT PARTNERS II	ATEL00020	SA407	49,000.00	1.00	49,000.00	103.38	50,655.87	1,655.87	0.14
ATEL PRIVATE DEBT PARTNERS II	ATEL00020	SA407	49,980.00	1.00	49,980.00	103.38	51,668.99	1,688.99	0.14
ATEL PRIVATE DEBT PARTNERS II	ATEL00020	SA407	10,286.93	1.00	10,286.93	103.38	10,634.56	347.63	0.03
ATEL PRIVATE DEBT PARTNERS II	ATEL00020	SA407	22,050.00	1.00	22,050.00	103.38	22,795.14	745.14	0.06
ATEL PRIVATE DEBT PARTNERS II	ATEL00020	SA407	45,325.00	1.00	45,325.00	103.38	46,856.68	1,531.68	0.13
ATEL PRIVATE DEBT PARTNERS II	ATEL00020	SA407	45,325.00	1.00	45,325.00	103.38	46,856.68	1,531.68	0.13
ATEL PRIVATE DEBT PARTNERS II	ATEL00020	SA407	45,325.00	1.00	45,325.00	103.38	46,856.68	1,531.68	0.13
GOLUB CAPITAL PARTNERS INT'L XIV	GOLUB0091	SA468	1,394,100.00	1.00	1,394,100.00	102.92	1,434,751.29	40,651.29	3.92
GOLUB CAPITAL PARTNERS INT'L XIV	GOLUB0091	SA468	180,000.00	1.00	180,000.00	102.92	185,248.71	5,248.71	0.51
NB SECONDARY OPPORTUNITIES V OFFSHORE	NBSOFV008	SA426	55,556.72	1.00	55,556.72	133.33	74,072.38	18,515.66	0.20
NB SECONDARY OPPORTUNITIES V OFFSHORE	NBSOFV008	SA426	130,837.59	1.00	130,837.59	133.33	174,442.47	43,604.88	0.48

**Detail of Securities Held & Market Analytics**

For the Month Ending **September 30, 2023**

<b>SUNLINE EMPLOYEES RETIREMENT NON-BARGAIN - [REDACTED]</b>										
<b>Security Type/Description</b>	<b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Ticker</b>	<b>Shares</b>	<b>Average Cost/Share</b>	<b>Original Cost</b>	<b>Market Price</b>	<b>Market Value</b>	<b>Unreal G/L on Cost</b>	<b>Percentage</b>
<b>Separate Account</b>										
NB SECONDARY OPPORTUNITIES V OFFSHORE		NBSOFV008	SA426	252,000.00	1.00	252,000.00	133.33	335,985.25	83,985.25	0.92
NB SECONDARY OPPORTUNITIES V OFFSHORE		NBSOFV008	SA426	127,930.57	1.00	127,930.57	133.33	170,566.61	42,636.04	0.47
NB SECONDARY OPPORTUNITIES V OFFSHORE		NBSOFV008	SA426	191,676.07	1.00	191,676.07	133.33	255,556.88	63,880.81	0.70
NB SECONDARY OPPORTUNITIES V OFFSHORE		NBSOFV008	SA426	309,750.00	1.00	309,750.00	133.33	412,981.88	103,231.88	1.13
<b>Security Type Sub-Total</b>				<b>3,049,037.88</b>		<b>3,049,037.88</b>	<b>2,142.97</b>	<b>3,464,552.58</b>	<b>415,514.70</b>	<b>9.49</b>
<b>Managed Account Sub-Total</b>				<b>4,912,524.72</b>		<b>37,157,870.41</b>	<b>6,279.54</b>	<b>36,621,242.91</b>	<b>(536,627.50)</b>	<b>100.03</b>
<b>Securities Sub-Total</b>				<b>\$4,912,524.72</b>		<b>\$37,157,870.41</b>	<b>\$6,279.54</b>	<b>\$36,621,242.91</b>	<b>(\$536,627.50)</b>	<b>100.03%</b>
<b>Accrued Interest</b>								<b>\$0.00</b>		
<b>Total Investments</b>								<b>\$36,621,242.91</b>		

**SunLine Transit Agency**  
**CONSENT CALENDAR**

DATE: December 6, 2023

**RECEIVE & FILE**TO: Finance/Audit Committee  
Board of Directors

RE: Ridership Report for October 2023

Summary:

	Monthly Ridership		Monthly Variance	
	Oct-23	Oct-22	Net	Percent
Fixed Route	232,748	228,790	3,958	1.7%
SolVan	2,043	1,699	344	20.2%
SunRide	2,109	656	1,453	221.5%
Taxi Voucher*	214	254	(40)	(15.7)%
SunDial	11,028	9,101	1,927	21.2%
<b>Total</b>	<b>248,142</b>	<b>240,500</b>	<b>7,642</b>	<b>3.2%</b>

\*Taxi Voucher rides are included for the system total; however, they are not NTD reportable.

Yearly Ridership	
<b>Fiscal Year 2024</b>	869,489
<b>Fiscal Year 2023</b>	869,245
<b>Ridership Increase</b>	244

Fiscal year to date system ridership is up by 244 rides or 0.03% increase compared to the previous fiscal year. The baseline of the attached COVID-19 Recovery chart is calendar year 2020, this allows a comparison of three (3) years.

Recommendation:

Receive and file.



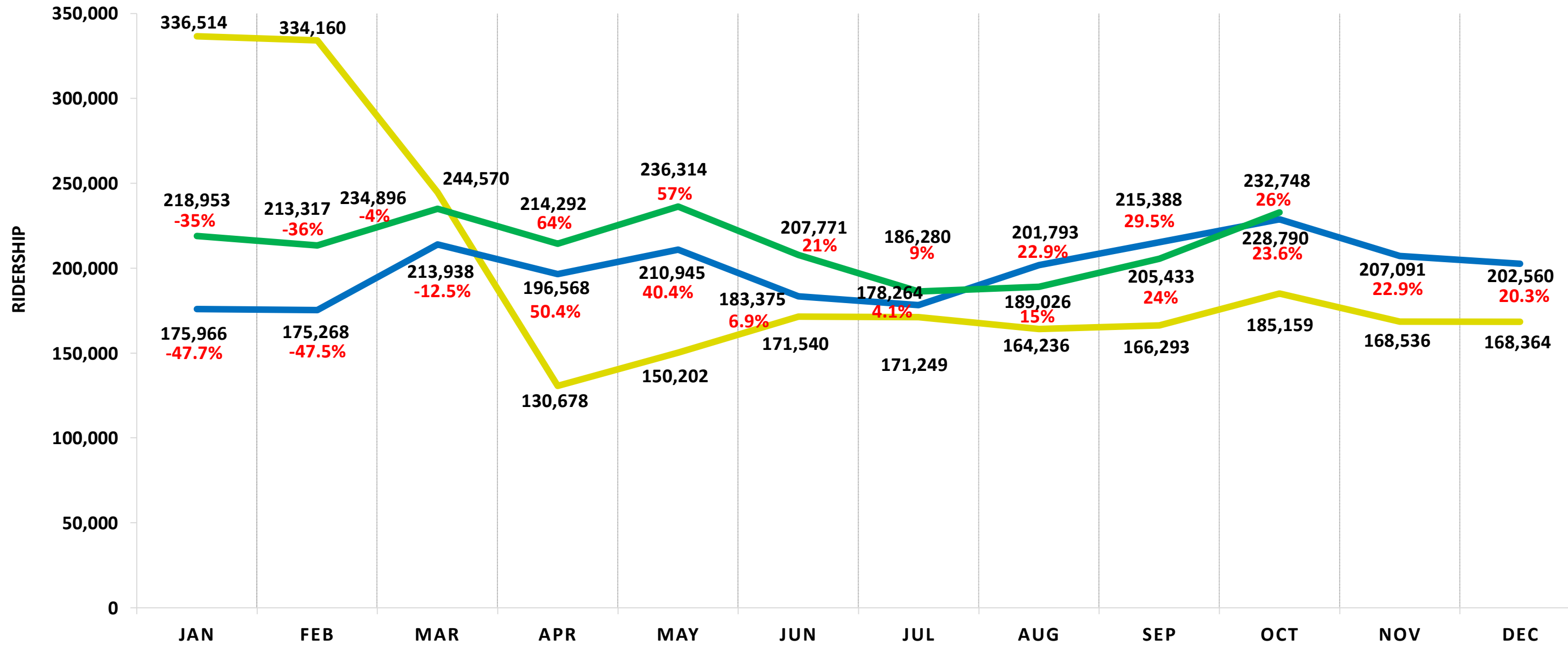
## SunLine Transit Agency Monthly Ridership Report October 2023

Fixed Route	Oct 2023	Oct 2022	FY 2024	FY 2023	Monthly KPI		Bikes		Wheelchairs	
			YTD	YTD	Passengers/ Rev. Hours	Passengers/ Rev. Miles	Monthly	FYTD	Monthly	FYTD
Route 1EV Coachella - Hwy 111 - Palm Desert Mall	53,259	-	190,578	-	16.4	1.3	1,768	9,092	355	1,355
Route 1WV Palm Springs - Hwy 111 - Palm Desert Mall	40,135	93,663	148,944	341,666	14.2	1.2	2,686	7,382	364	1,437
Route 2 Desert Hot Springs - Palm Springs - Cathedral City	64,241	58,784	229,829	219,955	17.6	1.3	2,094	8,319	730	2,013
Route 3 Desert Hot Springs - Desert Edge	7,439	6,352	25,308	22,766	15.1	0.9	209	789	65	260
Route 4 Westfield Palm Desert - Palm Springs	19,077	18,101	67,111	69,016	10.5	0.7	895	3,626	137	341
Route 5 Desert Hot Springs - CSUSB - Palm Desert	943	2,094	4,966	6,552	8.2	0.3	28	187	-	8
Route 6 Coachella - Fred Waring - Westfield Palm Desert	2,375	9,198	11,122	29,887	10.9	0.6	73	379	3	65
Route 7 Bermuda Dunes - Indian Wells - La Quinta	8,726	5,771	28,154	21,639	14.3	1.1	299	1,291	14	48
Route 8 North Indio - Coachella - Thermal/Mecca	16,262	14,798	56,129	55,846	9.8	0.6	512	1,700	85	375
Route 9 North Shore - Mecca - Oasis	5,973	7,510	15,583	24,080	6.9	0.3	58	175	11	31
Route 10 Indio - CSUSB - San Bernardino - Metrolink	4,340	3,326	11,036	9,374	16.4	0.2	27	104	8	32
Route 200 SB Palm Springs High School AM Tripper	224	485	576	1,136	14.2	1	-	2	1	2
Route 400 SB Raymond Cree / Palm Springs HS Tripper		117	-	231	-	-	-	-	-	-
Route 401 SB Palm Canyon / Stevens AM Tripper			-	-	-	-	-	-	-	-
Route 402 NB Palm Canyon / Stevens AM Tripper		15	-	87	-	-	-	-	-	-
Route 403 NB Vista Chino / Sunrise PM Tripper		76	-	271	-	-	-	-	-	-
Route 500 SB Westfield Palm Desert PM Tripper	361	377	723	830	38.1	2.5	0	2	-	1
Route 501 NB Palm Desert High School AM Tripper			-	-	-	-	-	-	-	-
Route 700 SB/NB Harris / Washington - Calle Madrid / Ave Vallejo AM Tripper	435	418	1,113	1,068	21.4	1.4	1	10	-	1
Route 701 SB/NB Harris / Washington - Calle Madrid / Ave Vallejo PM Tripper	1,216	882	2,796	2,494	52.2	3.5	11	35	-	1
Route 800 NB Shadow Hills High School AM Tripper	2,480	1,489	6,170	3,815	116.4	5.7	17	17	-	-
Route 801 SB Jackson / 44th PM Tripper	2,882	2,389	7,364	6,538	138.9	8.1	-	1	3	51
Route 802 SB Hwy 111 / Golf Center Pkwy PM Tripper	605	787	1,663	1,632	31.4	1.6	-	-	37	38
Route 803 NB Shadow Hills High School AM Tripper	1,775	2,158	4,467	5,352	101.5	5.0	59.0	59	-	-
<b>Fixed Route Total</b>	<b>232,748</b>	<b>228,790</b>	<b>813,632</b>	<b>824,235</b>	<b>14.3</b>	<b>1.0</b>	<b>8,737</b>	<b>33,170</b>	<b>1,813</b>	<b>6,059</b>
SoIVan	2,043	1,699	7,906	6,625	5.6	0.1				
SunRide	2,109	656	6,490	2,127	1.0	0.2				
Taxi Voucher	214	254	756	1,033	1.0	0.2				
SunDial	11,028	9,101	40,705	35,225	2.1	0.1				
<b>System Total</b>	<b>248,142</b>	<b>240,500</b>	<b>869,489</b>	<b>869,245</b>	<b>11.1</b>	<b>0.8</b>				
	<b>Oct-23</b>	<b>Oct-22</b>								
Weekdays:	22	21								
Saturdays:	4	5								
Sundays:	5	5								
Total Days:	31	31								

Haul Pass COD contributed with 2,992 rides, CSUSB with rides.  
Mobile Ticketing contributed with 37,681 rides, the total for October 2023 includes 200 paratransit mobile tickets.

## Fixed Route Ridership COVID-19 Recovery

— CY 2020   
 — CY 2022   
 — CY 2023   
 %VAR. 2020 vs 2022   
 %VAR. 2020 vs 2023

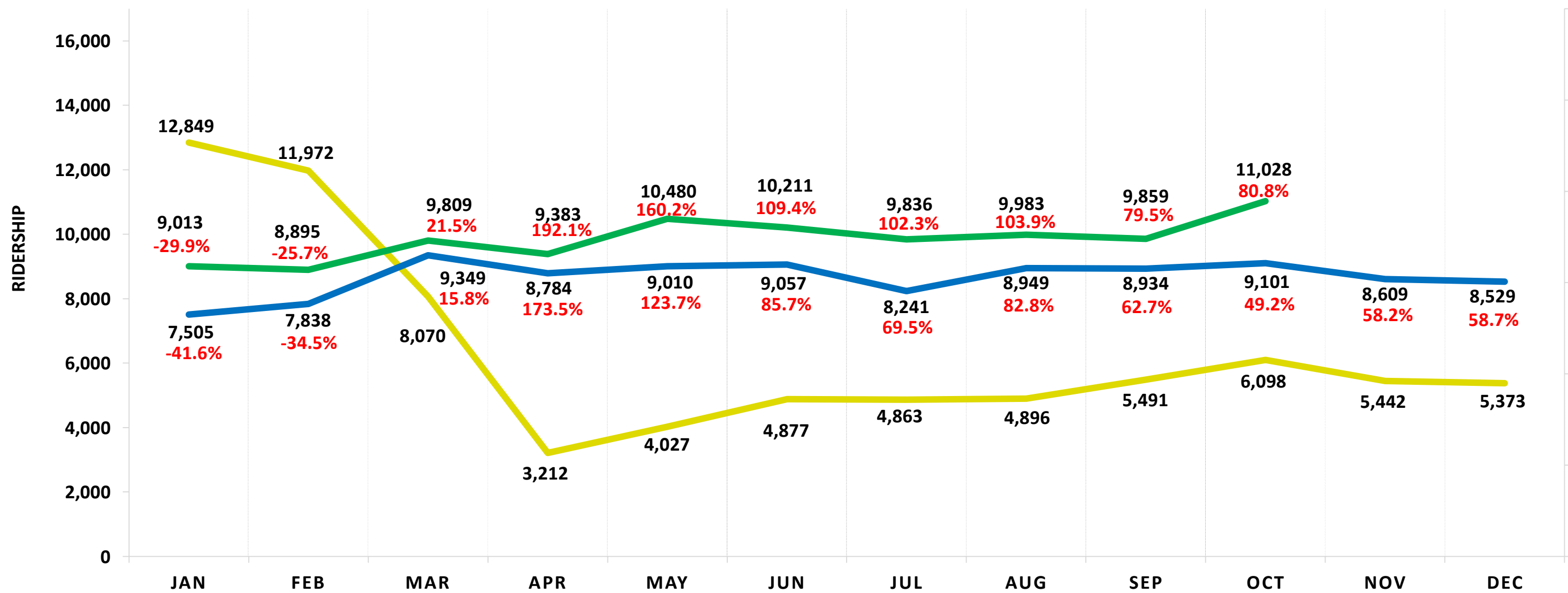


The COVID-19 pandemic caused a major national and global disruption with closures of businesses, schools and entertainment venues due to the implementation of national and statewide public health policies. Variances are in red close to their corresponding ridership number. 2022 and 2023 are referring to the baseline of 2020.

CY 2021 has been removed to reflect the two (2) most recent years in recovery. CY 2020 will remain on the chart since it is the baseline needed to compare ridership recovery for CY 2022 & CY 2023.

## Paratransit Ridership COVID-19 Recovery

— CY 2020   
 — CY 2022   
 — CY 2023   
 %VAR. 2020 vs 2022   
 %VAR. 2020 vs 2023



Beginning January 2022, instead of comparing the ridership to the 2019 pre COVID levels, we will be moving forward with comparing from 2020 and 2022. Variances are in red close to their corresponding ridership number. 2022 and 2023 are referring to the baseline of 2020. January 2020 and February 2020 show pre-pandemic COVID-19 ridership numbers.

CY 2021 has been removed to reflect the two (2) most recent years in recovery. CY 2020 will remain on the chart since it is the baseline needed to compare ridership recovery for CY 2022 & CY 2023.



**SunLine Transit Agency**  
**CONSENT CALENDAR**

DATE: December 6, 2023 **RECEIVE & FILE**

TO: Finance/Audit Committee  
Board of Directors

RE: Paratransit Operational Notes for October 2023

Summary:

The attached report summarizes Paratransit's operation for the month of October 2023. This report identifies that for the month of October, the on-time performance for Paratransit did meet the internal service goal of 85% which is comparable to the fixed route service goal. The on-time performance for the month of October was 89.4%. Fiscal-year-to-date, Paratransit has maintained an on-time performance of 90.3%.

Total vehicle miles for October 2023 increased by 10,344 compared to October 2022. Total trips for the month of October were 10,572. When compared to October 2022, this is an increase of 1,884 trips or 21.7%.

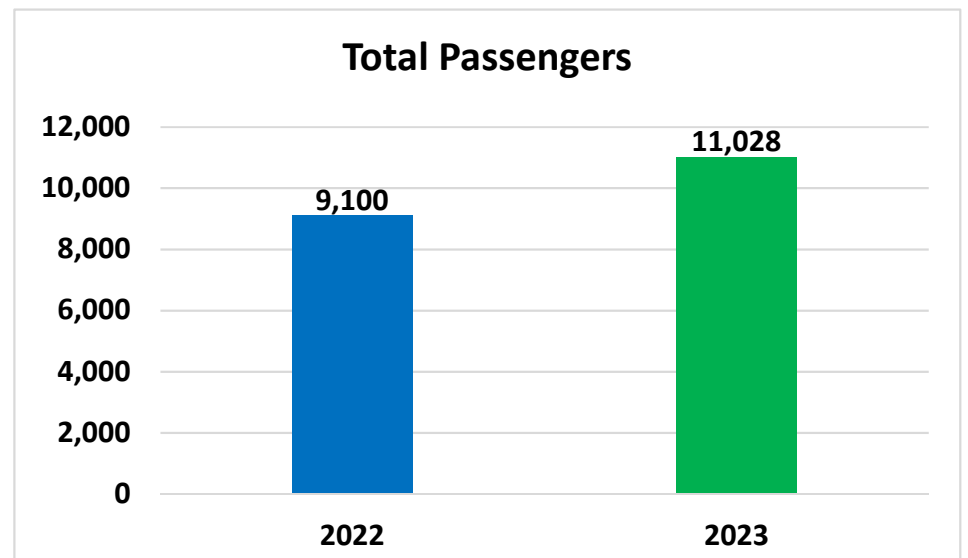
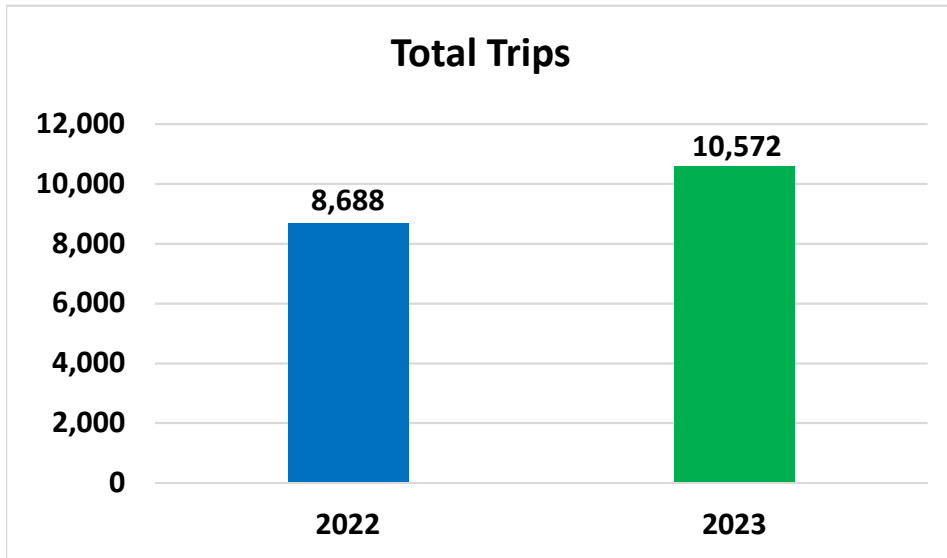
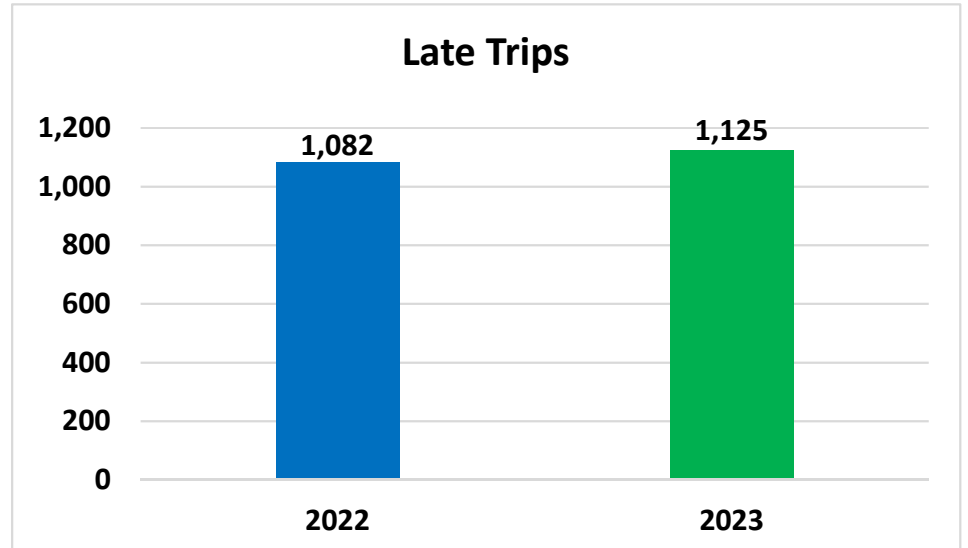
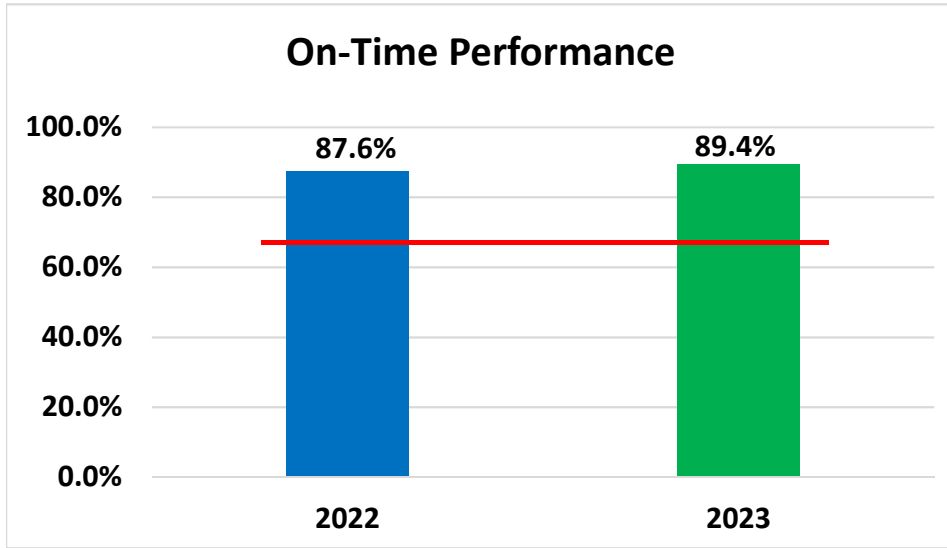
Total passengers for the month of October were 11,028. When compared to October 2022, this is an increase of 1,928 passengers or 21.2%. Mobility device boardings for October 2022 increased by 132 or 9% compared to October 2022. Field supervisors performed 60 onboard inspections and 64 Pre-Trip and Trailing evaluations.

Recommendation:

Receive and file.

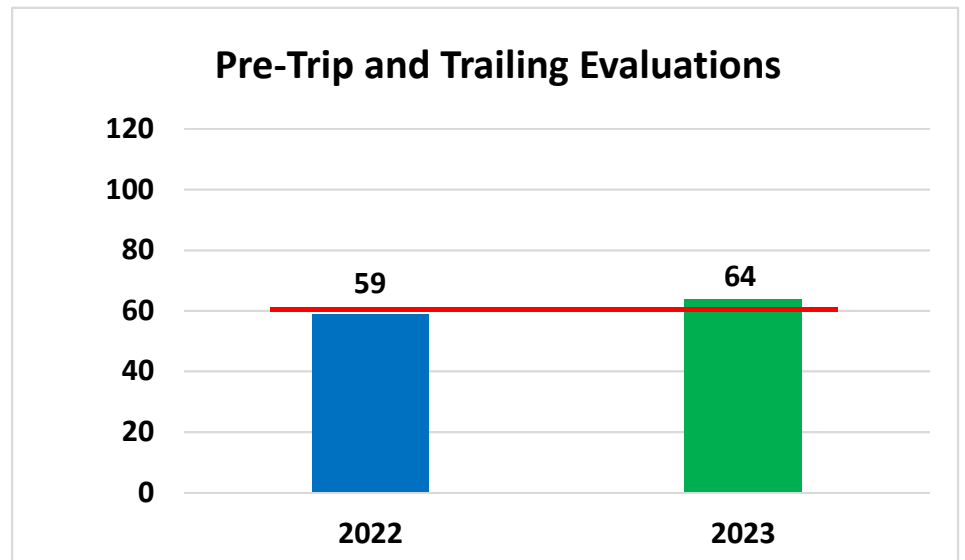
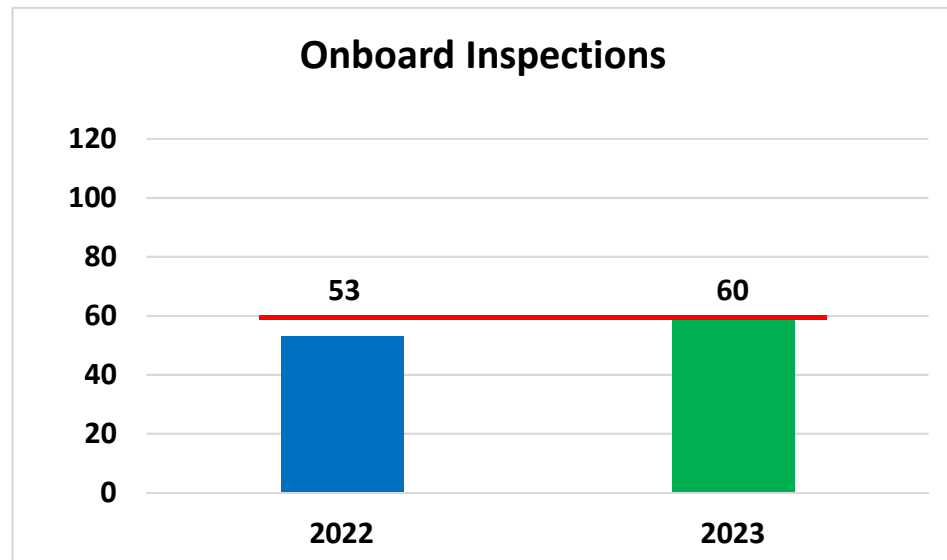
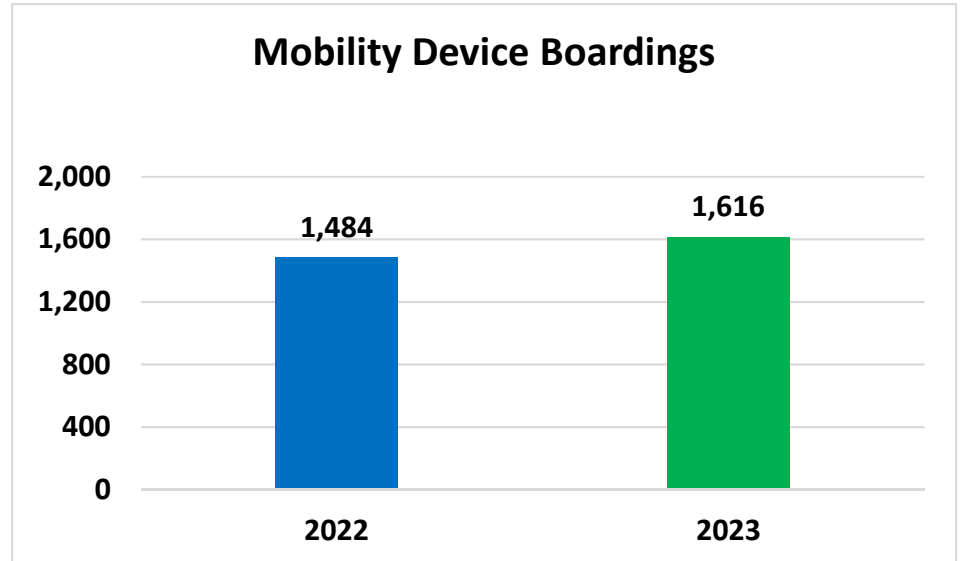
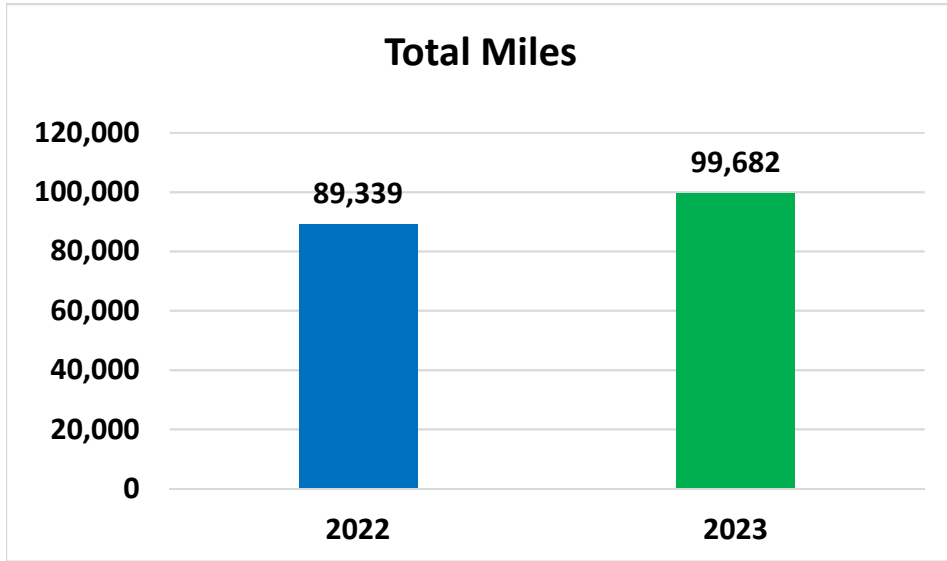
# Paratransit Operational Charts

## October 2022 vs. October 2023



# Paratransit Operational Charts

## September 2022 vs. September 2023



**SunLine Transit Agency**  
**CONSENT CALENDAR**

DATE: December 6, 2023 **RECEIVE & FILE**

TO: Finance/Audit Committee  
Board of Directors

RE: Metrics for October 2023

Summary:

The metrics packet includes data highlighting late cancellations, operator absences, fixed route customer complaints, paratransit customer complaints, advertising revenue, and system performance. SunRide performance includes system-wide metrics, trip booking method and geo-fence metrics for Desert Hot Springs/Desert Edge, Palm Desert, Coachella, Mecca/North Shore, Indio, Cathedral City and Palm Springs. Included in this packet is ridership data for the mobile ticketing usage of the Token Transit application and the Haul Pass programs with the various High Schools in the Coachella Valley, College of the Desert (COD) and California State University San Bernardino (CSUSB) Palm Desert Campus.

SunRide

- SunRide system-wide has now exceeded 12,000 passengers. October saw the best month to date with 1,983 trips by 2,109 passengers, up 26% compared to September and 220% when compared to October 2022.
- Cathedral City continues to shine in light of the expanded geo-fence. September saw 202 trips by 204 passengers, a 9% increase over September 2023.
- Palm Desert had 673 trips by 686 passengers in October, up 19% from September and 249% from October 2022.
- Desert Hot Springs had an impressive month with 327 trips by 333 passengers, up 61% over September 2023.
- Palm Springs continues strong growth with 297 trips by 333 passengers, up 51% when compared to September.

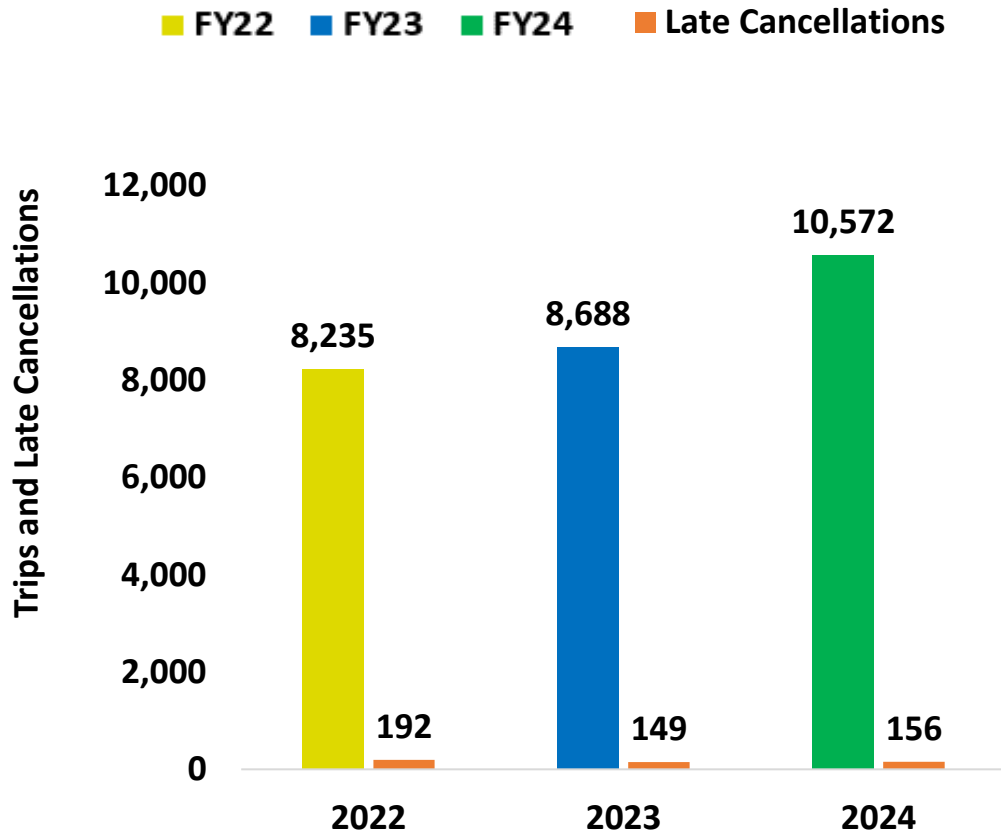
Fixed Route

- For the month of October 2023, 25% of SunLine's fixed route operator workforce was absent when compared to October 2022 at 23%.
- For the month of October 2023, workforce was at a total of 150 operators when compared to October 2022 at 137 operators.

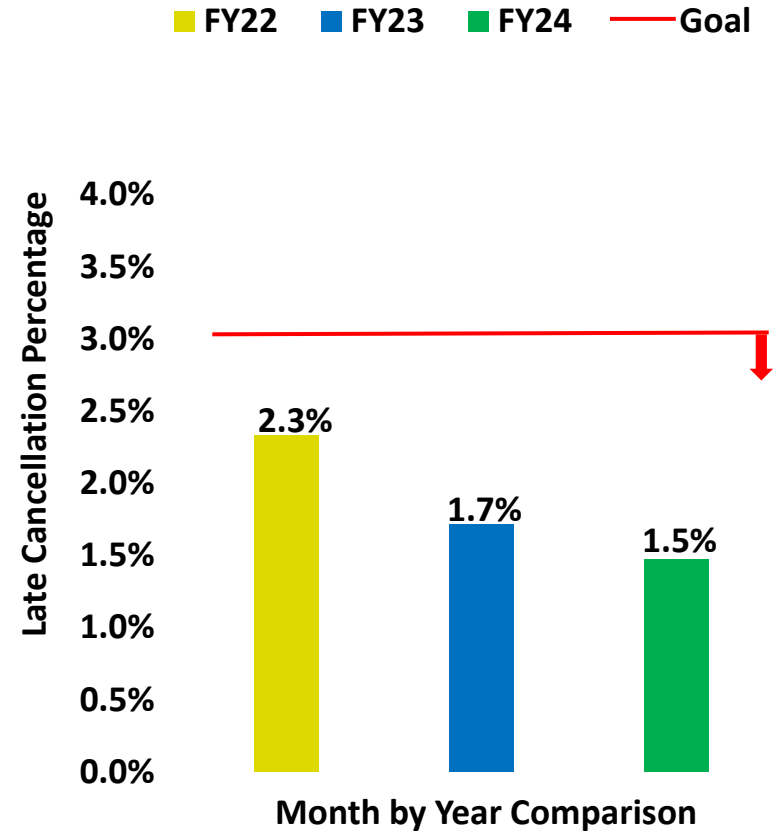
Recommendation:

Receive and file.

## Paratransit Total Trips vs. Late Cancellations October



## Late Cancellations by Percentage



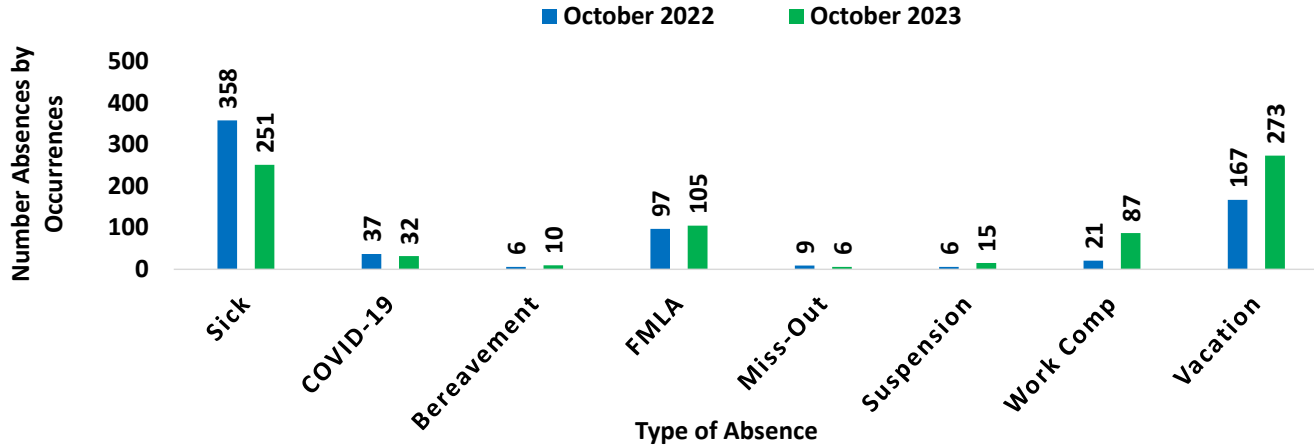
Trip: A one-way trip booked by the rider. A round trip is counted as two (2) trips.

Late Cancellation: A trip for which a rider cancels two (2) hours or less before the scheduled pick-up time.

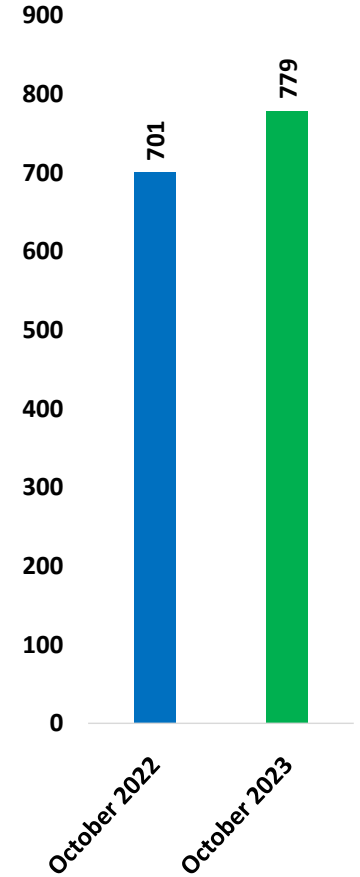
Goal for Late Cancellations: 3% or below.

Total Trips: Total one-way trips completed.

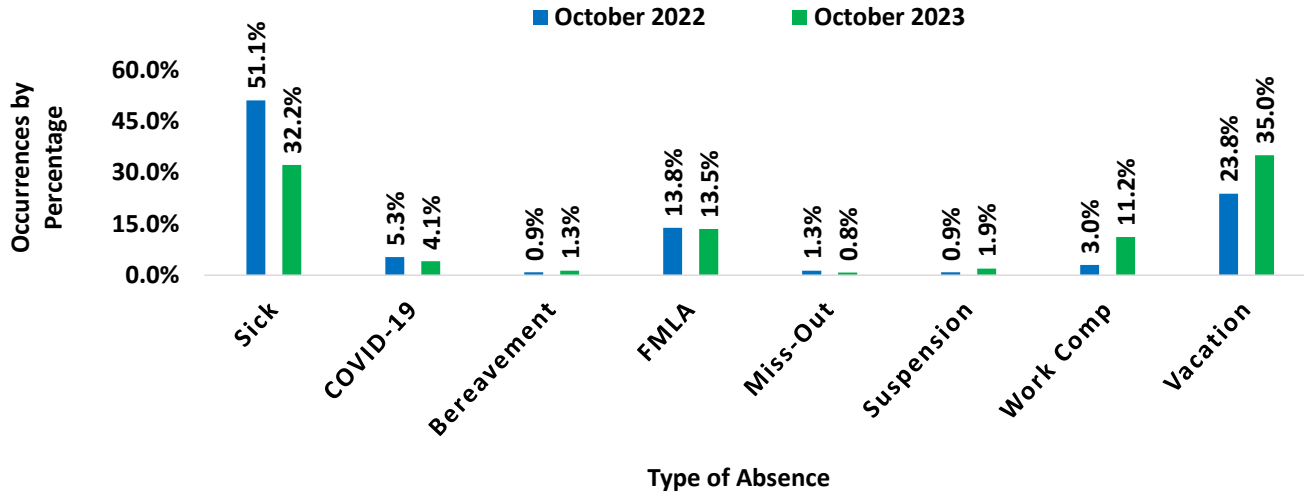
### Fixed Route Operator Absence by Type



### Fixed Route Total Absence Occurrences



### Fixed Route Operator Absence Type by Percentage

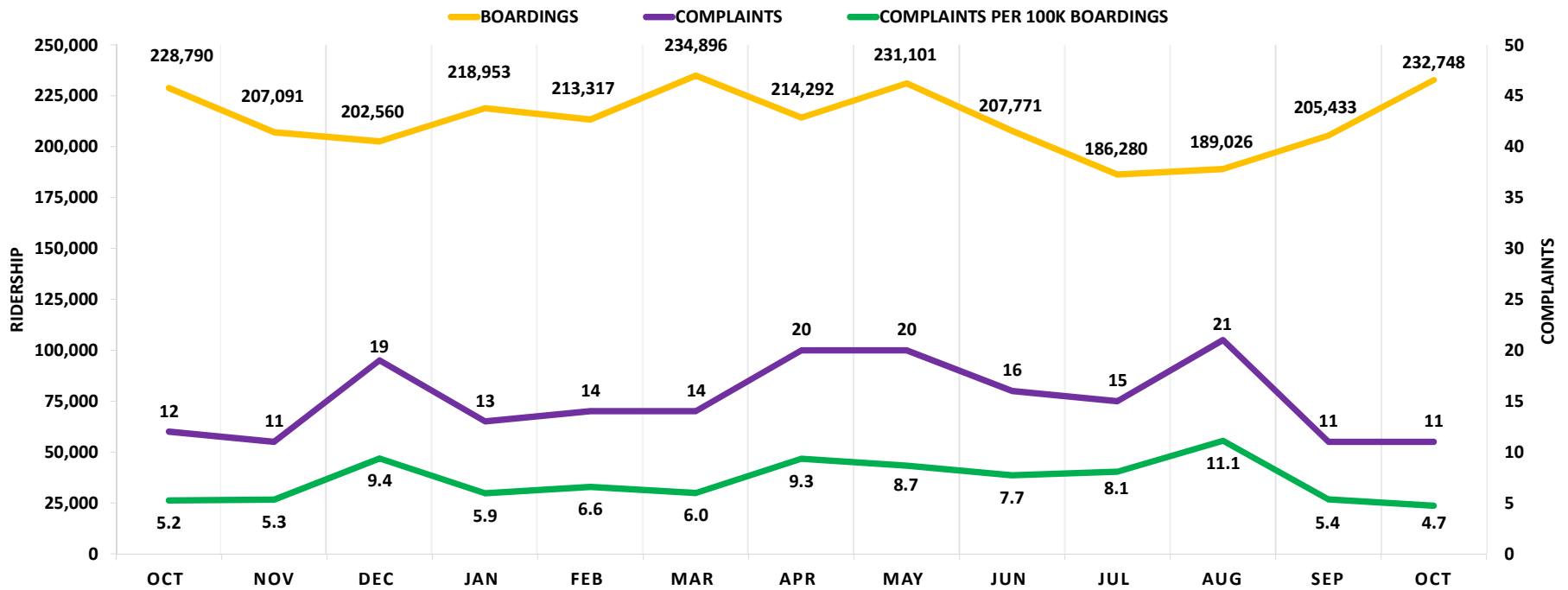


This chart includes unplanned/unscheduled and COVID-19 absences for Fixed Route drivers.

For the month of October 2023, 25% of SunLine's fixed route operator workforce was absent when compared to October 2022 at 23%.

For the month of October 2023, workforce was at a total of 150 operators when compared to October 2022 at 137 operators.

## Fixed Route Customer Complaints October 2022 to October 2023

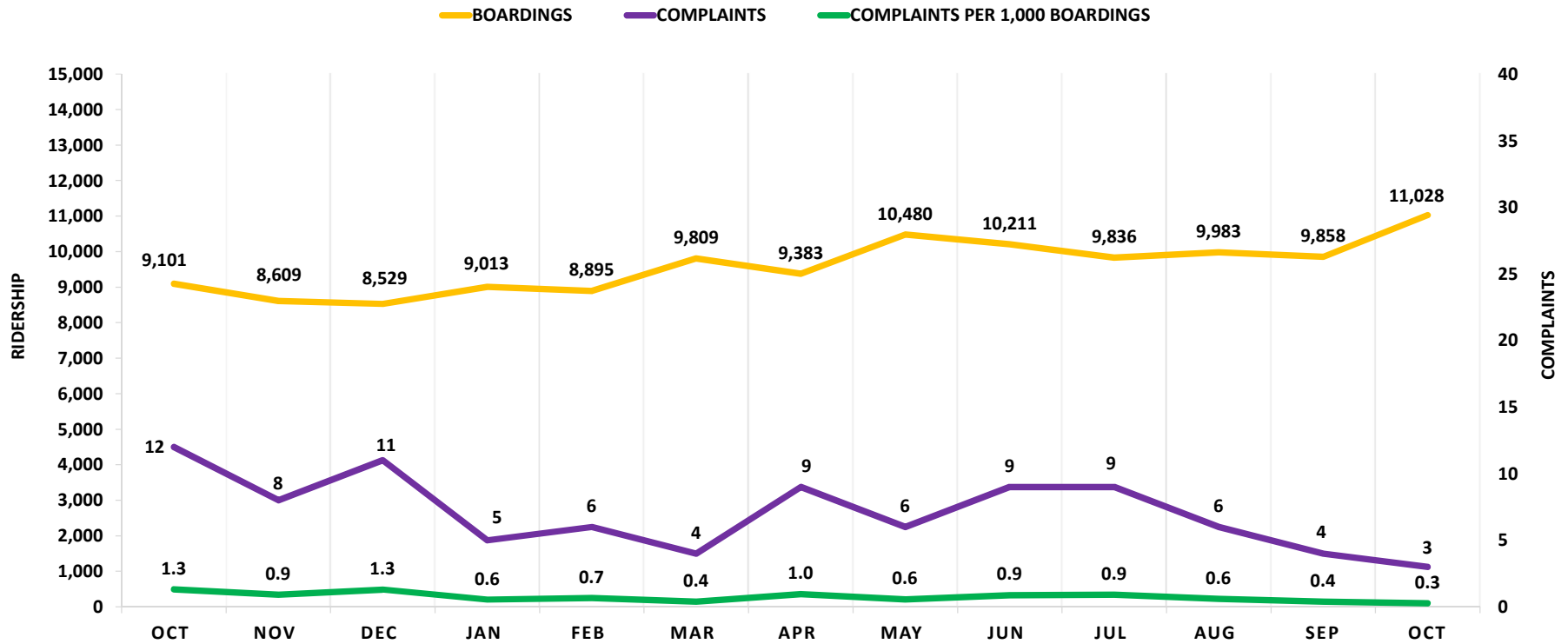


This chart represents the number of boardings and total valid complaints, as well as the number of valid complaints per 100,000 boardings for the fixed route system.

For the month of October, 99.99% of our total boardings did not receive a complaint.



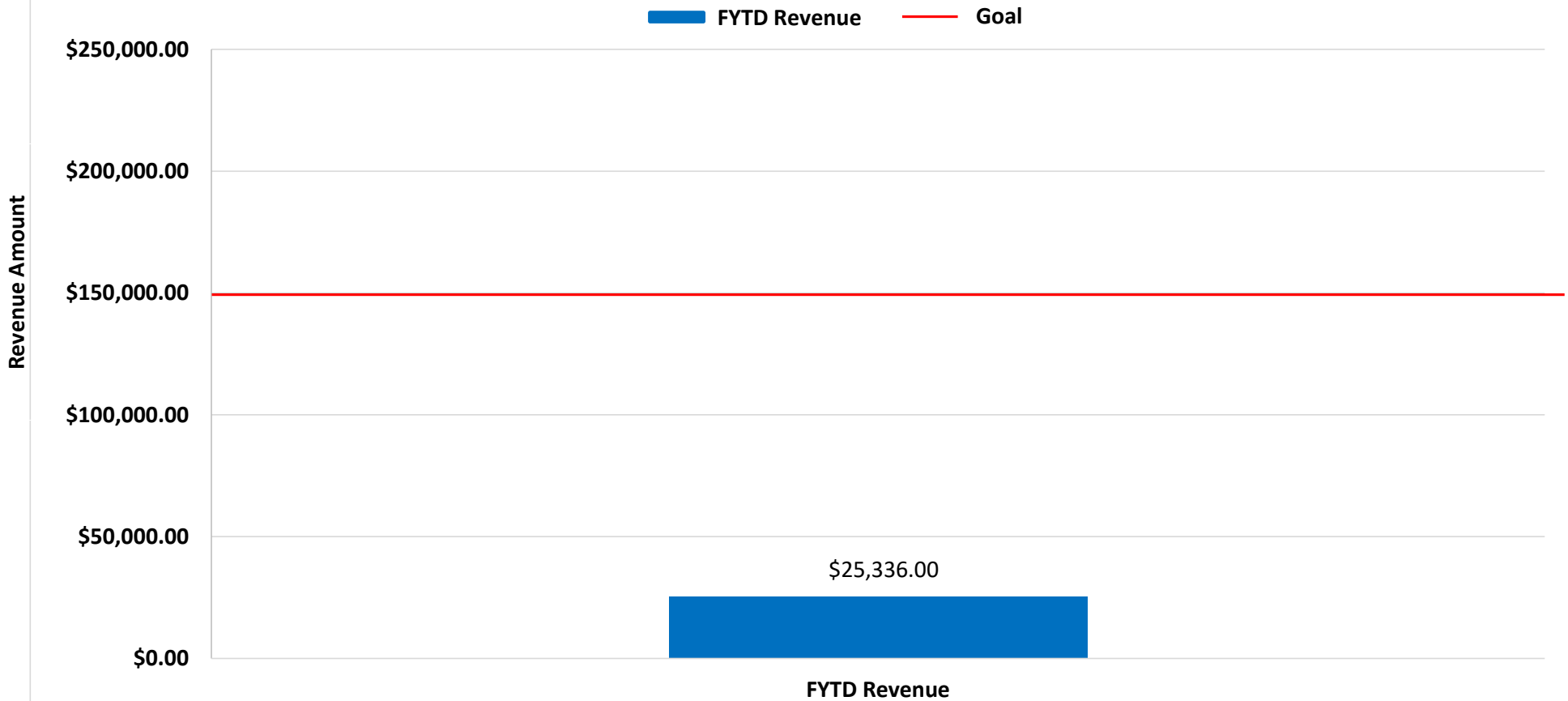
## Paratransit Customer Complaints October 2022 to October 2023



This chart represents the total number of boardings and valid complaints, as well as the number of valid complaints per 1,000 boardings for the paratransit service.

For the month of October, 99.94% of our total boardings did not receive a complaint.

### Advertising Revenue FYTD Revenue vs. Yearly Goal October 2023

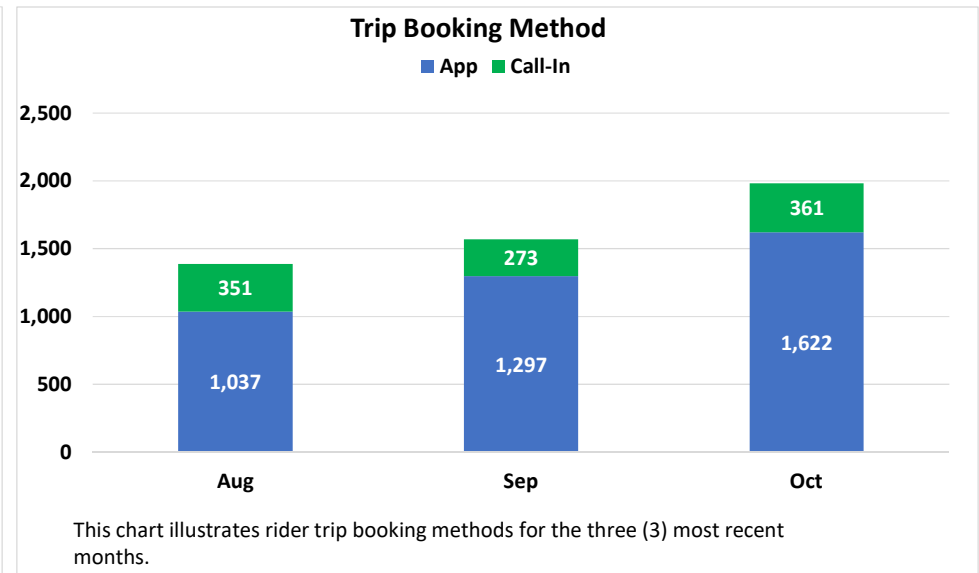
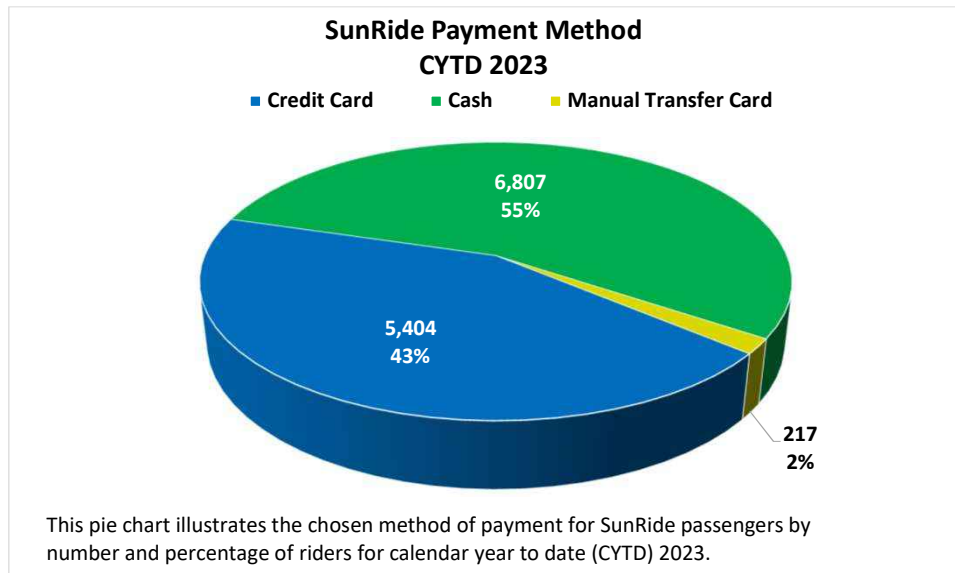
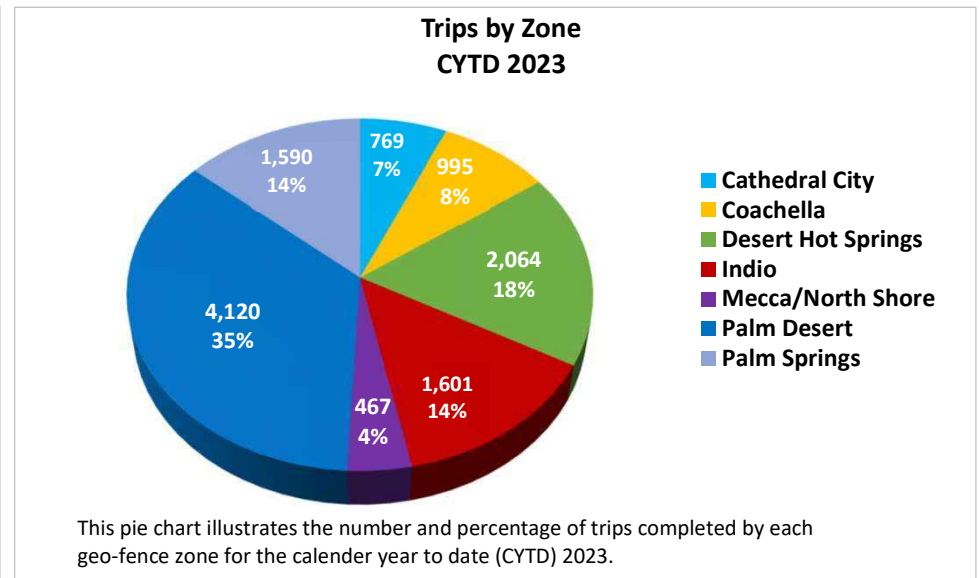
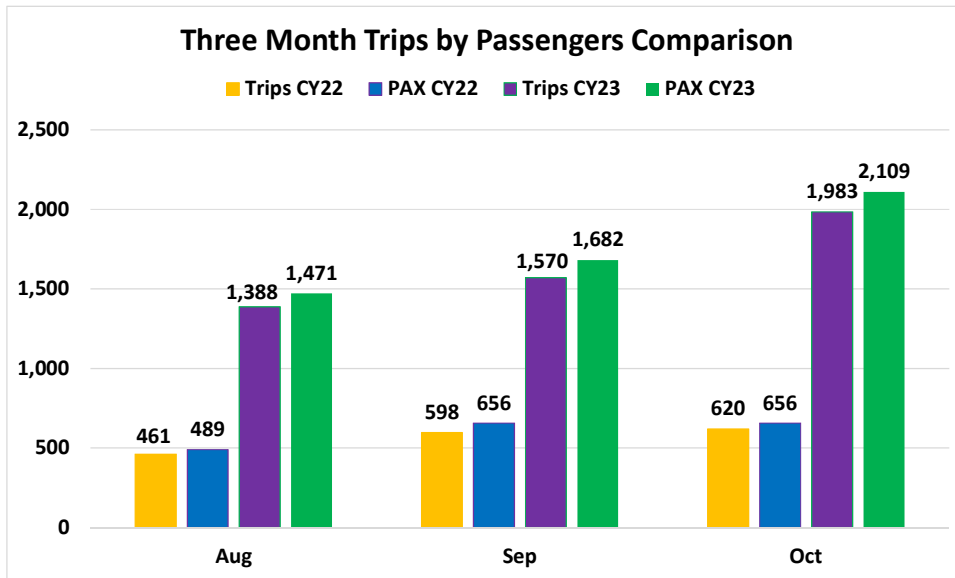


Advertising revenue tracks revenue of invoiced contracts for bus shelter and bus wrap advertising. The graph tracks FYTD revenue versus our yearly goal. The yearly goal for FY24 is \$150,000 (*advertising revenues follow Finance Department reporting from the previous two (2) months*).

## SunRide System-Wide Metrics CYTD 2023

**Total Completed Trips: 11,606**

**Total Number of Passengers: 12,428**

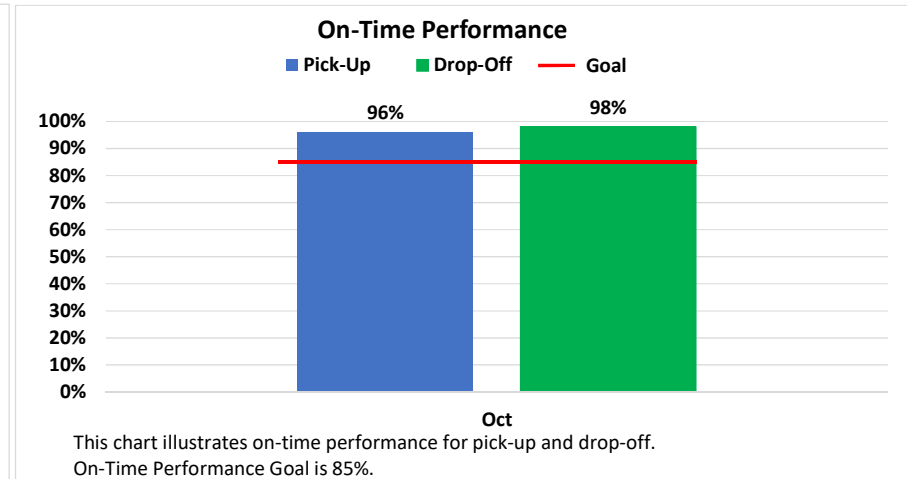
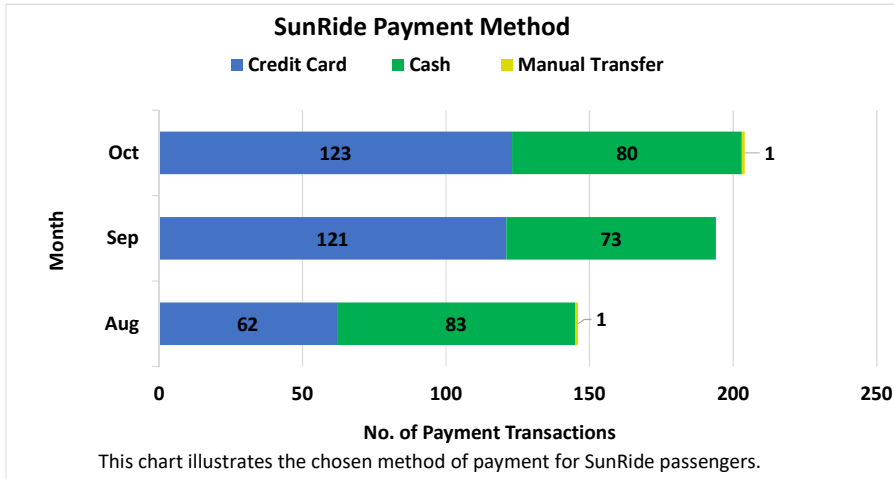
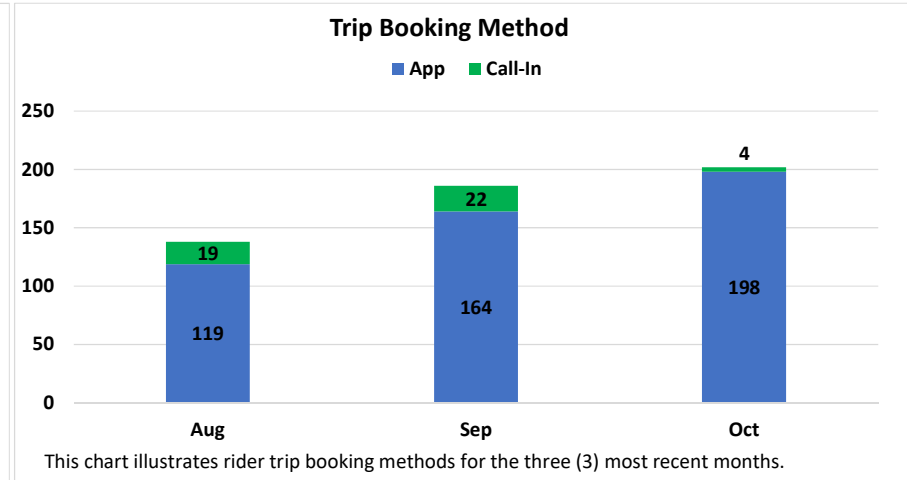
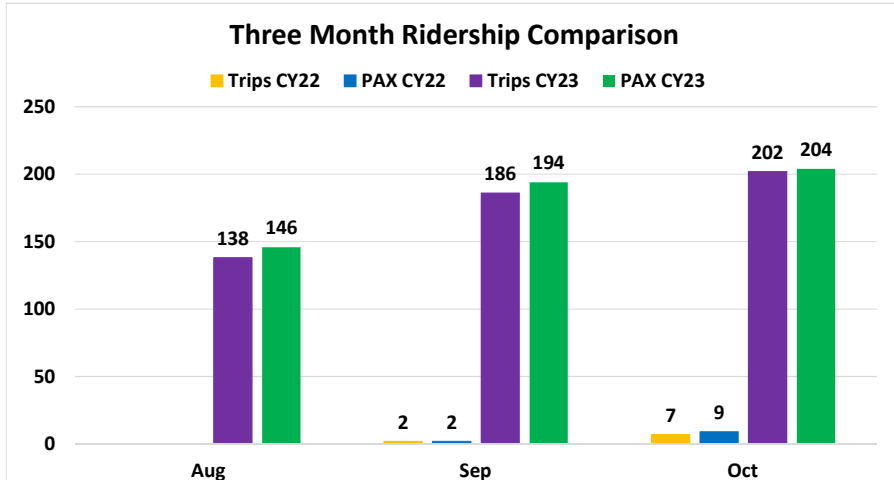


**Percentage of Trips System-wide as Ridesharing: 28%.**  
 [Based on No. of Shared Rides for the month (548) divided by Total Trips Completed (1,983)].

## Cathedral City Geo-Fence Metrics CYTD 2023

**Total Completed Trips: 769**

**Total Number of Passengers: 793**



**Percentage of Trips as Ridesharing: 19%.**  
 [Based on No. of Shared Rides for the month (38) divided by Total Trips Completed (202)].

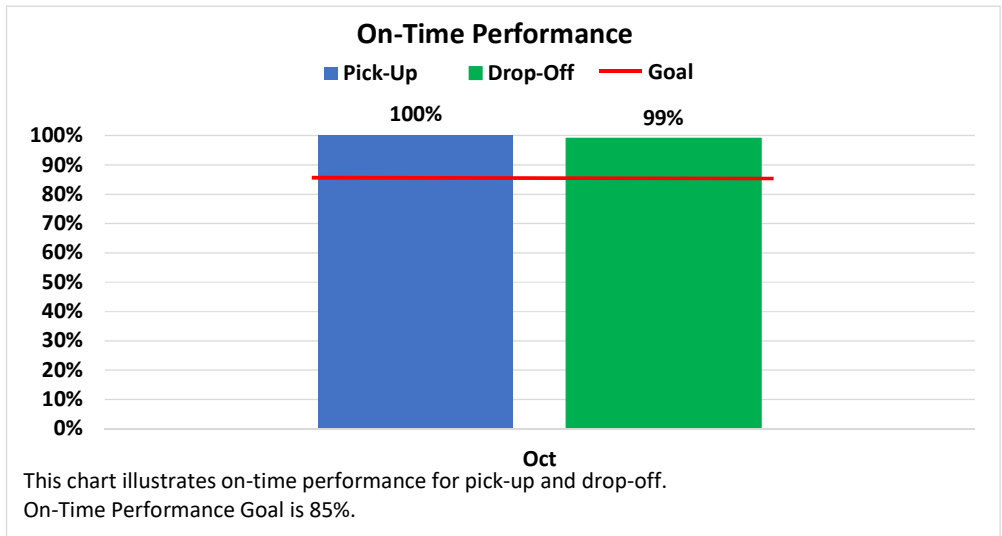
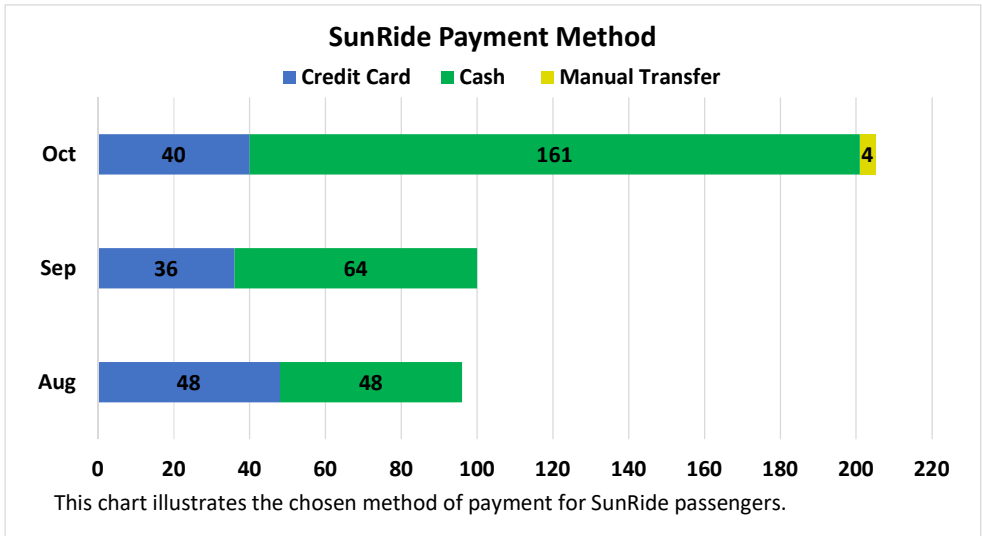
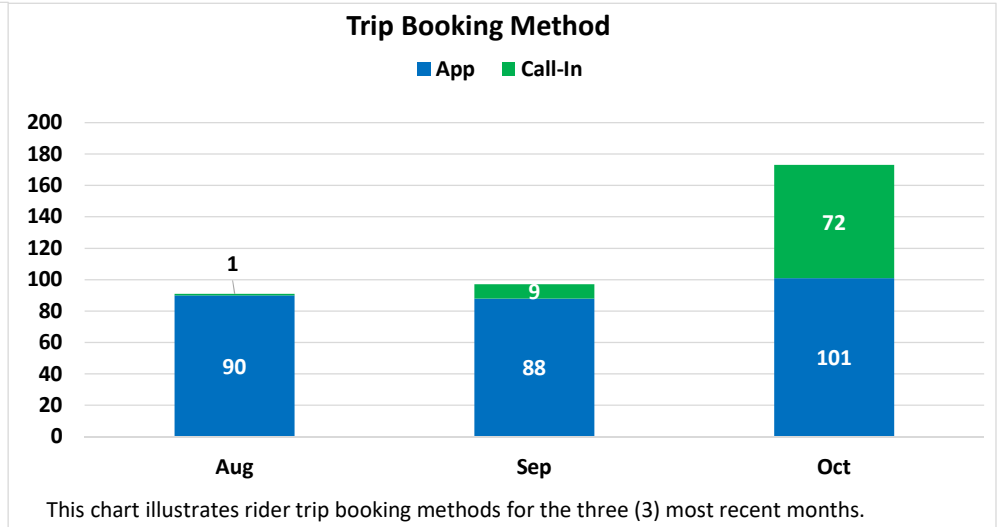
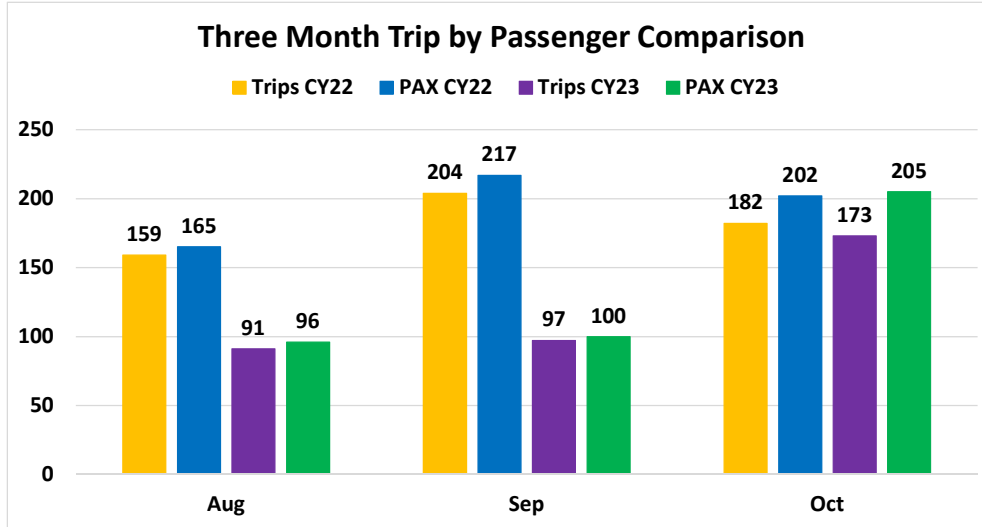
**Customer Satisfaction Rating**  
 Avg. rider trip rating 4.9  
 Goal: 4.5



## Coachella Geo-Fence Metrics CYTD 2023

**Total Completed Trips: 995**

**Total Number of Passengers: 1,081**



**Percentage of Trips as Ridesharing: 16%.**  
 [Based on No. of Shared Rides for the month (27) divided by Total Trips Completed (173)].

**Customer Satisfaction Rating**  
 Avg. rider trip rating: 4.8  
 Goal: 4.5

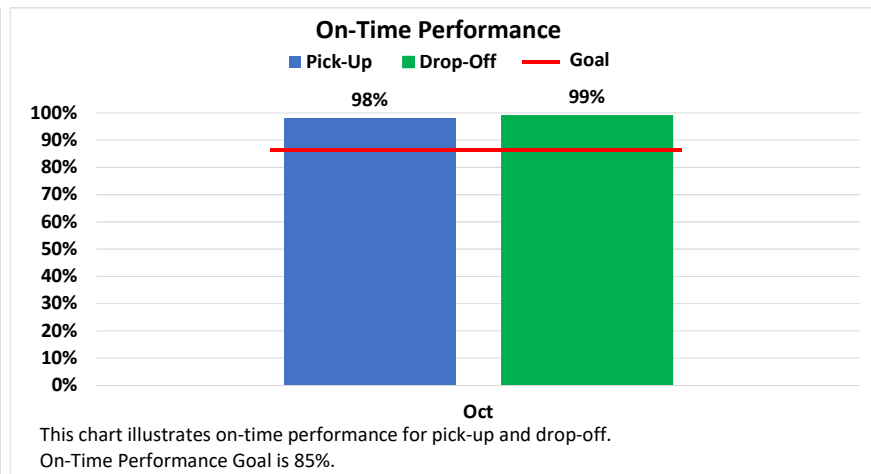
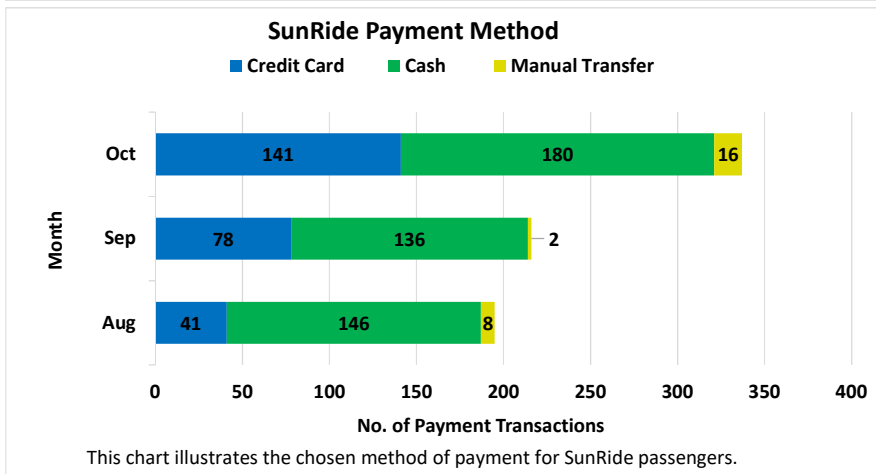
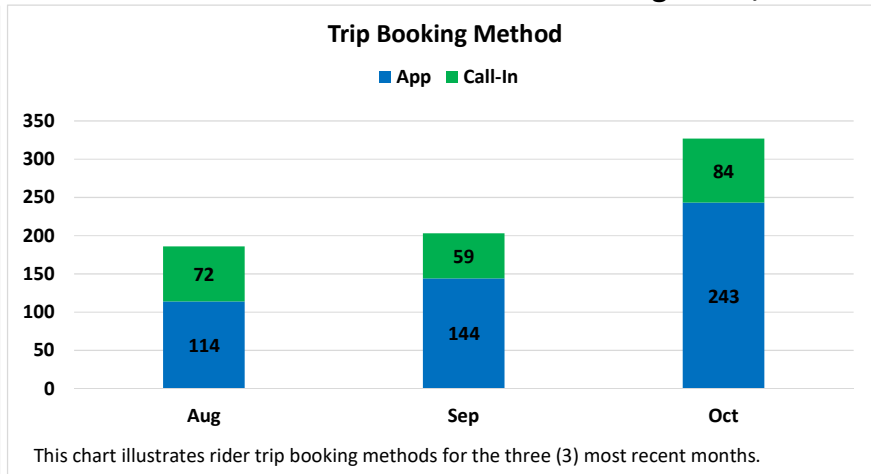
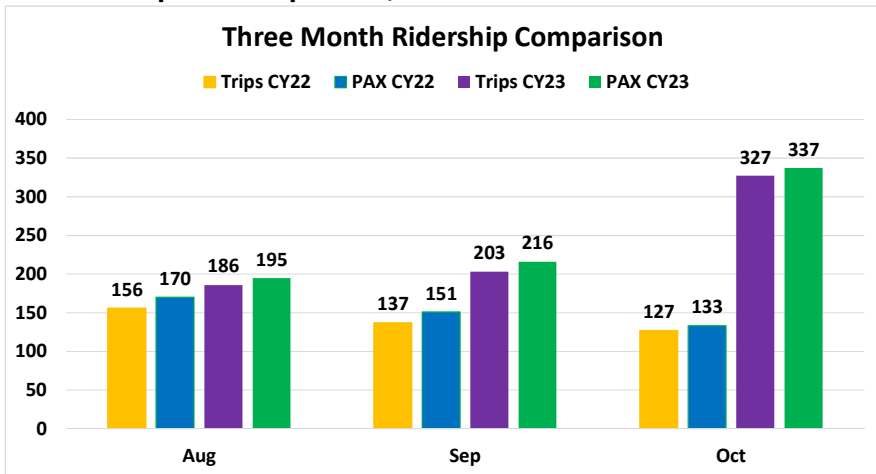


**EXCEEDS GOAL!**

## Desert Hot Springs/Desert Edge Geo-Fence Metrics CYTD 2023

**Total Completed Trips: 2,064**

**Total Number of Passengers: 2,253**



**Percentage of Trips as Ridesharing: 20%.**  
 [Based on No. of Shared Rides for the month (64) divided by Total Trips Completed (327)].

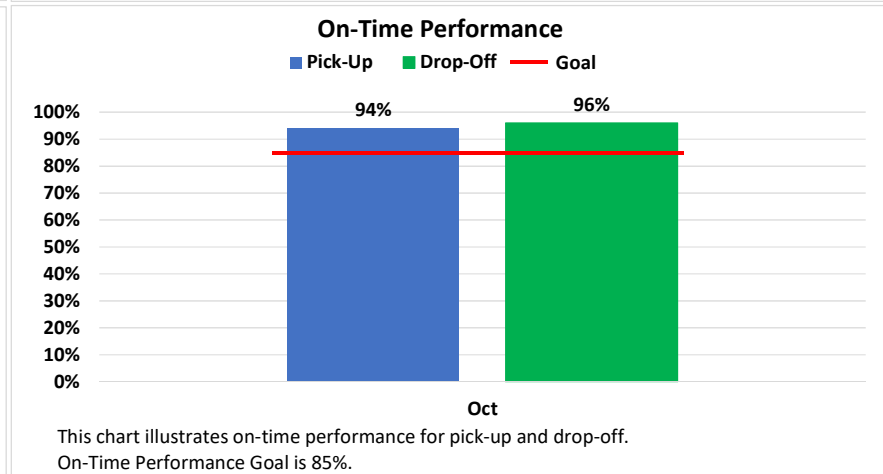
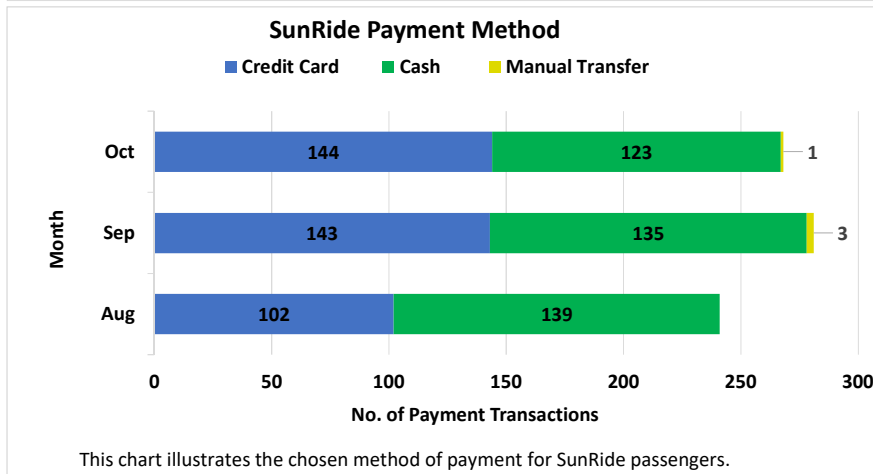
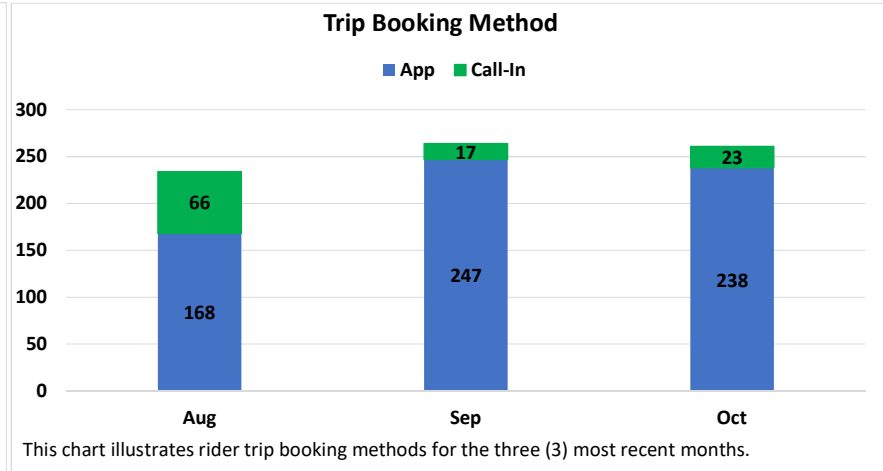
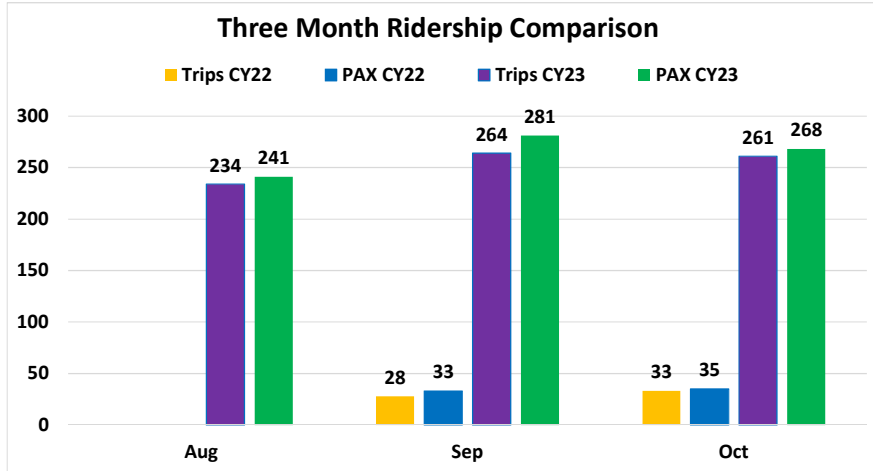
**Customer Satisfaction Rating**  
 Avg. rider trip rating 4.8  
 Goal: 4.5



## Indio Geo-Fence Metrics CYTD 2023

**Total Completed Trips: 1,601**

**Total Number of Passengers: 1,693**



**Percentage of Trips as Ridesharing: 16%.**  
 [Based on No. of Shared Rides for the month (42) divided by Total Trips Completed (261)].

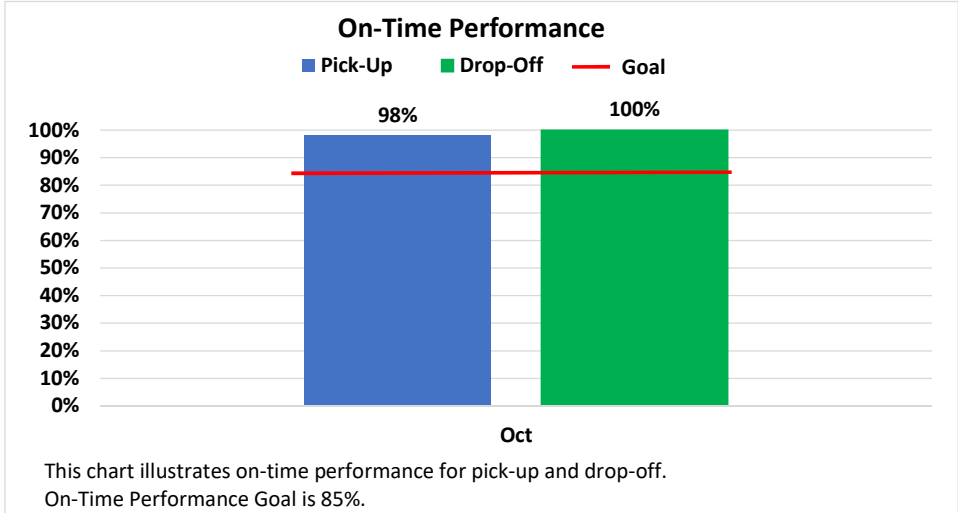
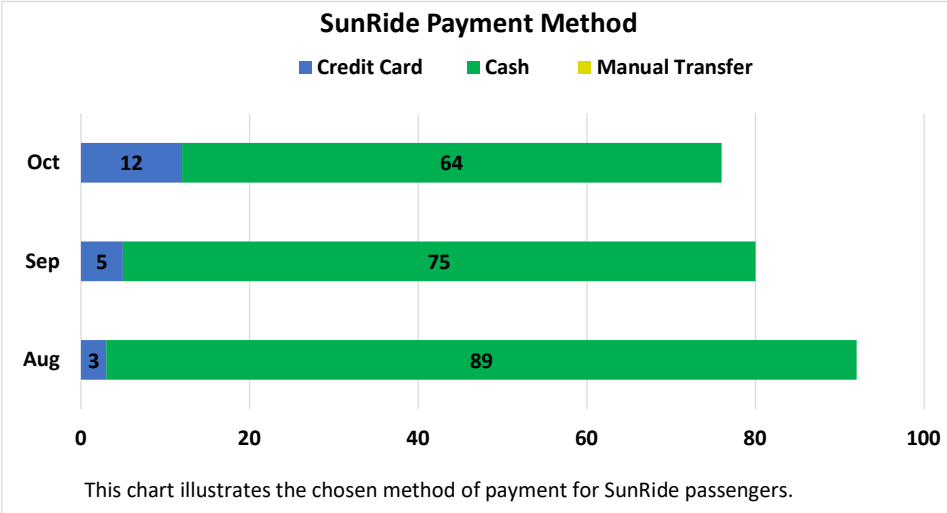
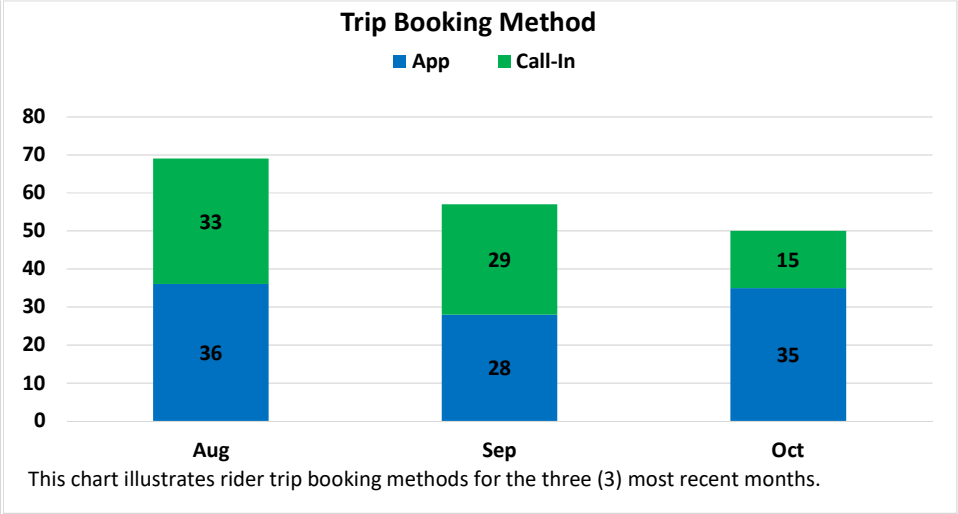
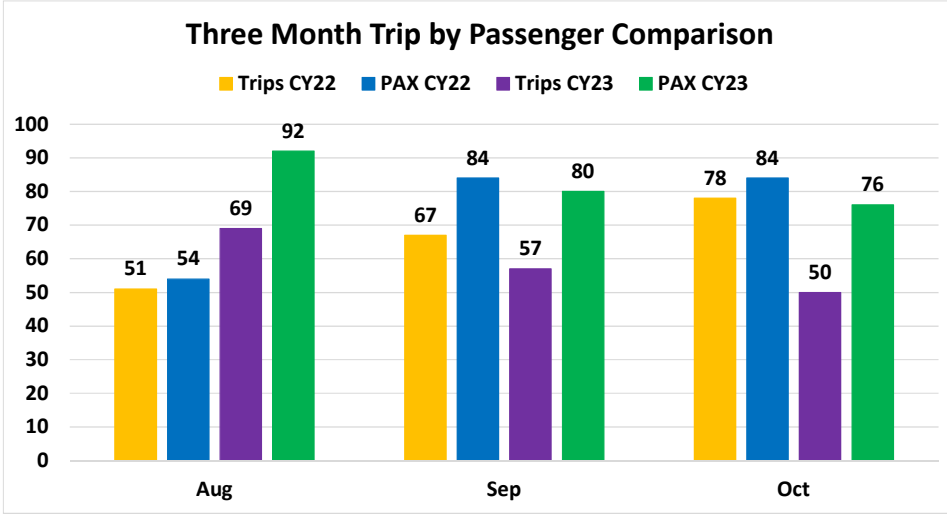
**Customer Satisfaction Rating**  
 Avg. rider trip rating 4.9  
 Goal: 4.5



## Mecca/North Shore Geo-Fence Metrics CYTD 2023

**Total Completed Trips: 467**

**Total Number of Passengers: 593**



**Percentage of Trips as Ridesharing: Four (4) percent.**  
 [Based on No. of Shared Rides for the month (2) divided by Total Trips Completed (50)].

**Customer Satisfaction Rating**  
 Avg. rider trip rating: 4.7  
 Goal: 4.5

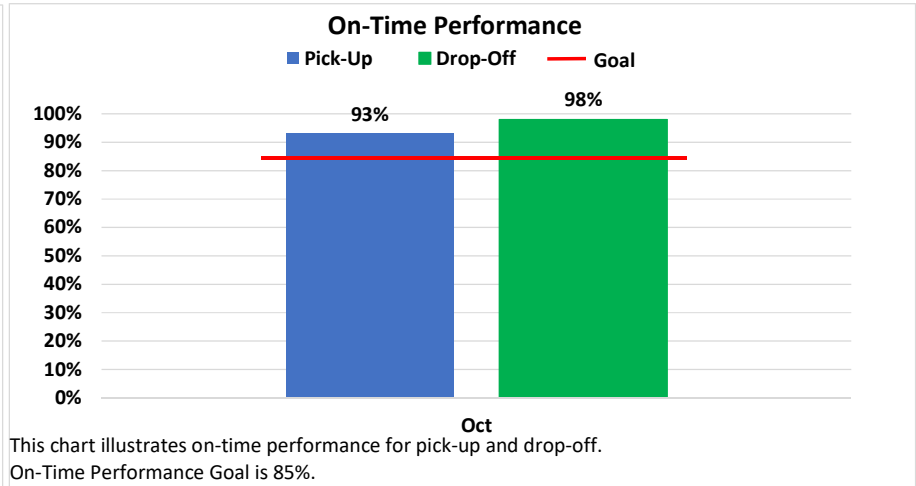
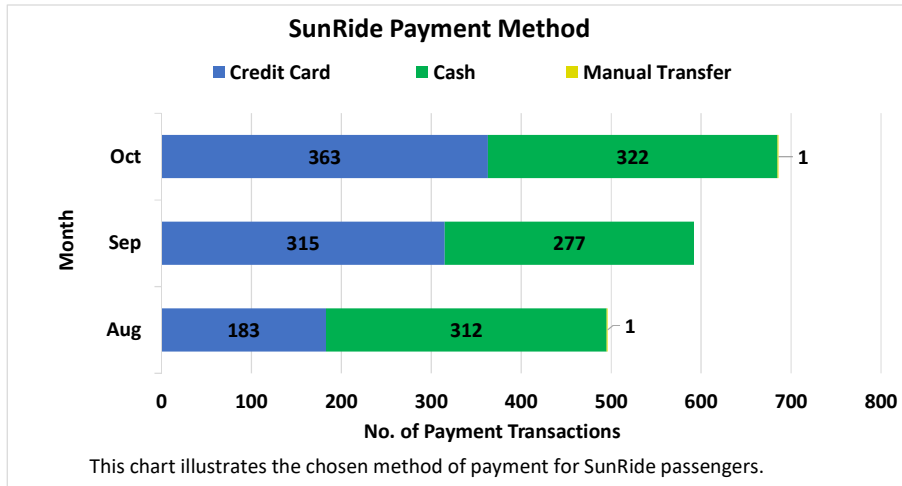
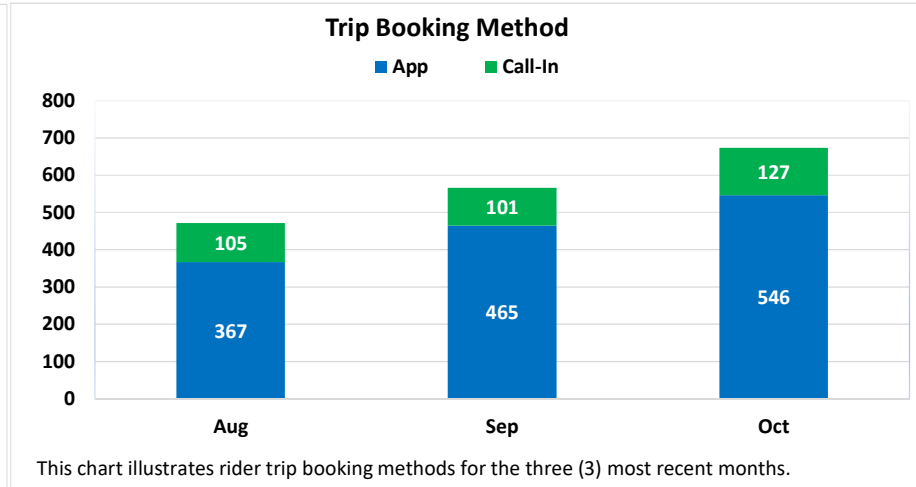
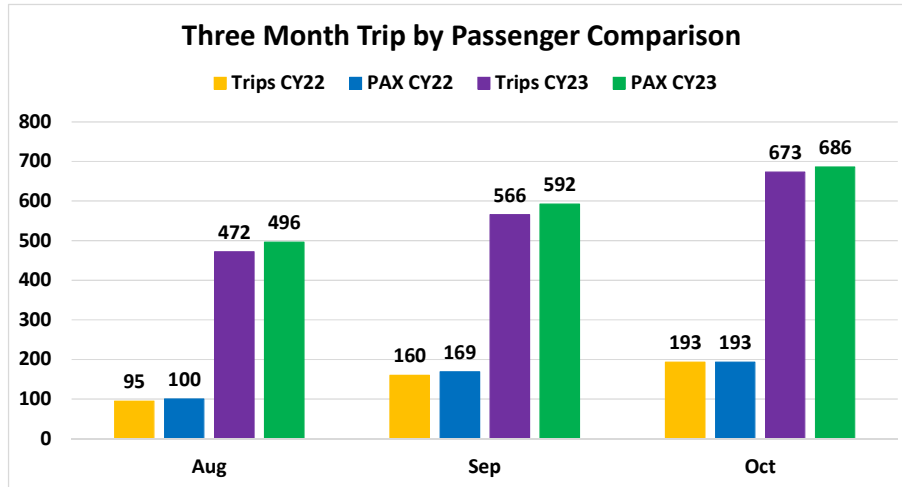




## Palm Desert Geo-Fence Metrics CYTD 2023

**Total Completed Trips: 4,120**

**Total Number of Passengers: 4,284**



**Percentage of Trips as Ridesharing: 46%.**  
 [Based on No. of Shared Rides for the month (311) divided by Total Trips Completed (673)].

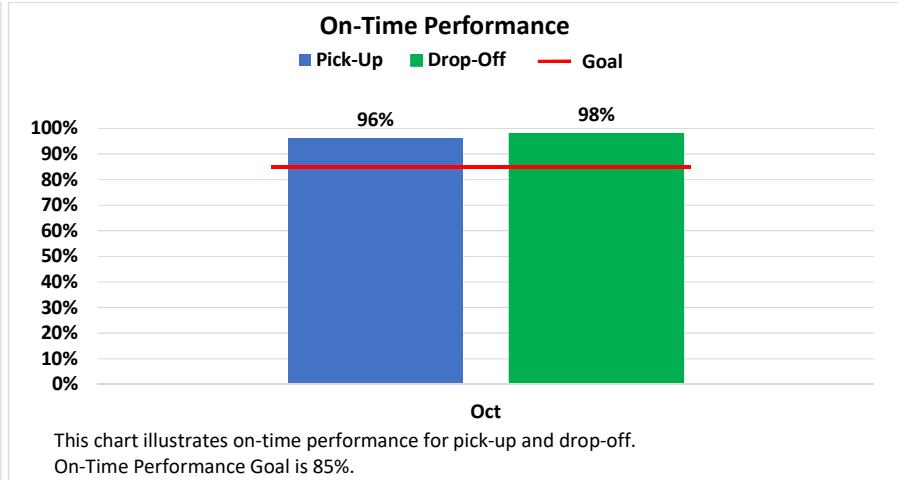
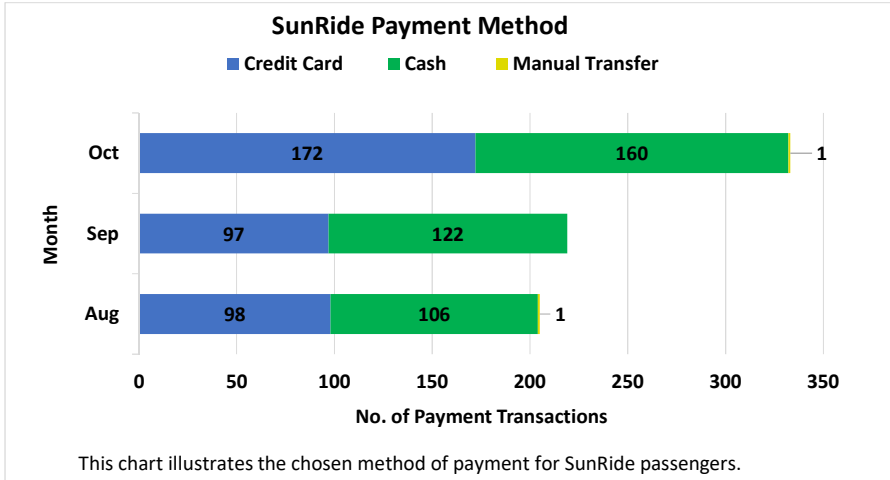
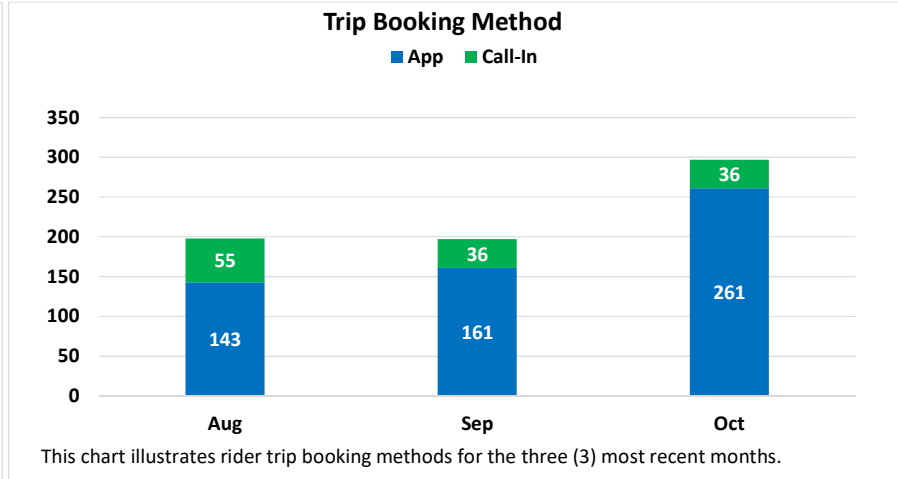
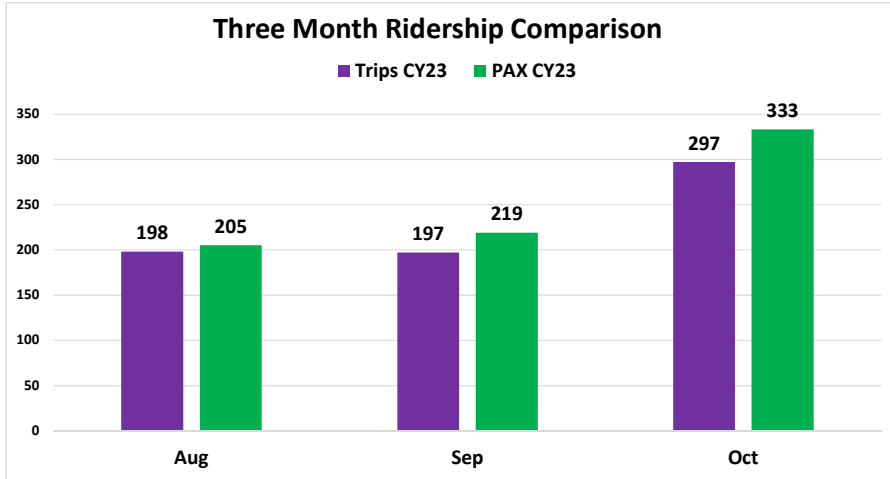
**Customer Satisfaction Rating**  
 Avg. rider trip rating: 4.9  
 Goal: 4.5



## Palm Springs Geo-Fence Metrics CYTD 2023

**Total Completed Trips: 1,590**

**Total Number of Passengers: 1,731**

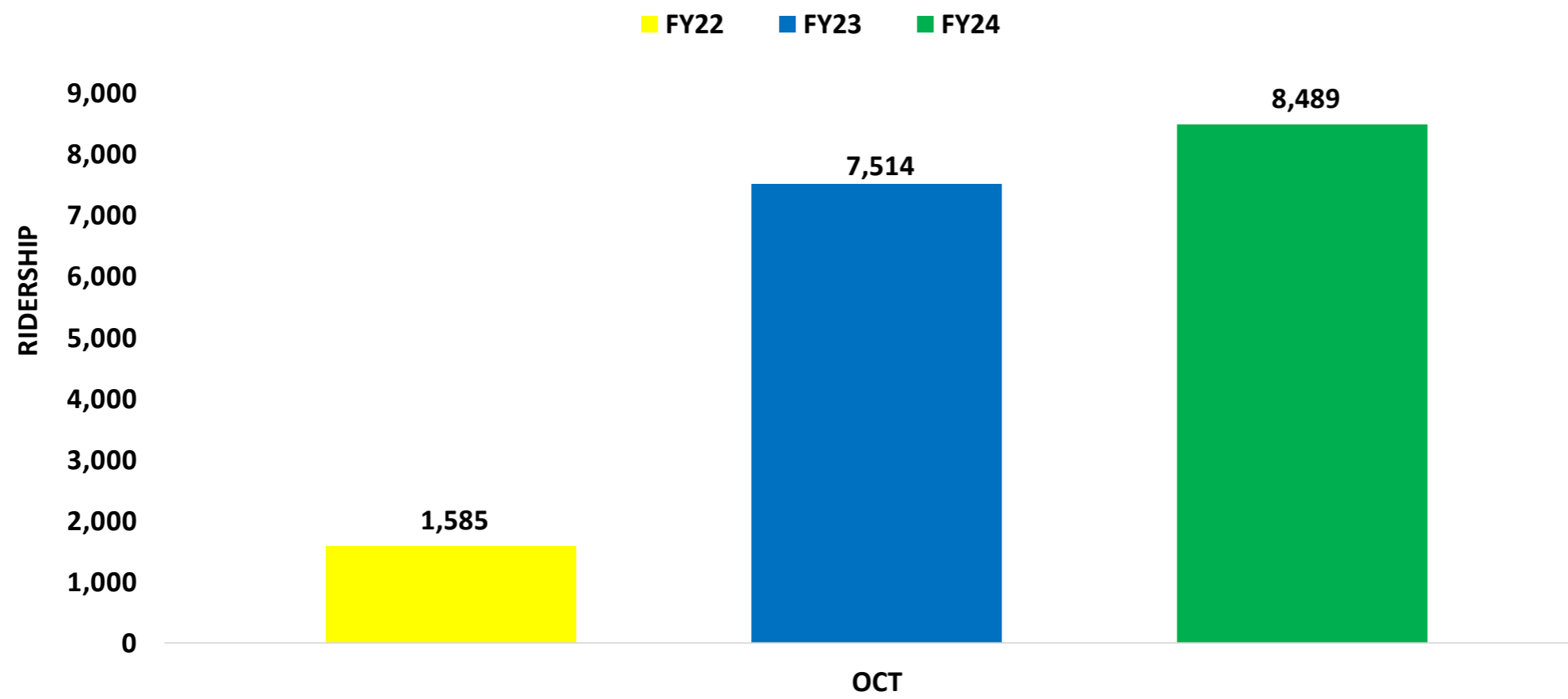


**Percentage of Trips as Ridesharing: 22%.**  
 [Based on No. of Shared Rides for the month (64) divided by Total Trips Completed (297)].

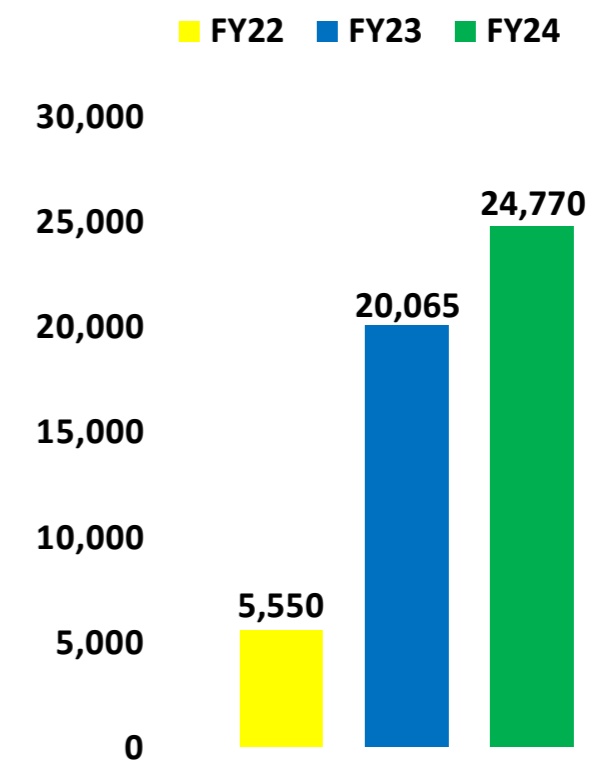
**Customer Satisfaction Rating**  
 Avg. rider trip rating 4.8  
 Goal: 4.5



### Haul Pass COD Ridership - October 2023

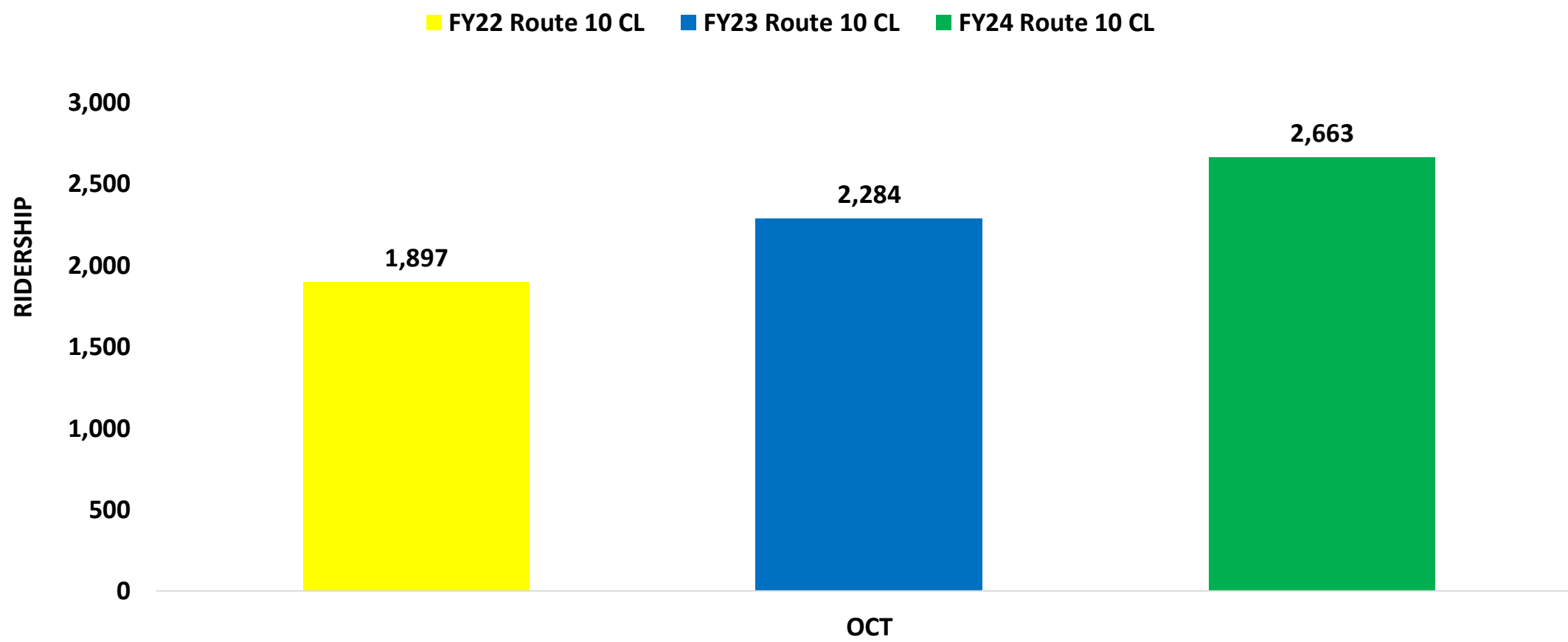


### COD Fixed Route Ridership Year to Date

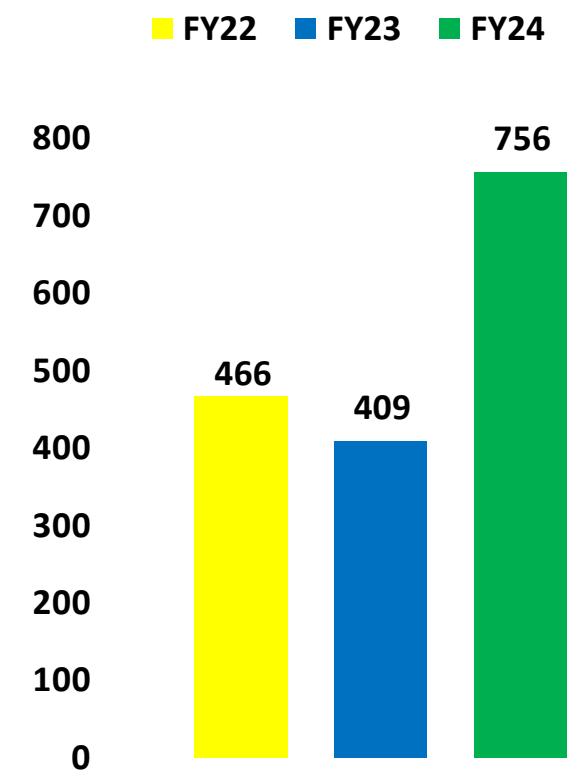


The Haul Pass program was introduced in August 2018.  
 This chart represents monthly ridership on the Haul Pass COD.  
 Haul Pass COD contributed with 8,489 rides from 498 unique riders.

### Haul Pass CSUSB Ridership - October 2023



### CSUSB Fixed Route Ridership Total



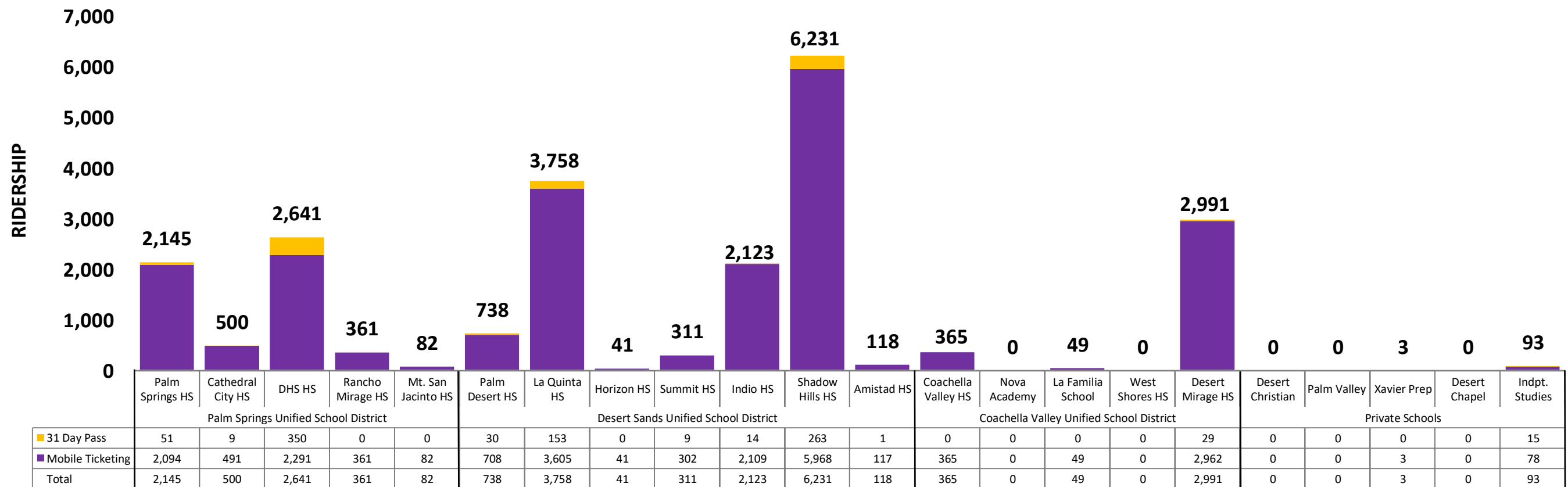
The Haul Pass CSUSB program was introduced in September 2019.

This chart represents monthly ridership on the Haul Pass CSUSB.

CSUSB contributed 2,992 rides from 264 unique users. From that total, 2,663 rides were used on Route 10 and 329 rides on the fixed route system.

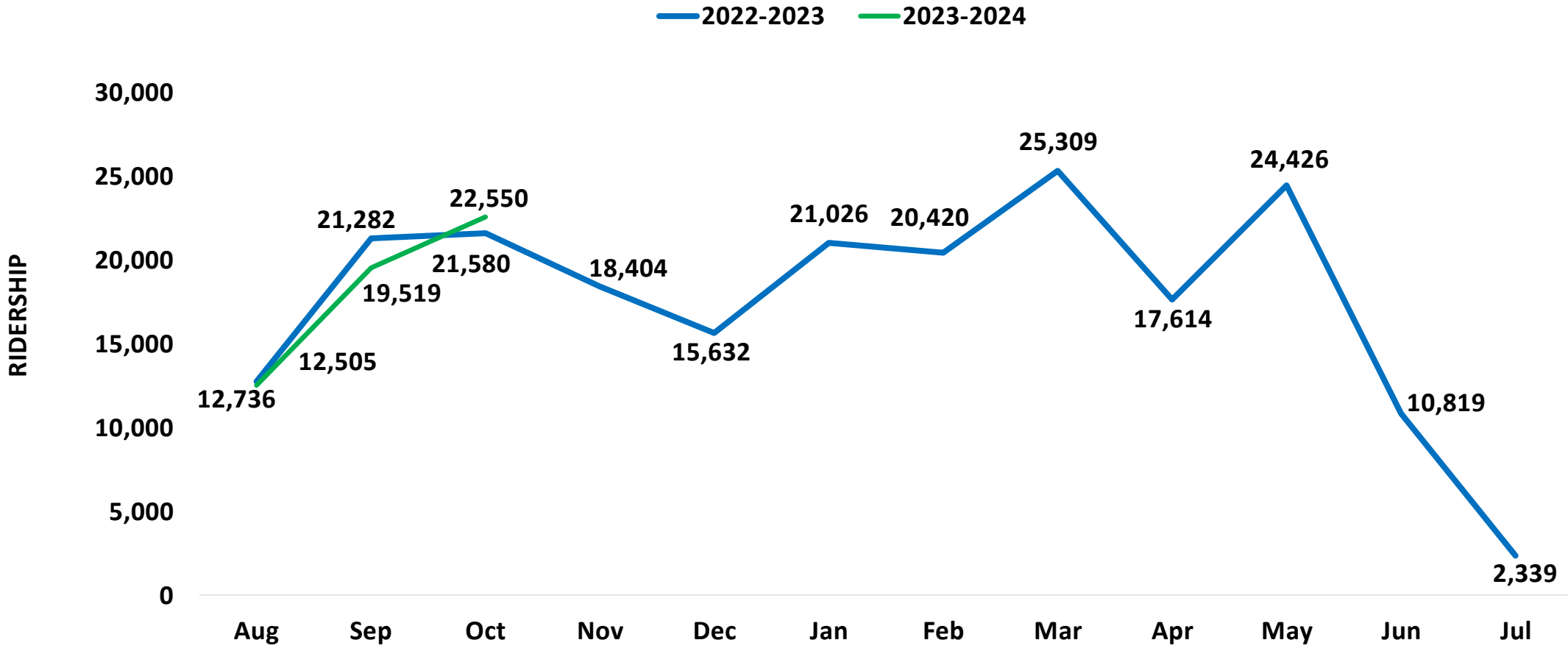
## High School Haul Pass - October 2023

■ Mobile Ticketing    
 ■ 31 Day Pass

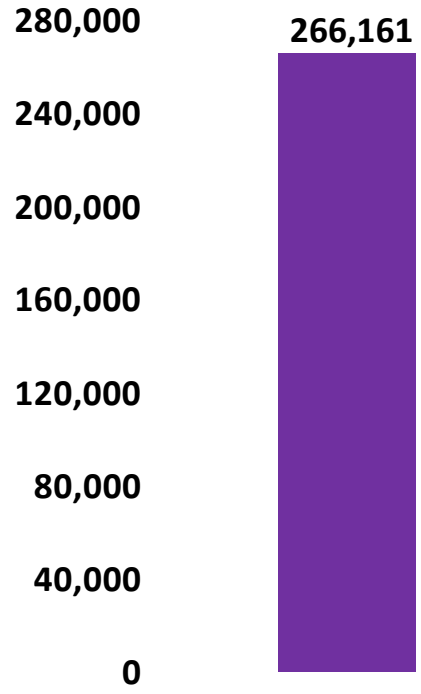


The High School Haul Pass program was introduced in August 2021.  
 Haul Pass COD contributed with 8,489 rides from 498 unique riders.  
 The total active users as of October 2023 are 3,686 using the High School Haul Pass.

### High School Haul Pass - Year to Date

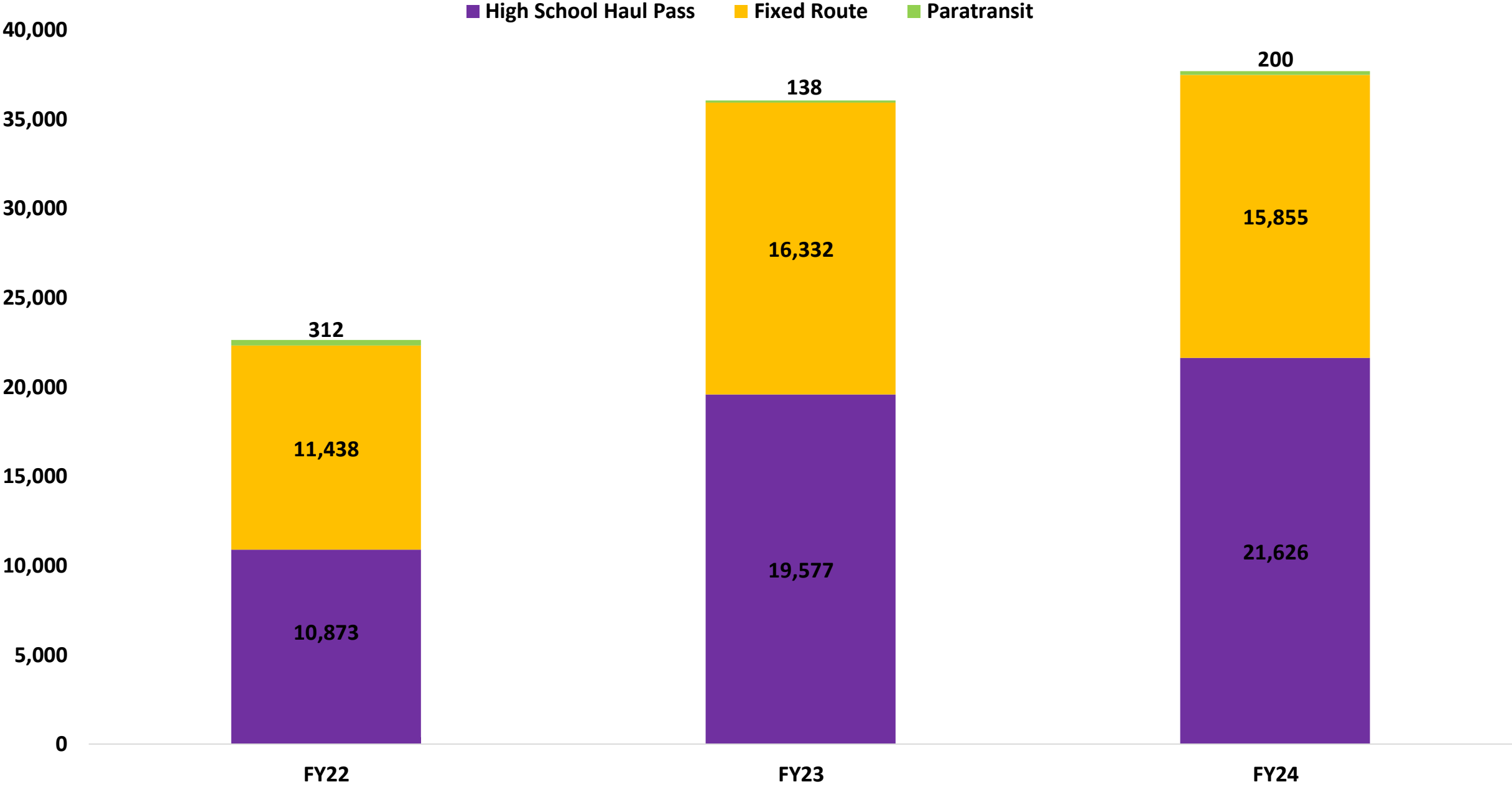


### High School Haul Pass Ridership Total



The High School Haul Pass program was introduced in August 2021. This chart represents monthly ridership comparison for the High School Haul Pass.

### Mobile Ticketing Usage - October 2023



This chart represents all monthly mobile ticketing usage by category based on the Token Transit app data. The total for October 2023 includes the following passes used through Token Transit: High School Haul Pass, Fixed Route, Paratransit. A total of 2,092 unique users used mobile ticketing in the month of October 2023. Unique users made a total of 37,681 rides.

**SunLine Transit Agency**  
**CONSENT CALENDAR**

DATE: December 6, 2023 **RECEIVE & FILE**

TO: Finance/Audit Committee  
Board of Directors

RE: Quarterly Performance Summary for Q3 of Calendar Year 2023

Summary:

The following quarterly reports demonstrate the performance of the bargaining and non-bargaining pension plans for the third quarter of calendar year 2023. The report shows market value, asset allocation percentage and performance compared to benchmarks. The bargaining and non-bargaining pension assets were both down 2.91% for the third quarter of calendar year 2023. The negative returns mirrored the overall market loss due to uncertain market conditions. Pension plans are measured on long-term performance and it is expected that short-term fluctuations in market performance will exceed or fall short of long-term plan assumptions. The recommended actuarial employer contributions account for the disparity between assumptions.

Recommendation:

Receive and file.



## Asset Allocation &amp; Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Total Fund</b>	<b>36,688,380</b>	<b>100.00</b>	<b>-2.91</b>	<b>4.82</b>	<b>12.02</b>	<b>2.91</b>	<b>4.91</b>	<b>5.77</b>	<b>07/01/2017</b>
<i>PFM Blended Benchmark</i>			-3.31	4.88	11.40	2.20	4.33	5.07	07/01/2017
<b>Domestic Equity</b>	<b>12,835,816</b>	<b>34.99</b>	<b>-3.30</b>	<b>8.55</b>	<b>17.37</b>	<b>N/A</b>	<b>N/A</b>	<b>1.71</b>	<b>04/01/2021</b>
<i>Russell 3000 Index</i>			-3.25	12.39	20.46	9.38	9.14	2.86	04/01/2021
Vanguard Total Stock Market ETF	12,195,095	33.24	-3.29	12.36	20.40	9.25	9.06	17.12	04/01/2020
<i>Russell 3000 Index</i>			-3.25	12.39	20.46	9.38	9.14	17.22	04/01/2020
Jensen Quality Growth Fund	640,720	1.75	-3.76	6.59	16.30	9.00	9.91	10.35	04/01/2019
<i>S&amp;P 500</i>			-3.27	13.07	21.62	10.15	9.92	11.51	04/01/2019
<b>International Equity</b>	<b>6,339,114</b>	<b>17.28</b>	<b>-4.44</b>	<b>5.46</b>	<b>20.75</b>	<b>N/A</b>	<b>N/A</b>	<b>-6.69</b>	<b>04/01/2021</b>
<i>MSCI AC World ex USA (Net)</i>			-3.77	5.34	20.39	3.74	2.58	-3.20	04/01/2021
Vanguard Total International Stock ETF	3,465,634	9.45	-4.01	5.08	20.53	3.91	2.78	10.34	04/01/2020
<i>MSCI AC World ex USA (Net)</i>			-3.77	5.34	20.39	3.74	2.58	9.58	04/01/2020
J. O. Hambro International Select	441,735	1.20	-5.94	6.80	22.41	-3.72	1.25	3.35	07/01/2017
<i>MSCI AC World ex USA (Net)</i>			-3.77	5.34	20.39	3.74	2.58	3.33	07/01/2017
Harding Loevner International Equity	424,946	1.16	-7.61	2.60	17.70	1.04	2.60	3.56	07/01/2020
<i>MSCI AC World ex USA (Net)</i>			-3.77	5.34	20.39	3.74	2.58	5.39	07/01/2020
Goldman Sachs GQG Ptnrs Intl Opportunities	467,992	1.28	-1.74	8.55	23.46	4.42	7.85	-2.28	09/01/2023
<i>MSCI AC World ex USA (Net)</i>			-3.77	5.34	20.39	3.74	2.58	-3.16	09/01/2023
Vanguard FTSE Developed Markets ETF	623,097	1.70	-4.68	5.93	24.06	5.35	3.20	-2.70	03/01/2022
<i>MSCI EAFE (net)</i>			-4.11	7.08	25.65	5.75	3.24	-1.28	03/01/2022
Vanguard FTSE All-World ex-US Small-Cap ETF	310,954	0.85	-3.37	4.36	18.08	2.99	1.58	-4.24	09/01/2023
<i>MSCI AC World ex USA Small Cap (Net)</i>			-1.70	5.03	19.01	4.01	2.58	-3.76	09/01/2023
Hartford Schroders Emerging Markets Equity	291,873	0.80	-6.02	0.69	11.24	-3.28	0.58	-1.35	03/01/2018
<i>MSCI EM (net)</i>			-2.93	1.82	11.70	-1.73	0.55	-1.51	03/01/2018
iShares MSCI Emerging Markets ex China ETF	312,883	0.85	-3.92	5.67	14.56	5.12	2.60	-2.54	09/01/2023
<i>MSCI EM (net)</i>			-2.93	1.82	11.70	-1.73	0.55	-2.62	09/01/2023

Returns are net of mutual fund fees.

Returns are expressed as percentages.

\*Asset class level returns may vary from individual underlying manager returns due to cash flows.

## Asset Allocation &amp; Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Other Growth</b>	<b>1,423,605</b>	<b>3.88</b>	<b>0.00</b>	<b>18.07</b>	<b>81.66</b>	<b>N/A</b>	<b>N/A</b>	<b>25.07</b>	<b>04/01/2021</b>
<i>CA US Private Equity Index</i>			0.00	5.52	6.47	16.56	14.29	10.32	04/01/2021
NB Secondary Opportunities Fund V Offshore[CE]	1,423,605	3.88	0.00	18.07	35.22	N/A	N/A	67.15	03/01/2022
<i>CA US Private Equity Index</i>			0.00	5.52	6.47	16.56	14.29	0.36	03/01/2022
<b>Fixed Income</b>	<b>13,663,406</b>	<b>37.24</b>	<b>-2.59</b>	<b>0.15</b>	<b>2.36</b>	<b>-4.14</b>	<b>0.44</b>	<b>0.42</b>	<b>07/01/2017</b>
<i>Blmbg. U.S. Aggregate</i>			-3.23	-1.21	0.64	-5.21	0.10	0.02	07/01/2017
Baird Core Plus	3,725,005	10.15	-2.73	-0.21	2.29	-4.42	0.80	0.66	07/01/2017
<i>Blmbg. U.S. Aggregate</i>			-3.23	-1.21	0.64	-5.21	0.10	0.02	07/01/2017
DoubleLine Core Fixed Income	1,640,487	4.47	-2.93	-0.07	1.10	-4.03	-0.06	-0.14	09/01/2017
PGIM Total Return Bond Fund	3,012,291	8.21	-2.52	0.57	2.90	-4.66	0.61	0.30	09/01/2017
<i>Blmbg. U.S. Aggregate</i>			-3.23	-1.21	0.64	-5.21	0.10	-0.20	09/01/2017
Voya Intermediate Bond	1,644,457	4.48	-2.66	-0.05	1.60	-4.72	0.47	-2.22	01/01/2020
<i>Blmbg. U.S. Aggregate</i>			-3.23	-1.21	0.64	-5.21	0.10	-2.49	01/01/2020
iShares Core US Aggregate Bond ETF	2,308,400	6.29	-3.22	-1.03	0.64	-5.21	0.08	-4.15	02/01/2023
<i>Blmbg. U.S. Aggregate</i>			-3.23	-1.21	0.64	-5.21	0.10	-4.15	02/01/2023
iShares Intermediate-Term Corporate Bond ETF	712,090	1.94	-2.47	1.00	4.60	-4.37	1.42	-1.33	10/01/2019
<i>ICE BofA U.S. Corporate 5-10 Year Index</i>			-2.45	0.72	4.57	-4.37	1.48	-1.28	10/01/2019
BBH Limited Duration	118	0.00	1.74	4.77	6.18	2.12	2.53	3.39	02/01/2023
<i>Blmbg. U.S. Treasury: 1-3 Year</i>			0.71	1.69	2.44	-0.92	1.03	0.95	02/01/2023
MainStay MacKay High Yield Corp Bond Fund	620,543	1.69	0.52	5.81	9.99	2.57	3.37	-0.02	06/01/2021
<i>ICE BofA High Yield Master II</i>			0.53	5.97	10.20	1.82	2.80	-1.34	06/01/2021
<b>Other Income</b>	<b>2,040,953</b>	<b>5.56</b>	<b>0.00</b>	<b>-0.26</b>	<b>-2.59</b>	<b>N/A</b>	<b>N/A</b>	<b>-7.45</b>	<b>09/01/2021</b>
<i>Cliffwater Direct Lending Index</i>			0.00	5.57	7.74	9.48	7.97	8.24	09/01/2021
Golub Capital Partners International XIV[CE]	1,620,000	4.42	0.00	N/A	N/A	N/A	N/A	3.19	04/01/2023
<i>Cliffwater Direct Lending Index</i>			0.00	5.57	7.74	9.48	7.97	2.81	04/01/2023
A TEL Private Debt Partners II[CE]	420,953	1.15	0.00	3.34	5.08	N/A	N/A	5.85	10/01/2021
<i>Cliffwater Direct Lending Index</i>			0.00	5.57	7.74	9.48	7.97	7.17	10/01/2021
<b>Cash Equivalent</b>	<b>385,486</b>	<b>1.05</b>	<b>1.31</b>	<b>3.48</b>	<b>4.37</b>	<b>1.66</b>	<b>1.59</b>	<b>1.53</b>	<b>07/01/2017</b>
First American Prime Obligation - Z	385,486	1.05	1.33	3.72	4.67	1.79	1.74	1.71	07/01/2017

\*[Current Estimate] At any point in time the valuation for private equity and other illiquid asset classes may be different from market prices due to an inherent lag effect in the industry. The reporting lag inherent in this process means that there can be a valuation lag of a quarter or, in some cases, even longer. For such illiquid asset classes shown herein, performance is calculated for the relevant period(s) using a roll-forward valuation approach whereby the last reported valuation is adjusted for cash flows to provide an initial estimated valuation, typically resulting in a zero return for the lagging period. Performance is adjusted and finalized when the updated valuation is reported. Returns are gross of management fees. The roll-forward valuation methodology described is consistent with guidance provided within the CFA Institute's Global Investment Performance Standards (GIPS). Performance is calculated using the Modified-Dietz time weighted methodology to maintain consistency with the other returns in this exhibit. For since inception IRR performance, please refer to the fund-specific overview page.

Returns are net of mutual fund fees.

Returns are expressed as percentages.

\*Asset class level returns may vary from individual underlying manager returns due to cash flows.

## Asset Allocation &amp; Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Total Fund - Non-Bargaining</b>	<b>36,621,243</b>	<b>100.00</b>	<b>-2.91</b>	<b>4.81</b>	<b>12.00</b>	<b>2.92</b>	<b>4.91</b>	<b>5.77</b>	<b>07/01/2017</b>
<i>PFM Blended Benchmark</i>			<i>-3.31</i>	<i>4.88</i>	<i>11.40</i>	<i>2.20</i>	<i>4.33</i>	<i>5.07</i>	<i>07/01/2017</i>
<b>Domestic Equity</b>	<b>12,778,475</b>	<b>34.89</b>	<b>-3.31</b>	<b>8.56</b>	<b>17.38</b>	<b>N/A</b>	<b>N/A</b>	<b>1.71</b>	<b>04/01/2021</b>
<i>Russell 3000 Index</i>			<i>-3.25</i>	<i>12.39</i>	<i>20.46</i>	<i>9.38</i>	<i>9.14</i>	<i>2.86</i>	<i>04/01/2021</i>
Vanguard Total Stock Market ETF	12,139,019	33.15	-3.29	12.36	20.40	9.25	9.06	17.12	04/01/2020
<i>Russell 3000 Index</i>			<i>-3.25</i>	<i>12.39</i>	<i>20.46</i>	<i>9.38</i>	<i>9.14</i>	<i>17.22</i>	<i>04/01/2020</i>
Jensen Quality Growth Fund	639,456	1.75	-3.76	6.59	16.30	9.00	9.91	10.35	04/01/2019
<i>S&amp;P 500</i>			<i>-3.27</i>	<i>13.07</i>	<i>21.62</i>	<i>10.15</i>	<i>9.92</i>	<i>11.51</i>	<i>04/01/2019</i>
<b>International Equity</b>	<b>6,302,740</b>	<b>17.21</b>	<b>-4.45</b>	<b>5.45</b>	<b>20.74</b>	<b>N/A</b>	<b>N/A</b>	<b>-6.69</b>	<b>04/01/2021</b>
<i>MSCI AC World ex USA (Net)</i>			<i>-3.77</i>	<i>5.34</i>	<i>20.39</i>	<i>3.74</i>	<i>2.58</i>	<i>-3.20</i>	<i>04/01/2021</i>
Vanguard Total International Stock ETF	3,435,021	9.38	-4.01	5.08	20.53	3.91	2.78	10.34	04/01/2020
<i>MSCI AC World ex USA (Net)</i>			<i>-3.77</i>	<i>5.34</i>	<i>20.39</i>	<i>3.74</i>	<i>2.58</i>	<i>9.58</i>	<i>04/01/2020</i>
J. O. Hambro International Select	440,553	1.20	-5.94	6.80	22.41	-3.72	1.25	3.35	07/01/2017
<i>MSCI AC World ex USA (Net)</i>			<i>-3.77</i>	<i>5.34</i>	<i>20.39</i>	<i>3.74</i>	<i>2.58</i>	<i>3.33</i>	<i>07/01/2017</i>
Harding Loevner International Equity	424,240	1.16	-7.61	2.60	17.70	1.04	2.60	3.56	07/01/2020
<i>MSCI AC World ex USA (Net)</i>			<i>-3.77</i>	<i>5.34</i>	<i>20.39</i>	<i>3.74</i>	<i>2.58</i>	<i>5.39</i>	<i>07/01/2020</i>
Goldman Sachs GQG Ptnrs Intl Opportunities	467,007	1.28	-1.74	8.55	23.46	4.42	7.85	-2.28	09/01/2023
<i>MSCI AC World ex USA (Net)</i>			<i>-3.77</i>	<i>5.34</i>	<i>20.39</i>	<i>3.74</i>	<i>2.58</i>	<i>-3.16</i>	<i>09/01/2023</i>
Vanguard FTSE Developed Markets ETF	621,873	1.70	-4.68	5.93	24.06	5.35	3.20	-2.70	03/01/2022
<i>MSCI EAFE (net)</i>			<i>-4.11</i>	<i>7.08</i>	<i>25.65</i>	<i>5.75</i>	<i>3.24</i>	<i>-1.28</i>	<i>03/01/2022</i>
Vanguard FTSE All-World ex-US Small-Cap ETF	310,423	0.85	-3.37	4.36	18.08	2.99	1.58	-4.24	09/01/2023
<i>MSCI AC World ex USA Small Cap (Net)</i>			<i>-1.70</i>	<i>5.03</i>	<i>19.01</i>	<i>4.01</i>	<i>2.58</i>	<i>-3.76</i>	<i>09/01/2023</i>
Hartford Schroders Emerging Markets Equity	291,339	0.80	-6.02	0.69	11.24	-3.28	0.58	-1.35	03/01/2018
<i>MSCI EM (net)</i>			<i>-2.93</i>	<i>1.82</i>	<i>11.70</i>	<i>-1.73</i>	<i>0.55</i>	<i>-1.51</i>	<i>03/01/2018</i>
iShares MSCI Emerging Markets ex China ETF	312,285	0.85	-3.92	5.67	14.56	5.12	2.60	-2.54	09/01/2023
<i>MSCI EM (net)</i>			<i>-2.93</i>	<i>1.82</i>	<i>11.70</i>	<i>-1.73</i>	<i>0.55</i>	<i>-2.62</i>	<i>09/01/2023</i>

Returns are net of mutual fund fees.

Returns are expressed as percentages.

\*Asset class level returns may vary from individual underlying manager returns due to cash flows.

## Asset Allocation &amp; Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Other Growth</b>	<b>1,423,605</b>	<b>3.89</b>	<b>0.00</b>	<b>18.07</b>	<b>81.66</b>	<b>N/A</b>	<b>N/A</b>	<b>25.08</b>	<b>04/01/2021</b>
<i>CA US Private Equity Index</i>			0.00	5.52	6.47	16.56	14.29	10.32	04/01/2021
NB Secondary Opportunities Fund V Offshore[CE]	1,423,605	3.89	0.00	18.07	35.22	N/A	N/A	67.15	03/01/2022
<i>CA US Private Equity Index</i>			0.00	5.52	6.47	16.56	14.29	0.36	03/01/2022
<b>Fixed Income</b>	<b>13,649,060</b>	<b>37.27</b>	<b>-2.60</b>	<b>0.13</b>	<b>2.34</b>	<b>-4.15</b>	<b>0.44</b>	<b>0.42</b>	<b>07/01/2017</b>
<i>Blmbg. U.S. Aggregate</i>			-3.23	-1.21	0.64	-5.21	0.10	0.02	07/01/2017
Baird Core Plus	3,716,327	10.15	-2.73	-0.21	2.29	-4.42	0.80	0.66	07/01/2017
<i>Blmbg. U.S. Aggregate</i>			-3.23	-1.21	0.64	-5.21	0.10	0.02	07/01/2017
DoubleLine Core Fixed Income	1,636,478	4.47	-2.93	-0.07	1.10	-4.03	-0.06	-0.14	09/01/2017
PGIM Total Return Bond Fund	3,005,356	8.21	-2.52	0.57	2.90	-4.66	0.61	0.30	09/01/2017
<i>Blmbg. U.S. Aggregate</i>			-3.23	-1.21	0.64	-5.21	0.10	-0.20	09/01/2017
Voya Intermediate Bond	1,640,312	4.48	-2.66	-0.05	1.60	-4.72	0.47	-2.22	01/01/2020
<i>Blmbg. U.S. Aggregate</i>			-3.23	-1.21	0.64	-5.21	0.10	-2.49	01/01/2020
iShares Core US Aggregate Bond ETF	2,317,710	6.33	-3.22	-1.03	0.64	-5.21	0.08	-4.15	02/01/2023
<i>Blmbg. U.S. Aggregate</i>			-3.23	-1.21	0.64	-5.21	0.10	-4.15	02/01/2023
iShares Intermediate-Term Corporate Bond ETF	713,841	1.95	-2.47	1.00	4.60	-4.37	1.42	-1.33	10/01/2019
<i>ICE BofA U.S. Corporate 5-10 Year Index</i>			-2.45	0.72	4.57	-4.37	1.48	-1.28	10/01/2019
BBH Limited Duration	119	0.00	1.80	4.98	6.47	2.39	2.80	3.58	02/01/2023
<i>Blmbg. U.S. Treasury: 1-3 Year</i>			0.71	1.69	2.44	-0.92	1.03	0.95	02/01/2023
MainStay MacKay High Yield Corp Bond Fund	618,901	1.69	0.52	5.81	9.99	2.57	3.37	-0.02	06/01/2021
<i>ICE BofA High Yield Master II</i>			0.53	5.97	10.20	1.82	2.80	-1.34	06/01/2021
<b>Other Income</b>	<b>2,040,947</b>	<b>5.57</b>	<b>0.00</b>	<b>-0.26</b>	<b>-2.60</b>	<b>N/A</b>	<b>N/A</b>	<b>-7.45</b>	<b>09/01/2021</b>
<i>Cliffwater Direct Lending Index</i>			0.00	5.57	7.74	9.48	7.97	8.24	09/01/2021
Golub Capital Partners International XIV[CE]	1,620,000	4.42	0.00	N/A	N/A	N/A	N/A	3.19	04/01/2023
<i>Cliffwater Direct Lending Index</i>			0.00	5.57	7.74	9.48	7.97	2.81	04/01/2023
A TEL Private Debt Partners II[CE]	420,947	1.15	0.00	3.34	5.07	N/A	N/A	5.88	10/01/2021
<i>Cliffwater Direct Lending Index</i>			0.00	5.57	7.74	9.48	7.97	7.17	10/01/2021
<b>Cash Equivalent</b>	<b>426,416</b>	<b>1.16</b>	<b>1.32</b>	<b>3.61</b>	<b>4.50</b>	<b>1.70</b>	<b>1.61</b>	<b>1.55</b>	<b>07/01/2017</b>
First American Prime Obligation - Z	426,416	1.16	1.33	3.72	4.67	1.79	1.74	1.71	07/01/2017

\*[Current Estimate] At any point in time the valuation for private equity and other illiquid asset classes may be different from market prices due to an inherent lag effect in the industry. The reporting lag inherent in this process means that there can be a valuation lag of a quarter or, in some cases, even longer. For such illiquid asset classes shown herein, performance is calculated for the relevant period(s) using a roll-forward valuation approach whereby the last reported valuation is adjusted for cash flows to provide an initial estimated valuation, typically resulting in a zero return for the lagging period. Performance is adjusted and finalized when the updated valuation is reported. Returns are gross of management fees. The roll-forward valuation methodology described is consistent with guidance provided within the CFA Institute's Global Investment Performance Standards (GIPS). Performance is calculated using the Modified-Dietz time weighted methodology to maintain consistency with the other returns in this exhibit. For since inception IRR performance, please refer to the fund-specific overview page.

Returns are net of mutual fund fees.

Returns are expressed as percentages.

\*Asset class level returns may vary from individual underlying manager returns due to cash flows.

**SunLine Transit Agency**

**CONSENT CALENDAR**

DATE: December 6, 2023

**RECEIVE & FILE**

TO: Finance/Audit Committee  
Board of Directors

RE: Board Member Attendance for October 2023

Summary:

The attached report summarizes the Board of Directors' attendance for fiscal year to date October 2023.

Recommendation:

Receive and file.

FY 23/24	Board Member Matrix Attendance													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total Meetings	Total Attended
Desert Hot Springs	X		X	X									10	3
Palm Desert	X		X	X									10	3
Palm Springs	X		X	X									10	3
Cathedral City	X		X	X									10	3
Rancho Mirage	X		X	X									10	3
Indian Wells	X		X	X									10	3
La Quinta	X		X	X									10	3
Indio	X		X	X									10	3
Coachella	X		X	X									10	3
County of Riverside	X		X	X									10	3

**X - ATTENDED (Primary/Alternate)**

**DARK –**

**SunLine Transit Agency**

**DATE:** December 6, 2023  
**TO:** Finance/Audit Committee  
Board of Directors  
**FROM:** Luis Garcia, Chief Financial Officer  
**RE:** Fiscal Year 2023 Audit Reports

---

**RECEIVE & FILE****Recommendation**

Recommend that the Board of Directors receive and file the fiscal year 2023 audit reports. The audits were completed by Vasquez & Company, LLP and include financial audits for SunLine Transit Agency and SunLine Services Group as well as a Single Audit for SunLine Transit Agency.

**Background**

The Joint Powers Agreement requires that SunLine Transit Agency and SunLine Services Group have an independent audit of its finances conducted annually. In addition, state law requires that recipients of Transportation Development Act (TDA) funds undergo an annual fiscal audit. TDA funds comprise the majority of SunLine's operating revenues, which are disbursed by Riverside County Transportation Commission (RCTC), the planning agency for SunLine.

Additionally, the Code of Federal Regulations (2 CFR Part 200) requires an entity that expends more than \$750,000 in federal awards during a fiscal year undergo a Single Audit. This audit requirement further ensures that federal funds are expended properly. Submission of the Single Audit is required nine (9) months following the end of the entity's fiscal year.

**Audit Outcome**

The auditors presented an unmodified opinion with no significant deficiencies.

**Attachments:**

- [Item 9a](#) – SunLine Transit Agency Audited Financial Statements
- [Item 9b](#) – SunLine Services Group Audited Financial Statements
- [Item 9c](#) – SunLine Transit Agency Single Audit Report



**SunLine Transit Agency**  
**Audited Financial Statements**  
*As of and for the Year Ended June 30, 2023*  
*with Independent Auditor's Report*

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DRAFT

**SunLine Transit Agency  
Audited Financial Statements  
*As of and for the Year Ended June 30, 2023  
with Independent Auditor's Report***

	<u>PAGE</u>
<b>INDEPENDENT AUDITOR’S REPORT</b>	1
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	5
<b>BASIC FINANCIAL STATEMENTS</b>	
Business-type Activity – Enterprise Fund	
Statement of Net Position	14
Statement of Revenues, Expenses, and Changes in Net Position	15
Statement of Cash Flows	16
Fiduciary Funds – Pension Trust Funds	
Statement of Fiduciary Net Position – Pension Trust Funds	17
Statement of Changes in Fiduciary Net Position – Pension Trust Funds	18
Notes to Financial Statements	19
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Changes in the Net Pension Liability and Related Ratios	42
Schedule of Contributions – Bargaining Plan	47
Schedule of Contributions – Non-Bargaining Plan	48
<b>SUPPLEMENTARY INFORMATION</b>	
Combining Statements of Net Position	49
Combining Statements of Revenues, Expenses, and Changes in Net Position	50
Combining Statements of Cash Flows	51
Combining Statements of Fiduciary Net Position – Pension Trust Funds	52
Combining Statements of Changes in Fiduciary Net Position – Pension Trust Funds	53
<b>INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</b>	54



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## Independent Auditor's Report

**Board of Directors  
SunLine Transit Agency  
Thousand Palms, California 92276**

### Report on the Financial Statements

#### ***Opinion***

We have audited the financial statements of the business-type activity and the aggregate remaining fund information of SunLine Transit Agency (STA), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise STA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity and the aggregate remaining fund information of SunLine Transit Agency as of June 30, 2023, the respective changes in its financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***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 Agency 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***

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 STA's ability to continue as a going concern for twelve months beyond the financial 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 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 GAAS 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 TDA Fund'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 STA'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.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 5 through 13, and the schedule of changes in the net pension liability and related ratios and schedules of contributions on pages 41 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining statements of net position, revenues, expenses and changes in net position, cash flows, fiduciary net position, and changes in fiduciary net position are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



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

In accordance with *Government Auditing Standards*, we have also issued our report dated **REPORT DATE** on our consideration of STA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of STA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering STA's internal control over financial reporting and compliance.

**Glendale, California**  
**REPORT DATE**

DRAFT

The management of SunLine Transit Agency (STA) or Agency offers readers of the STA's financial statements narrative overview and analysis of the financial activities of STA for the fiscal year (FY) ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the audited financial statements including the notes to the financial statements.

## **FINANCIAL HIGHLIGHTS**

- The combined assets of STA exceeded its liabilities (net position) at the close of the fiscal year by \$95,862,790 for 2023 and \$94,413,204 for 2022. Net position at June 30, 2023 consists of \$85,498,784 of net position invested in capital assets, \$2,765,924 board designated funds and \$7,598,082 of unrestricted net position.
- STA's combined net position increased in fiscal year 2023 by \$1,449,586. The increase in the net position for fiscal year 2023 was primarily due to receipt of higher Local Transportation Fund operating grants to fund increase in salaries and benefits resulting from the union negotiation.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

- Financial statements
- Notes to financial statements

This report also contains other supplementary information in addition to the financial statements.

**Financial Statements.** The financial statements are designed to provide readers with a broad overview of STA's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of STA's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether STA's financial position is improving or deteriorating. The presentation of net position also distinguishes between those invested in capital assets, those that are restricted by external parties or legal requirements, or those that are unrestricted and can be used for any Agency purpose.

The *Statement of Revenues, Expenses, and Changes in Net Position* provide information regarding the revenues generated and earned (passenger fares and grants) and the expenses incurred related to those revenues. The difference between the revenues and expenses represents the change in net position, or profitability as reflected by the amount of change in net position generated for the fiscal year.

The *Statement of Cash Flows* presents information on STA's sources and uses of cash and the overall change in cash and cash equivalents over the fiscal year. These activities are categorized by the different activities in which STA engages: operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

Since STA's primary function is to provide transportation services to the region's citizens and recover costs through user fees and charges, the financial statements include business-type activities. In addition, the financial statements include the financial statements of STA (known as primary government), and another legally separate entity, for which STA is financially accountable for: SunLine Services Group (SSG).

### **Notes to Financial Statements**

The notes provide information on significant accounting policies, cash and investments, governmental subsidies, inventory, capital assets, long-term obligations, unearned revenues, risk management, retirement plans, and other areas for a full understanding of the data in the financial statements.

### **Other Information**

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning STA's progress in funding its obligation to provide pension benefits to its employees.



**FINANCIAL STATEMENT ANALYSIS**

**Net Position**

As stated earlier, increases or decreases in net position over time may serve as a useful indicator of STA's financial position. At June 30, 2023, STA's assets exceeded liabilities by \$95,862,790, a \$1,449,586 increase from June 30, 2022. A condensed summary of the Statements of Net Position as of June 30, 2023 and 2022 is shown below:

	2023	2022	Increase (Decrease)	
			Changes	%
Current and other assets	\$ 19,027,856	\$ 16,727,566	\$ 2,300,290	14%
Net pension asset	-	14,461,729	(14,461,729)	-100%
Capital assets, net of depreciation	85,498,784	86,898,231	(1,399,447)	-2%
Deferred outflows of resources	16,765,374	3,543,354	13,222,020	373%
Total assets and deferred outflows of resources	121,292,014	121,630,880	(338,866)	0%
Current liabilities	10,012,004	12,215,846	(2,203,842)	-18%
Long-term liabilities	5,959,719	2,583,705	3,376,014	131%
Deferred inflows of resources	9,457,501	12,418,125	(2,960,624)	-24%
Total liabilities and deferred inflows of resources	25,429,224	27,217,676	(1,788,452)	-7%
Net position:				
Net investment in capital assets	85,498,784	86,898,231	(1,399,447)	-2%
Unrestricted	10,364,006	7,514,973	2,849,033	38%
Total net position	\$ 95,862,790	\$ 94,413,204	\$ 1,449,586	2%

STA's net investment in capital assets (e.g. buses, support vehicles, passenger facilities/structures, and peripheral equipment for operations, maintenance, and administrative support) reflects the largest portion of STA's net position. STA uses these capital assets to provide transportation services to the surrounding communities, as well as maintain the necessary service infrastructure. Because of this, these assets are not available for future spending. The decrease of \$1,399,447 in net investment in capital assets at June 30, 2023 resulted primarily from disposals of capital assets related to vehicles of fixed route buses, paratransit and support vehicles, facility improvements and equipments in STA's capital program.

Unrestricted net position represents the portion of net position that can be used to finance day-to-day operations without constraints by debt covenants, enabling legislation, or other legal requirements. Unrestricted net position increased by \$2,849,033 from \$7,514,973 at June 30, 2022 to \$10,364,006 at June 30, 2023. The increase in unrestricted net position was largely due to the positive change in net position during this current fiscal year.

**SunLine Transit Agency  
Management's Discussion and Analysis  
Year ended June 30, 2023**

**Changes in Net Position**

For the fiscal years ended June 30, 2023 and 2022, STA's combined revenues were \$54,874,565 and \$49,334,945, respectively, while the total controllable expenses, excluding depreciation, were \$44,027,036 and \$36,188,283, respectively. Grants finance a significant portion of the transit operations. The table below represents condensed financial data related to the changes in net position of \$1,449,586 and \$4,375,357 during the fiscal years ended June 30, 2023 and 2022, respectively. The decrease in change in net position in 2023 from 2022 was due to increase in expenses from augmented operation of the Agency this year.

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	
			<u>Amount</u>	<u>%</u>
<b>REVENUES</b>				
Passenger fares	\$ 1,718,197	\$ 1,590,959	\$ 127,238	8%
CNG and hydrogen fuel sales	2,393,164	2,666,172	(273,008)	-10%
Operating grants	41,656,248	35,051,254	6,604,994	19%
Capital grants	7,998,496	9,041,164	(1,042,668)	-12%
Interest and other revenues	1,108,460	985,396	123,064	12%
<b>Total revenues</b>	<b>54,874,565</b>	<b>49,334,945</b>	<b>5,539,620</b>	<b>11%</b>
<b>CONTROLLABLE OPERATING EXPENSES</b>				
Salaries and employee benefits	25,473,191	21,377,093	4,096,098	19%
Services	5,315,018	5,118,014	197,004	4%
Bad debts	1,617	1,643	(26)	-2%
Casualty and liability costs	4,500,737	3,199,381	1,301,356	41%
Materials and supplies	2,362,594	1,928,798	433,796	22%
Utilities	4,816,146	3,400,512	1,415,634	42%
Tires and tubes	203,306	195,437	7,869	4%
Taxes	121,190	86,065	35,125	41%
Administrative	85,630	99,624	(13,994)	-14%
Fuel and lubricants	190,918	234,173	(43,255)	-18%
Miscellaneous	956,689	547,543	409,146	75%
Total controllable operating expenses	44,027,036	36,188,283	7,838,753	22%
Depreciation	9,397,943	8,771,305	626,638	7%
<b>Total expenses</b>	<b>53,424,979</b>	<b>44,959,588</b>	<b>8,465,391</b>	<b>19%</b>
<b>CHANGES IN NET POSITION</b>	<b>1,449,586</b>	<b>4,375,357</b>	<b>(2,925,771)</b>	<b>-67%</b>
<b>NET POSITION</b>				
Beginning of year	94,413,204	90,037,847	4,375,357	5%
End of year	<u>\$ 95,862,790</u>	<u>\$ 94,413,204</u>	<u>\$ 1,449,586</u>	2%

## **Revenues**

Passenger fares in fiscal year 2023 increased when compared to fiscal year 2022. The primary reason for the increase was SunLine has experienced a continual increase in ridership for fiscal year 2023. SunLine anticipates that ridership will continue to grow with the implementation of full service. Ridership has experienced slow growth nationwide, however, SunLine appears to have recovered ridership quicker than some of its peers. The Agency's newest service, SunRide, has been a contributor to the overall increase in ridership. In fiscal year 2023, SunLine introduced new microtransit zones and closely monitored existing SunRide resources to ensure they were efficient and effective.

CNG and hydrogen fuel revenues which reflect outside fuel revenues, state and federal emission credits and CNG rebates decreased in fiscal year 2023 by \$273,008 compared to fiscal year 2022 due to decrease in CNG tax rebate and emission credit net of increase in outside sales of CNG.

Operating grants in fiscal year 2023 significantly increased by \$6,604,994 due to the utilization of Local Transportation Funding (LTF) attributable to an overall increase in available LTF funding throughout the state which is driven by sales taxes.

Capital grants in fiscal year 2023 decreased by \$1,042,668 due to decrease in State Transit Assistance and Federal Transit Administration grants. Although the Agency continues to have a large capital program, the decrease was primarily associated to large construction projects in fiscal year 2022 for the operations building replacement and the CNG fueling station.

Interest and other revenues in fiscal year 2023 increased by \$123,064 due to increase in clean cities coalition revenues and commuter 10 regional services.

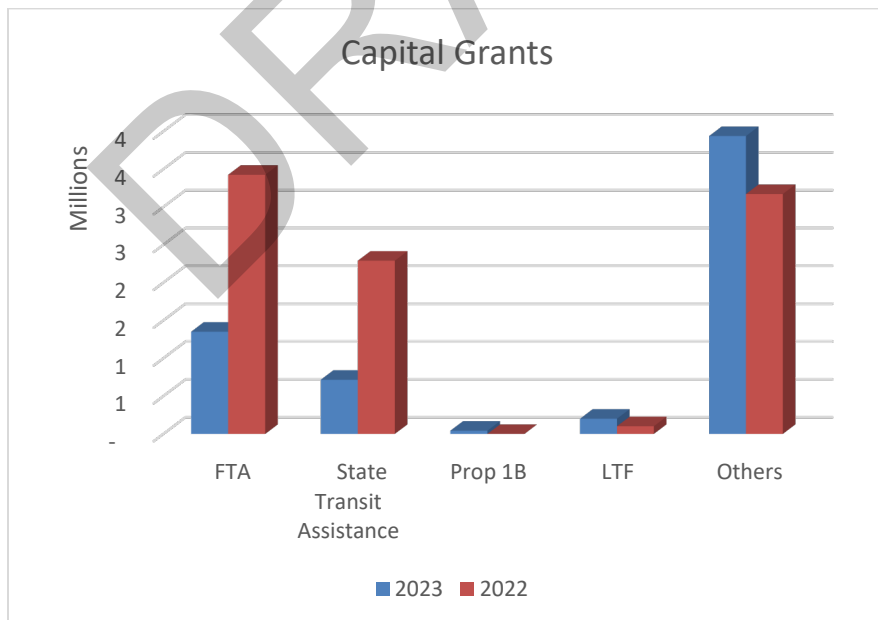
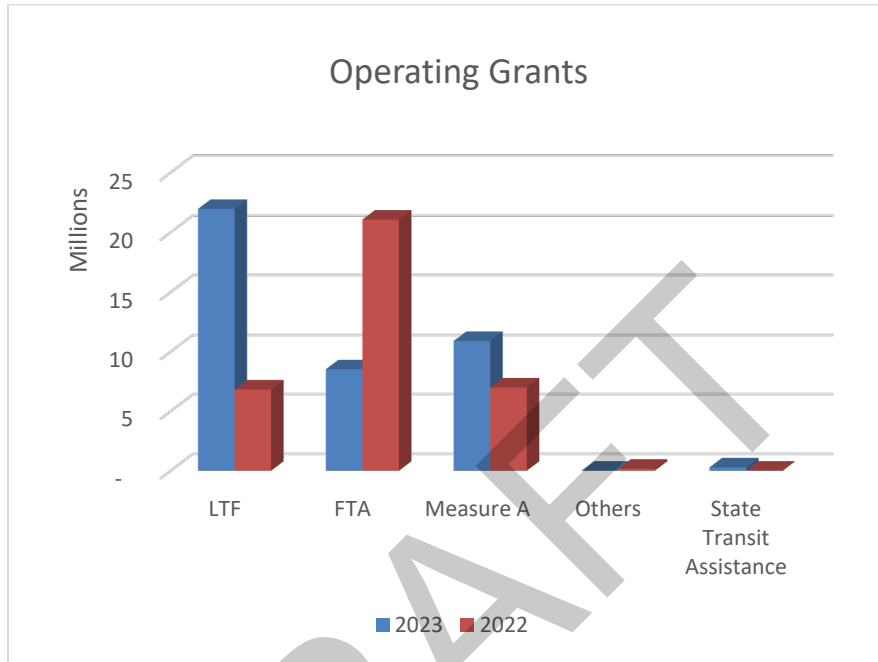
The combined amount of operating and capital grants in fiscal year 2023 and 2022 reflects 90% and 89% of STA's total revenues, respectively. These funds come from a variety of specific funding sources. Each funding source is guided by government regulations regarding the type and use of funds.

Annually, STA submits its short-range transit plan to the Riverside County Transportation Commission (RCTC), which is the basis for annual operating and capital grant allocations. Local Transportation Funds (LTF) comprise the significant component of STA's operating grants; other operating grants generally include funding from Measure A, Riverside County's one-half cent sales tax for transportation purposes, LCTOP and Federal Transit Administration (FTA).

Capital assets are funded primarily by capital grants from FTA with matching funds from State Transit Assistance, LTF and other sources.

**Operating and Capital Grants by Funding Sources**

Below shows the bar chart comparison of the operating and capital grants received by STA by funding sources for the years ended June 30, 2023 and 2022.



## **Expenses**

Adopted Agency policies, procedures, and business processes are used as management tools to control expenses and attain goals and objectives. These combined controllable operating expenses consist of cost elements that exclude depreciation. For purposes of this analysis, operating expenses before depreciation will be discussed. These expenses totaled \$44,027,036 during fiscal year 2023, an increase of \$7,838,753 from fiscal year 2022 of \$36,188,283. The increase attributed mainly to increase in salaries and utilities.

Salaries and employee benefits increased in fiscal year 2023 by \$4,096,098 mainly due to an increase in union negotiation costs associated with one (1) contract renewal and one (1) new contract negotiation.

Utilities increased in fiscal year 2023 by \$1,415,634 due to increased usage as well an increase in commodity costs which are driven by similar factors, such as international conflicts, that increase global fuel prices.

A breakdown of operating expenses is reflected on page 8.

## **CAPITAL ASSETS**

STA's capital assets (net of accumulated depreciation), as of June 30, 2023 and 2022, amounted to \$85,498,784 and \$86,898,231 respectively. Capital assets include land, buildings, fleet, communication/fare box systems, machinery/equipment, support vehicles, facilities improvement and passenger facilities.

Significant capital asset projects during FY 2023 included the following:

- Fleet:
  - Over the Road Hydrogen Fuel Cell Coach
  - CNG Bus Rehab (10) and Hydrogen Bus (4) Purchase
- Facilities, IT and Equipment:
  - Indio CNG Station Phase II
  - Facility Improvement Projects (continued)
  - Liquid Hydrogen Trailer Project
  - Microgrid to Hydrogen Phase IV
  - IT Projects
  - Bus Stops and Amenities
  - Real Time Surveillance System

- Radio Replacement Phase II & Upgrade to ITS
- Maintenance Equipment o Software Expansion

Significant capital asset projects during FY 2022 included the following:

- Operation Facility Replacement (continued)
- Zero Emissions Maintenance Facility (continued)
- Miscellaneous Maintenance Equipment Projects (continued)
- Facility improvements (continued)
- Information Technology Projects (continued)
- Purchase of Paratransit Vehicles (continued)
- Purchase of Fixed Route Buses
- Purchase and Installation of Bus Stops
- Purchase of Administrative Vehicles

A summary of the capital assets balances as of June 30, 2023 and related activity for the fiscal year then ended is presented in Note 5 of the financial statements.

## **ECONOMIC AND OTHER FACTORS**

The transportation industry is undergoing massive transformation, and SunLine is studying ways to improve and change its service model in order to remain competitive and continue to provide valued service to the community. Although the national decreasing ridership trend for fixed route continues to impact the Agency, SunLine is experiencing a higher rate of recovery compared to its transit peers. The proposed operating and capital budgets for FY2024 are \$ 47,467,374 and \$44,552,063, respectively, which represents an increase of 2.91% in the operating budget and a 42.82% increase in capital budget over the previous fiscal year's capital budget. The FY2023 budget includes cost increases to improve service and account for industry-wide challenges such as recruitment and retention of employees, ridership recovery, and inflation. The capital budget incorporates key projects to help further the Agency's Capital Improvement Program (CIP).

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

The Capital Improvement Program for FY2024 focuses on the riders, employee equipment and facilities and continuing SunLine's investment in alternative fuel technology for vehicles and infrastructure. There are 19 new capital projects programmed in FY2024. The new projects represent an emphasis on innovation while aligning with the Agency's Board-approved Innovative Clean Transit

(ICT) plan. The new projects cover necessities in fleet and facilities. They support the replacement and rehabilitation of existing assets as well as continue the advancement of alternative fuel technology:

- Fleet:
  - Hydrogen Electric Fuel Cell Bus (3)
  - Purchase of Electric Bus (6)
  - Hydrogen Electric Fuel Cell Bus (4) (additional funding)
  - CNG Paratransit Vehicles (additional funding)
  - Purchase of CNG Paratransit Vehicles (15)
  - Bus Rehabilitation
  - Purchase of Four Expansion Microtransit Vehicles
  - Radio Replacement Phase II & Upgrade to ITS (additional funding)
  - Purchase of 1 Hydrogen Fuel Cell Bus
  
- Facilities, Studies, IT and Equipment:
  - Liquid Hydrogen Fueling Station
  - Bus Charger Project
  - Public Hydrogen Fueling Station
  - Operator Training Ground
  - IT Projects o Safety Projects
  - Purchase of Specialized Tools and Fueling Equipment
  - Facility Maintenance Upgrade & Equipment
  - Bus Stop Upgrade & Improvement
  - West Coast Center of Excellence (additional funding)
  - Office Furniture & Equipment
  - Fare Collection Modernization Study
  - Maintenance Facility Modernization Study
  - Project Management and Administration

SunLine relies on operating and capital grants for approximately 90% of its total revenue. These funds come from a variety of specific funding sources. Each funding source is guided by government regulations regarding type and use of funds. The economic expansion in Riverside County has contributed to an increase in the operating and capital grant funds available

A component of the Agency's operating grants is local operating assistance. These funds are governed by various provisions of the Transportation Development Act and Public Utilities Code. One such provision is adherence to a predetermined farebox recovery ratio (fare revenue/net operating expenses excluding depreciation, vehicle lease and SSG's operating revenues and expenses) approved by RCTC and the California Department of Transportation. The fiscal year 2023 required farebox recovery ratio was 18.73%; the Agency's actual ratio was 36.44% which exceeded the required ratio.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of STA's finances for all those with an interest in STA's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Finance Officer, SunLine Transit Agency, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

**SunLine Transit Agency**  
**Statement of Net Position**  
**June 30, 2023**

<b>ASSETS</b>	
<b>Current assets</b>	
Cash and investments	\$ 6,219,573
Accounts receivable, net	621,423
Due from other governmental agencies	7,397,735
Inventory	1,478,348
Prepaid items	862,988
<b>Total current assets</b>	<u>16,580,067</u>
<b>Noncurrent assets</b>	
Deposits	2,447,789
Capital assets, not depreciated	6,229,932
Capital assets, depreciated	79,268,852
<b>Total noncurrent assets</b>	<u>87,946,573</u>
<b>Total assets</b>	<u>104,526,640</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred amounts related to pension	<u>16,765,374</u>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable and accrued liabilities	1,653,296
Accrued payroll and related liabilities	182,804
Claims payable - current portion	1,228,149
Unearned revenue	6,947,755
<b>Total current liabilities</b>	<u>10,012,004</u>
<b>Noncurrent liabilities</b>	
Net pension liabilities	1,391,448
Compensated absences	1,702,590
Claims payable - noncurrent portion	2,865,681
<b>Total noncurrent liabilities</b>	<u>5,959,719</u>
<b>Total liabilities</b>	<u>15,971,723</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred amounts related to pension	<u>9,457,501</u>
<b>NET POSITION</b>	
Net investment in capital assets	85,498,784
Unrestricted	10,364,006
<b>Total net position</b>	<u>\$ 95,862,790</u>



**SunLine Transit Agency**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Year ended June 30, 2023**

<b>OPERATING REVENUES</b>	
Passenger fares	\$ 1,718,197
CNG and hydrogen fuel sales	2,393,164
Taxi license fees	201,427
Other	886,859
<b>Total operating revenues</b>	<u>5,199,647</u>
<b>OPERATING EXPENSES</b>	
Salaries and employee benefits	25,473,191
Depreciation	9,397,943
Services	5,315,018
Bad debts	1,617
Casualty and liability costs	4,500,737
Materials and supplies	2,362,594
Utilities	4,816,146
Tires and tubes	203,306
Taxes	121,190
Administrative	85,630
Fuel and lubricants	190,918
Miscellaneous	956,689
<b>Total operating expenses</b>	<u>53,424,979</u>
<b>OPERATING LOSS</b>	<u>(48,225,332)</u>
<b>NONOPERATING REVENUES</b>	
Operating grants:	
Local Transportation Fund	21,954,362
Measure A	10,900,000
Federal Transit Administration - Section 5307	4,193,673
Federal Transit Administration - Section 5309	40,701
Federal Transit Administration - Section 5311	314,830
Federal Transit Administration - Section 5311(f)	201,793
Federal Transit Administration - ARPA	2,201,297
Federal Transit Administration - CRRSA	832,330
Federal Transit Administration - Others	709,528
Low-Carbon Transit Operations Program (LCTOP) Grant	282,410
Other operating grants	25,324
<b>Total operating grants</b>	<u>41,656,248</u>
Interest income	12,715
Gain on sale of capital assets, net	7,459
<b>Total nonoperating revenues</b>	<u>41,676,422</u>
<b>LOSS BEFORE CAPITAL CONTRIBUTIONS</b>	<u>(6,548,910)</u>
<b>CAPITAL CONTRIBUTIONS</b>	
Capital grants:	
Federal Transit Administration	1,350,304
State Transit Assistance	715,897
Proposition 1B	43,043
Local Transportation Fund	201,015
Low-Carbon Transit Operations Program (LCTOP) Grant	1,750,490
State of Good Repair	803
Other	3,936,944
<b>Total capital contributions</b>	<u>7,998,496</u>
<b>CHANGE IN NET POSITION</b>	1,449,586
<b>NET POSITION</b>	
Beginning of year	<u>94,413,204</u>
End of year	<u>\$ 95,862,790</u>

See notes to financial statements.

**SunLine Transit Agency**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Year ended June 30, 2023**

<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 4,920,472
Cash payments to suppliers for goods and services	(17,510,787)
Cash payments to employees for services	(26,127,067)
<b>Net cash used in operating activities</b>	<u>(38,717,382)</u>
<b>Cash flows from noncapital financing activities</b>	
Cash received from operating grants	<u>39,386,158</u>
<b>Net cash provided by noncapital financing activities</b>	<u>39,386,158</u>
<b>Cash flows from capital and related financing activities</b>	
Cash received from capital grants	7,430,853
Acquisition and construction of capital assets	(7,998,495)
Proceeds from sale of capital assets	7,459
<b>Net cash provided by capital and related financing activities</b>	<u>(560,183)</u>
<b>Cash flows from investing activity</b>	
Interest income received	<u>12,715</u>
<b>Net cash provided by investing activity</b>	<u>12,715</u>
<b>Change in cash and cash equivalents</b>	121,308
<b>Cash and cash equivalents, beginning of year</b>	<u>6,098,265</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 6,219,573</u>
<b>Reconciliation of operating loss to net cash provided by (used in) operating activities:</b>	
Operating loss	\$ (48,225,332)
Provision for doubtful accounts	1,617
Depreciation	9,397,943
Changes in operating assets, liabilities and deferred outflows and inflows of resources:	
Accounts receivable	(279,175)
Inventory	(233,306)
Prepaid items	152,129
Deposits	214,780
Deferred outflows of resources related to pension	1,239,709
Accounts payable and accrued liabilities	419,385
Accrued payroll and related liabilities	(97,127)
Net pension asset/liability	1,391,448
Compensated absences	(141,652)
Claims payable	402,823
Deferred inflows of resources related to pension	<u>(2,960,624)</u>
<b>Net cash used in operating activities</b>	<u>\$ (38,717,382)</u>

*See notes to financial statements.*

**SunLine Transit Agency**  
**Statement of Fiduciary Net Position – Pension Trust Funds**  
**June 30, 2023**

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	December 31, 2022*
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,732,548
Receivables:	
Contributions	119,692
Interest	13,606
Dividends	-
Investments, at fair value:	
Mutual funds	65,867,831
Total assets	69,733,677
<b>NET POSITION</b>	
Fiduciary net position restricted for pension benefits	\$ 69,733,677

*\*Measurement date used in this report was as of December 31, 2022*

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**SunLine Transit Agency**  
**Statement of Changes in Fiduciary Net Position – Pension Trust Funds**  
**Year ended June 30, 2023**

	Year ended December 31, 2022*
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 2,543,178
Participants	480,720
Investment income:	
Interest	33,599
Dividend	2,206,532
Net appreciation in fair value of investments	-
Total additions	5,264,029
<b>DEDUCTIONS</b>	
Benefits paid to participants and beneficiaries	2,303,859
Administrative expenses	191,139
Total deductions	2,494,998
<b>CHANGE IN NET POSITION</b>	2,769,031
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	
Beginning of year	82,848,155
End of year	\$ 85,617,186

\*Measurement date used in this report was for the year ended December 31, 2022.

See notes to financial statements.

**NOTE 1      REPORTING ENTITY**

SunLine Joint Powers Transportation Agency (doing business as SunLine Transit Agency) ("STA") ("Agency"), was originally formed by the County of Riverside, California, and the cities in the Coachella Valley to provide transportation services in the Coachella Valley. STA is a special purpose government and is eligible for funding under Section 99200 et. seq. of the California Public Utilities Code.

Accounting principles generally accepted in the United States of America require that these financial statements represent STA and its component units. A component unit is included in the primary government's financial statements, if STA appoints a majority of the component unit's board of directors or if the governing body is substantively the same as STA, if the component unit provides services or other benefits almost entirely to the primary government, and if STA is financially accountable for the component unit.

The component units discussed below are legally separate component units, however, it is included in STA's reporting entity because STA appoints majority of its board of directors and STA is considered financially accountable for its operations.

Included within the reporting entity as blended component unit:

SunLine Services Group ("SSG") was formed in 1993 in order to enhance public/private partnerships in the Coachella Valley. SSG operations include regulation, licensing, and franchising the taxicabs and alternative transportation in the Coachella Valley. Effective July 1, 1996, SSG adopted ordinances to give it the authority to regulate taxicab.

Included as Fiduciary Funds:

SunLine Transit Retirement Income Plan for Bargaining Unit Personnel and SunLine Transit Retirement Income Plan for Non-Bargaining Unit Personnel (Plans) are single employer defined benefit pension plans that were established on February 1, 1980. SunLine Transit Retirement Income Plan for Bargaining Unit Personnel covers all collective bargaining employees of STA, regardless of hours worked. SunLine Transit Retirement Income Plan for Non-Bargaining Unit Personnel covers all employees who are considered to be full time and are not covered by the collective bargaining agreement of STA, provided they agree to make the mandatory employee contributions. STA is financially accountable for the Plans.

**NOTE 2      SUMMARY SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

Financial statement presentation follows the standards promulgated by the Governmental Accounting Standards Board ("GASB") commonly referred to as accounting principles generally accepted in the United States of America ("U.S. GAAP"). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The financial statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, the statement of cash flows, the statement of fiduciary net position and the statement of changes in fiduciary net position) report information on all of the activities of the primary government, its component unit, and pension trust funds.

**Basis of Accounting and Measurement Focus**

The financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

Operating revenues are those revenues that are generated from the primary operations of STA. STA reports a measure of operations by presenting the change in net position from operations as "operating income" in the statement of revenues, expenses, and changes in net position. Operating activities are defined by STA as all activities other than financing and investing activities (interest expense and investment income), and other infrequently occurring transaction of a nonoperating nature. Operating expenses are those expenses that are essential to the primary operations of STA. All other expenses are reported as nonoperating expenses.

**Fiduciary Fund – Pension Trust Funds**

The Pension Trust Funds account for the accumulated resources to be used to provide for retirement benefits to all members of the Plans. The Plans' financial statements are reported as of and for the year ended December 31, 2022 consistent with the Plan's year end.

**Cash and Cash Equivalents**

Cash and cash equivalents include all highly liquid investments with original maturities of 90 days or less and are carried at cost, which approximates fair value.

**Investments**

Investments are stated at fair value, which is based on quoted market price. Changes in fair value that occur during the fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**NOTE 2      SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Receivables**

Receivables are shown net of allowances for doubtful accounts, if any. Federal and State grants accrued as revenue when all eligibility requirements have been met. Amount earned but outstanding at year-end are reported as accounts receivable.

**Inventory**

Inventory consists of vehicle parts held for consumption, fuel and bus passes. Inventory is stated at the lower of weighted average cost or market.

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items.

**Deposits**

Deposits represent amounts held by the Public Entity Risk Management Authority (PERMA) on behalf of STA to pay workers' compensation claims and other expenses that do not involve a transfer of risk to PERMA.

**Capital Assets**

Capital assets are valued at historical cost, or estimated historical cost, if actual historical cost was not available. Donated capital assets are valued at their estimated fair market value on the date of donation. STA policy has set the capitalization threshold for reporting capital assets at \$1,000, all of which must have an estimated useful life of more than one year. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Land improvements	10 – 20 years
Building	10 – 30 years
Office furniture and equipment	3 – 7 years
Vehicles	4 – 12 years
Equipment	5 – 10 years

Major outlays for capital assets are capitalized as projects, and once constructed, the related repairs and maintenance costs are expensed. Interest incurred during capital assets construction, if any, is capitalized as part of the asset cost, net of interest income earned on construction bond proceeds.

**Compensated Absences**

It is STA's policy to permit employees to accumulate earned but unused vacation leaves up to 500 hours and unlimited hours for unused sick leave. Management, non-exempt, and union employees begin to accrue vested vacation and sick hours upon being hired, except for part-time employees who begin to accrue such hours after the first year. Accumulated unpaid vacation and vested sick leave pay is recorded as an expense and a liability at the time the benefit is earned.

**NOTE 2      SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Claims Payable**

STA's uninsured claims are accrued and charged to expense when the claims are reasonably determinable and the existence of a liability is probable. Liabilities include amount for claims that have been incurred but not reported (IBNR).

**Deferred Inflows and Outflows of Resources**

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

*Deferred Outflows of Resources* represent outflows of resources (consumption of net position) that apply to future periods and therefore, not recognized as an expense until that time.

*Deferred Inflows of Resources* represent inflows of resources (acquisition of net position) that apply to future periods and therefore, are not recognized as revenue until that time.

**Net Position**

Net Position is classified as follows:

Net investment in capital assets – This is component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted - This component of net position are the amounts of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investments in capital assets or the restricted component of net position.

During the fiscal year ended June 30, 2023, the Board approved to set aside certain amount to fund future projects. As of June 30, 2023, the Agency reserved a total of \$2,765,927.

**Use of Restricted/Unrestricted Resources**

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



**NOTE 2      SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Federal, State, and Local Subventions**

Federal, state and local governments have made various grants and subventions available to STA for operating assistance and acquisition of capital assets. Grants for operating assistance, the acquisition of equipment or other capital outlay are not formally recognized in the accounts until the grant becomes a valid receivable as a result of STA's complying with appropriate grant requirements. Operating assistance grants are included in nonoperating revenues in the year in which the related expenses are incurred. Revenues earned under capital grants are recorded as capital contributions.

**Fuel and Lubricants Expense**

STA allocates operating expenses to the fuel and lubricants expense on the statement of revenues, expenses and change in net position including salaries and benefits, and supplies, representing the costs incurred for the generation of CNG fuel by STA.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Pension Reporting**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of STA's pension plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported in the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Implementation of New Accounting Pronouncement**

The Agency implemented the following new standard during the fiscal year ended June 30, 2023.

GASB 91, "*Conduit Debt Obligations*", effective for periods beginning after December 15, 2021. The objectives of this Statement are to provide a single method in reporting conduit debt obligations by issuers and eliminating diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures.

**NOTE 2      SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Implementation of New Accounting Pronouncement (Continued)**

GASB 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*”, effective for fiscal years beginning after June 15, 2022. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs).

GASB 96, “*Subscription-Based Information Technology Arrangements*”, effective for fiscal years beginning after June 15, 2022. During the fiscal year ended June 30, 2023, the City implemented GASB Statement No. 96 – Subscription-Based Information Technology Arrangements (SBITAs). This Statement provides guidance on the accounting and financial reporting for SBITAs for governments. It defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA.

The implementation of these new accounting standards did not significantly affect the Agency’s financial statements for the year ended June 30, 2023.

**New Accounting Pronouncements, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements, that have effective dates that may impact future financial presentations. Management has not yet determined any impact the implementation of the following statements may have on the financial statements of STA.

GASB Statement No. 101 – *Compensated Absences*. Effective Date: The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No.100 – *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*: Effective Date: For fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 99 – *Omnibus 2022*: Effective Date: related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments consisted of the following:

Reported in Enterprise Funds:

	STA	SSG	Total
Cash on hand	\$ 1,100	\$ 100	\$ 1,200
Deposits with financial institutions	5,128,064	473,822	5,601,886
Investments - LAIF	616,487	-	616,487
Total cash and investments	\$ 5,745,651	\$ 473,922	\$ 6,219,573

Reported in Pension Trust Funds (December 31, 2022):

	Bargaining Plan	Non-Bargaining Plan	Total
Cash and cash equivalents	\$ 1,863,787	\$ 1,868,761	\$ 3,732,548
Investments, at fair value	32,883,206	32,984,625	65,867,831
Total cash and investments	\$ 34,746,993	\$ 34,853,386	\$ 69,600,379

**Demand Deposits**

At fiscal year-end of 2023, the carrying amount of demand deposits was \$5,601,886 and the bank balance was \$6,310,148 of which the total amount was collateralized or insured with securities held by the pledging financial institutions in STA's name discussed as follows:

The California Government Code requires California banks and savings and loan associations to secure STA's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in STA's name.

The market value of pledged securities must equal at least 110% of STA's cash deposits. California law also allows institutions to secure Agency's deposits by pledging first trust deed mortgage notes having a value of 150% of STA's total cash deposits. STA may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). STA, however, has not waived the collateralization requirements.

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Authorized Investments**

The table below identifies the investment types that are authorized for STA by the California Government Code (or STA's investment policy where more restrictive), and certain provisions that address interest rate risk and concentration of risk.

Investment Type	Authorized by Investment Policy	Maturity	Maximum Percentage of Portfolio	Maximum Investments in One Issuer
Local Agency Bonds	No	N/A	N/A	N/A
U.S. Treasury Obligations	Yes	5 years	None	None
Federal Agency Securities	Yes	5 years	25%	None
Banker's Acceptances	Yes	180 days	40%	None
Commercial Paper-Pooled Funds	Yes	270 days	40%	A-1
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements and Securities	No	N/A	N/A	None
Medium-Term Notes	Yes	5 years	30%	"A" Rating
Mutual Funds and Money Market Funds	No	N/A	20%	Multiple
Mortgage Pass-Through Securities	Yes	5 years	20%	"A" "A" Rating
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	\$50 million

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

The Agency's investment in LAIF has a maturity of less than one year.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a nationally recognized statistical rating organization. STA's investment in LAIF at June 30, 2023 was not rated.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of STA's investment in a single issuer. The investment policy of STA contains no limitations on the amount that can be invested in one issuer beyond that stipulated by the California Government Code. As of June 30, 2023, STA did not have any investments in any one issuer (other than external investment pools) that represented 5% or more of its total investment portfolio.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, STA will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The California Government Code and STA's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the provision for deposits as disclosed previously.

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investment in State Investment Pool**

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based on the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. As of June 30, 2023, the Agency's investment in LAIF had a contractual withdrawal value of \$616,487.

**Fair Value Measurement**

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

STA's investments in LAIF as of June 30, 2023 is reported at the Agency's pro-rata share of the amortized cost provided by LAIF for the entire LAIF portfolio. This amount approximates fair value.

**NOTE 4 DUE FROM OTHER GOVERNMENTAL AGENCIES**

At June 30, 2023, due from other governmental agencies consisted of the following:

Federal Transit Administration (FTA)	\$	5,387,347
State Transit Assistance		409,750
Measure A		908,333
Local Transportation Fund (LTF)		62,513
Others		629,792
Total	\$	<u>7,397,735</u>

**Federal Transit Administration (FTA)**

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

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

Local Transportation Fund (LTF) and the State Transit Assistance programs are created under the Transportation Development Act (TDA) by the State of California (State). Funds are available to the Agency for maintenance costs, acquisition, construction, improvement and maintenance of transit facilities, transit vehicles and equipment. Funds are administered by the Riverside County Transportation Commission.

**NOTE 4 DUE FROM OTHER GOVERNMENTAL AGENCIES (CONTINUED)**

**Measure A**

Measure A is a voter-approved one-half of one percent sales tax for the purpose of improving the transportation system of the Riverside County.

**NOTE 5 CAPITAL ASSETS**

Summary of changes in capital assets for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2023
<b>Non-depreciable assets</b>					
Land	\$ 3,195,003	\$ 1,750,490	\$ -	\$ 42,654	\$ 4,988,147
Construction in progress	604,651	6,123,520	-	(5,486,386)	1,241,785
Total nondepreciable assets	<u>3,799,654</u>	<u>7,874,010</u>	<u>-</u>	<u>(5,443,732)</u>	<u>6,229,932</u>
<b>Depreciable assets</b>					
Buildings	53,669,818	-	-	-	53,669,818
Land improvements	4,521,242	-	(10,311)	-	4,510,931
Facility improvements	4,715,827	48,983	-	119,559	4,884,369
Office furniture and equipment	8,328,863	4,760	(8,341)	192,824	8,518,106
Vehicles	85,197,144	33,431	(2,298,669)	5,105,216	88,037,122
Equipment	7,107,022	37,312	(574,564)	26,133	6,595,903
Total depreciable assets	<u>163,539,916</u>	<u>124,486</u>	<u>(2,891,885)</u>	<u>5,443,732</u>	<u>166,216,249</u>
Less accumulated depreciation	<u>(80,441,339)</u>	<u>(9,397,943)</u>	<u>2,891,885</u>	<u>-</u>	<u>(86,947,397)</u>
Total depreciable assets, net	<u>83,098,577</u>	<u>(9,273,457)</u>	<u>-</u>	<u>5,443,732</u>	<u>79,268,852</u>
Total capital assets, net	<u>\$ 86,898,231</u>	<u>\$ (1,399,447)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,498,784</u>

Depreciation expense for the year ended June 30, 2023 comprised of:

	2023
SunLine Transit Agency	\$ 9,397,820
SunLine Services Group	123
<b>Total</b>	<u>\$ 9,397,943</u>

Changes in capital assets by funding source for the year ended June 30, 2023 were as follows:

	Federal Funds	State Transit / Prop 1B Funds	SGR Funds	TDA Funds	Measure A	Operator/ Other	Total
Balance at July 1, 2022	\$ 60,976,365	\$ 74,883,913	\$ 255,863	\$ 16,265,472	\$ 10,000	\$ 14,947,957	\$ 167,339,570
Additions	1,350,304	2,501,041	803	144,460	-	4,001,887	7,998,495
Transfers/adjustments	-	-	-	-	-	-	-
Deletions	(1,568,065)	(938,467)	-	(303,200)	-	(82,152)	(2,891,884)
Balance at June 30, 2023	<u>\$ 60,758,604</u>	<u>\$ 76,446,487</u>	<u>\$ 256,666</u>	<u>\$ 16,106,732</u>	<u>\$ 10,000</u>	<u>\$ 18,867,692</u>	<u>\$ 172,446,181</u>

**NOTE 6      UNEARNED REVENUE**

Unearned revenue represents excess capital and operating assistance. The following represent the amounts at June 30, 2023:

Capital Assistance		
State Transit Assistance	\$	40,810
Proposition 1B		13,183
Low Carbon Transit Operations Program		2,323,509
Transportation Development Act		59,436
Operators/Others		<u>2,234,210</u>
Total capital assistance		<u>4,671,148</u>
Operating Assistance		
Low Carbon Transit Operations Program		63,767
Transportation Development Act		2,203,151
Operator/Others		<u>9,689</u>
Total operating assistance		<u>2,276,607</u>
Total	\$	<u>6,947,755</u>

**Capital Assistance**

Changes in unearned revenue by funding source for the year ended June 30, 2023 were as follows:

	Federal Funds	State Transit Funds	Prop 1 B Funds	LCTOP Funds	TDA Funds	SGR Funds	Operator/ Other Funds	Total
Excess capital funds at July 1, 2022	\$ -	\$ 192,463	\$ 55,868	\$ 2,573,998	\$ 116,025	\$ -	\$ 2,300,438	\$ 5,238,792.0
Interest earned	-	-	358	-	-	-	-	358.0
Allocation received/deferred	<u>1,350,304</u>	<u>707,736</u>	<u>-</u>	<u>1,500,000</u>	<u>-</u>	<u>803</u>	<u>49,183</u>	<u>3,608,026.0</u>
Funds available	1,350,304	900,199	56,226	4,073,998	116,025	803	2,349,621	8,847,176.0
Less: eligible costs - capitalized	<u>(1,350,304)</u>	<u>(715,894)</u>	<u>(43,043)</u>	<u>(1,750,489)</u>	<u>(56,568)</u>	<u>(803)</u>	<u>(115,411)</u>	<u>(4,032,512.0)</u>
Transferred	-	(143,495)	-	-	(21)	-	-	(143,516.0)
Excess capital funds at June 30, 2023	<u>\$ -</u>	<u>\$ 40,810</u>	<u>\$ 13,183</u>	<u>\$ 2,323,509</u>	<u>\$ 59,436</u>	<u>\$ -</u>	<u>\$ 2,234,210</u>	<u>\$ 4,671,148</u>

**Operating Assistance**

Changes in unearned revenue by funding source for the year ended June 30, 2023 was as follows:

	Federal Funds	TDA Funds	LCTOP Funds	Operator/ Other Funds	Total
Excess operating funds at July 1, 2022	\$ -	\$ 1,920,866	\$ 346,177	\$ 244,627	\$ 2,511,670
Allocation received/deferred	<u>8,494,152</u>	<u>22,236,645</u>	<u>-</u>	<u>3,164</u>	<u>30,733,961</u>
Funds available	8,494,152	24,157,511	346,177	247,791	33,245,631
Eligible costs	<u>(8,494,152)</u>	<u>(21,954,360)</u>	<u>(282,410)</u>	<u>(238,102)</u>	<u>(30,969,024)</u>
Excess operating funds at June 30, 2023	<u>\$ -</u>	<u>\$ 2,203,151</u>	<u>\$ 63,767</u>	<u>\$ 9,689</u>	<u>\$ 2,276,607</u>

**NOTE 7      LONG-TERM OBLIGATIONS**

Summary of changes in long-term obligations for the year ended June 30, 2023 was as follows:

	Balance			Balance		Due Within	Due In More
	July 1, 2022	Additions	Reductions	June 30, 2023	One Year	Than One Year	
Claims payable	\$ 3,691,007	\$ 985,823	\$ (583,000)	\$ 4,093,830	\$ 1,228,149		2,865,681
Compensated absences	1,844,242	2,416,837	(2,558,489)	1,702,590	1,702,590		-
Net pension liability (asset)	(7,770,930)	523,155	7,770,930	523,155	523,155		-
Net pension liability (asset)	(6,690,799)	774,771	6,690,799	774,771	774,771		-
Total	\$ (8,926,480)	\$ 4,700,586	\$ 11,320,240	\$ 7,094,346	\$ 4,228,665		\$ 2,865,681

**Claims Payable**

Claims payable at June 30, 2023, amounted to \$4,093,830. There is no fixed payment schedule for claims payable. See Note 8 for more detail.

**Net Pension Liability (Asset)**

Refer to Note 9 for information.

**NOTE 8      RISK MANAGEMENT**

STA is a participant in the Public Entity Risk Management Authority (PERMA) formed under a joint powers agreement between local governments and special districts for the purpose of jointly funding (pooling risks) general liability and workers' compensation insurance for the member agencies. STA's general liability self-insured retention is \$125,000 per claim. The total general liability coverage limit is \$50,000,000 per occurrence. Workers' compensation insurance costs are based on annual deposit premiums. STA's workers' compensation self-insured retention is \$250,000 per claim and coverage limits are statutory limits. Settlements have not exceeded insurance coverage for each of the past three years.

If PERMA experiences an unusually large number of losses during a policy year, the funds for a given program may become exhausted. In such case, the Board of Directors of PERMA may impose premium surcharges on all members who were in the program at the time such loss or losses occurred in order to pay the necessary costs. Annual surcharges shall not exceed an amount equal to three times the member's annual premium for the policy year in which such loss occurred. STA's surcharge would be based upon its pro rata share of premiums paid in said year.

STA's self-insured retention for general and workers' compensation liabilities is based on an annual actuarial study discounted at 2%.

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



**NOTE 9      EMPLOYEE RETIREMENT PLANS**

**Plan Description**

STA contributes to the SunLine Transit Retirement Income Plans for Bargaining and Non-Bargaining Personnel (Plans), single-employer defined benefit pension plans. STA administers the Plans through a Retirement Committee appointed by STA's Board of Directors.

Bargaining and non-bargaining participants are 100 percent vested in their accrued benefit after completion of five years of credited service. Normal retirement age is 62; however, an employee may retire prior to age 62, provided he/she has attained age 55 or has completed 25 years of credited service. Employees who retire early are subject to a reduced benefit. An employee may remain employed after his/her normal retirement age and receive an increased benefit. Non-bargaining employees shall at all times be 100 percent vested in their contributions.

Bargaining Personnel Plan - Prior to June 30, 2007, the amount of the monthly retirement benefit at the normal retirement date shall be equal to 1/90 of the first \$400 of Final Average Monthly Earnings (FAME) plus 1/60 of the excess of FAME over \$400, times years and completed quarters of credited service. The calculation was amended effective July 1, 2007, whereas benefit payments at the normal retirement date shall be equal to 1/60 of FAME, multiplied by years and completed quarters of service. FAME is the average of the 36 highest consecutive months of earnings as a participant. If the employee has attained age 62 at termination and completed ten years of service, the minimum monthly benefit is \$400. Earnings mean compensation paid during a plan year as an eligible employee, excluding any compensation paid as bonuses, overtime, or other extra pay. A year of credited service for each plan year is earned during which an employee is employed full time for STA. The basic form of benefit payment is a life annuity; however, various joint and survivor annuity forms are available, provided certain requirements are met.

Non-Bargaining Personnel Plan - The amount of the monthly retirement benefit at the normal retirement date shall be equal to the greater of a) 2.5 percent times FAME times years of credited service (FAME is the average of the 36 highest consecutive months of earnings as a participant) or b) if the employee has attained age 62 at termination and completed ten years of service, the minimum monthly benefit is \$400. Earnings mean compensation paid during a plan year as an eligible employee, excluding any compensation paid as bonuses, overtime, or other extra pay. The maximum benefit is 90% of FAME. A year of credited service for each plan year is earned during which an employee is employed full time for STA. The basic form of benefit payment is a life annuity; however, various joint and survivor annuity forms are available, provided certain requirements are met.

**NOTE 9      EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Plan Description (Continued)**

Death, Disability and Termination Benefits Under the Plans - If an active employee (participant) dies, a death benefit may be paid to the participant's spouse, (or dependent under age 21) provided the participant has completed five years of credited service. The benefit is the participant's accrued benefit assuming that the participant retired on the day prior to their death. If an employee becomes totally and permanently disabled after completing ten years of services he/she shall be entitled to receive an unreduced pension equal to 2.5 percent of FAME times years of service. This benefit cannot exceed the projected benefit at age 62 based on current FAME and total service assuming continued employment until age 62. If a participant who has completed five years of vesting service is terminated for any reason other than death, he/she will be entitled to receive his/her normal benefit upon attainment of age 55.

Separate financial statements for the Plans may be obtained from STA.

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>Bargaining</u>	<u>Non-Bargaining</u>
Benefit formula at normal retirement age	1.6% @ 62	2.5% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	55 - 62	55 - 62
Monthly benefits, as a % of eligible	1.6%	2.0% to 2.5%
Required employee contribution rates	3%	3%
Required employer contribution rates	5.43%	14.99%

**Employees Covered** – At December 31, 2022, valuation date, the following employees were covered by the benefit terms of each Plan:

	<u>Bargaining</u>	<u>Non-Bargaining</u>
Inactive employees or beneficiaries currently receiving benefits	110	64
Inactive employees entitled to but not yet receiving benefits	131	121
Active employees	266	109
	<u>507</u>	<u>294</u>

**NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Investment Policy** – The financial goal for the Plans is to provide funding for the benefits on the most cost efficient basis to STA. The objectives of the Retirement Committee is the preservation of principal, assurance of liquidity to meet the cash needs of the plan, and obtaining the maximum investment yield consistent with those objectives. Assets shall be invested in accordance with federal and state regulations, although the Retirement Committee has determined that investment of the Plans’ assets will not be permitted in warrants, commodities or options, other than U.S. treasury bonds, notes and futures, margin purchases or short sales, and such other assets as may be specified by the Retirement Committee from time to time.

The Plans’ target asset allocation is summarized below:

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

**Plans’ Investments** – US Bank was the custodian for all of the Plans’ investments at December 31, 2022. The Plans do not have any funds or deposits that are not covered by depository insurance, nor does the Plans have any investments that are not registered in the name of the Plans. The Plans assets are invested in mutual funds and therefore the Plans’ assets are not exposed to interest rate risk or credit risk. The Plans’ investments were also not exposed to foreign currency risk, which is the risk that any deposit or investment denominated in foreign currency bear a potential risk of loss arising from changes in currency exchange rates. The Plans’ assets, which consisted of mutual funds, were measured using level 1 inputs as defined in Note 3. The Plans had the following non-participant directed investments that were greater than five percent of the Plans’ fiduciary net position as of December 31, 2022:

		<u>Bargaining</u>	<u>Non-Bargaining</u>	<u>Total</u>
JOHCM International Select Fund	Mutual Fund \$	-	-	-
Vanguard Total International Stock Index Admiral Fund	Mutual Fund	3,268,652	3,279,255	6,547,907
Vanguard Total Stock Market Index Admiral Fund	Mutual Fund	6,461,457	6,481,150	12,942,607
Vanguard FTSE Developed Markets	Mutual Fund	1,960,629	1,967,721	3,928,350
Baird Core Plus Bond Institutional Fund	Mutual Fund	4,029,031	4,039,101	8,068,132
DoubleLine Core Fixed Income I Fund	Mutual Fund	2,019,780	2,025,867	4,045,647
Voya Intermediate Bond Fund Class R6	Mutual Fund	2,023,309	-	2,023,309
Harding Loevner International Equity	Mutual Fund	-	2,031,738	2,031,738
Jensen Quality Growthn Fund Class Y	Mutual Fund	1,845,007	-	1,845,007
PGIM Total Return Bond CL R6	Mutual Fund	3,235,006	3,244,223	6,479,229
		<u>24,842,871</u>	<u>23,069,055</u>	<u>47,911,926</u>
Aggregate of non-participant directed investments less than five percent of the Plan's fiduciary net position:		<u>8,040,335</u>	<u>9,915,570</u>	<u>17,955,905</u>
		<u>\$ 32,883,206</u>	<u>\$ 32,984,625</u>	<u>\$ 65,867,831</u>

**NOTE 9      EMPLOYEE RETIREMENT PLANS (CONTINUED)**

***Plans' Investments (Continued)***

The annual money-weighted rate of return on pension plan investments, net of investment expense, for the Bargaining and Non-Bargaining Plans for the plan year ended December 31, 2022 were -16.45% and -16.42%, respectively. Money-weighted rate of return expresses investment performance, net of plan investment expense, adjusted for the changing amounts actually invested.

Detailed information about each pension plan's investments is available in the separately issued audited financial reports.

***Contributions*** – Funding contributions for both Plans are determined annually on an actuarial basis as of January 1 by an actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

***Net Pension Liability (Asset)***

The Agency's net pension liability (asset) for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability (asset) of the Plan is measured as of December 31, 2022, using an actuarial valuation as of the same date. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Actuarial Assumptions** – The total pension liabilities in the December 31, 2022 actuarial valuations were determined using the following actuarial assumptions:

	Bargaining	Non-Bargaining
Valuation Date	January 1, 2022	January 1, 2022
Measurement Date	December 31, 2022	December 31, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Discount Rate	6.0%	6.0%
Cost-of-living Increases	None	3.00%
Inflation	2.75%	2.75%
Projected Salary	3.0% <sup>(1)</sup>	4.0% <sup>(1)</sup>
Investment Rate of Return	6.0% <sup>(2)</sup>	6.0% <sup>(2)</sup>
Mortality	Generational mortality based on the Society of Actuaries' (SOA) public plan mortality study published in January 2019. For employees and retirees, the SOA Public healthy general participant tables (PubG-2010) with generational mortality improvements based on MP-2021. For disabled participants, the mortality rates for disabled non-safety participants (PubNS-2010) with generational mortality improvements based on MP-2021.	Generational mortality based on the Society of Actuaries' (SOA) public plan mortality study published in January 2019. For employees and retirees, the SOA Public healthy general participant tables (PubG-2010) with generational mortality improvements based on MP-2021. For disabled participants, the mortality rates for disabled non-safety participants (PubNS-2010) with generational mortality improvements based on MP-2021.

<sup>(1)</sup> Compounded annually. Compensation for the year beginning on the valuation date is based on the hourly rate on the valuation date multiplied by 2,080. Future compensation is limited to \$280,000 per year. This limit is assumed to increase by 3% per year.

<sup>(2)</sup> Net of investment expenses, compounded annually

<sup>1</sup> These are the RP-2014 Blue Collar Mortality Tables with the MP-2014 generational projection scale removed from the central year of the study (2006) to 2014.

<sup>2</sup> These are the RP-2006 Disabled Retiree Mortality Tables with the MP-2014 generational projection scale removed from the central year of the study (2006) to 2014.

Given the size of the plan, there is not enough data available to conduct credible experience study. The assumptions are not anticipated to produce significant cumulative actuarial gains or losses over time. The liabilities and data are analyzed each year in order to identify any trends of experience deviation from the actuarial assumptions.

**NOTE 9      EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Long-term Expected Rate of Return** – The long-term expected rate of return on pension plan investments was determined using a building-block method where expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of the December 31, 2022 measurement date are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income equities securities	40%	1.10%
Domestic equities	50%	4.70%
International equities	10%	4.40%
Cash	0%	0.00%
	100%	

**Discount Rate** – The discount rate used to measure the total pension liability was 6.00% for both Plans. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. An explicit cost for Plan expenses was not included in the valuation. The 6.00% investment return used in this accounting valuation is assumed to be net of administrative expenses. An investment return excluding administrative expenses would have been higher than 6.00%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. STA believes the difference in calculation will not lead to a material difference.

**NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

***Changes in the Net Pension Liability***

The following tables show the changes in net pension liability (asset) over the measurement period:

	Bargaining Increase(Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability / (Asset)
Balance at 12/31/2021	\$ 34,670,474	\$ 41,361,273	\$ (6,690,799)
Changes recognized for the measurement period:			
Service cost	1,116,292	-	1,116,292
Interest	2,115,168	-	2,115,168
Differences between expected and actual experiences	(1,369,478)	-	(1,369,478)
Changes of assumptions	64,027	-	64,027
Contributions from the employer	-	1,106,547	(1,106,547)
Contributions from the employee	-	288,746	(288,746)
Net Investment Income	-	(6,823,207)	6,823,207
Administrative expenses	-	(111,647)	111,647
Benefit payments, including refunds of employee contributions	(1,067,926)	(1,067,926)	-
			-
Net changes during 2022	858,083	(6,607,487)	7,465,570
Balance at 12/31/2022	\$ 35,528,557	\$ 34,753,786	\$ 774,771

	Non-Bargaining Plan Increase(Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability / (Asset)
Balance at 12/31/2021	\$ 33,598,967	\$ 41,369,897	\$ (7,770,930)
Changes recognized for the measurement period:			
Service cost	1,177,833	-	1,177,833
Interest	2,049,530	-	2,049,530
Differences between expected and actual experiences	(295,067)	-	(295,067)
Changes of assumptions	88,031	-	88,031
Contributions from the employer	-	1,433,887	(1,433,887)
Contributions from the employee	-	192,015	(192,015)
Net Investment Income	-	(6,820,169)	6,820,169
Administrative expenses	-	(79,491)	79,491
Benefit payments, including refunds of employee contributions	(1,235,933)	(1,235,933)	-
			-
Net changes during 2022	1,784,394	(6,509,691)	8,294,085
Balance at 12/31/2022	\$ 35,383,361	\$ 34,860,206	\$ 523,155

**NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate –** The following presents the net pension liability of STA for each Plan, calculated using the discount rate for each Plan, as well as what STA's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

		Bargaining		Non-Bargaining
1% Decrease		5.00%		5.00%
Net Pension Liability	\$	5,504,227	\$	5,572,186
Current Discount Rate		6.00%		6.00%
Net Pension Liability (Asset)	\$	774,771	\$	523,155
1% Increase		7.00%		7.00%
Net Pension Liability (Asset)	\$	(3,152,373)	\$	(3,680,030)

**Pension Plan Fiduciary Net Position –** Detailed information about each pension plan's fiduciary net position is available in the separately issued audited financial reports.

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

For the year ended June 30, 2023, STA recognized total pension expense of (\$2,134,212). At June 30, 2023, STA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred outflows of resources		Deferred inflows of resources
Pension contribution subsequent to measurement date	\$	1,279,151	\$	-
Differences between expected and actual experience		107,777		(2,392,067)
Changes in assumptions		480,020		(365,166)
Net differences between projected and actual earnings on pension plan investments		14,898,426		(6,700,268)
Total	\$	16,765,374	\$	(9,457,501)

Pension contribution made subsequent to measurement date amounting to \$1,279,150 was reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.



**NOTE 9 EMPLOYEE RETIREMENT PLANS (CONTINUED)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>December 31</u>	<u>Amount</u>
2023	\$ (570,301)
2024	961,958
2025	2,355,165
2026	3,281,900
2027	-
Thereafter	-

***Payable to the Pension Plan***

At June 30, 2023, the Agency has no outstanding amount of contributions to the pension plan.

**NOTE 10 COMMITMENTS AND CONTINGENCIES**

**Lawsuits**

STA and SSG were named in certain legal actions pending at June 30, 2023. While the outcome of these lawsuits is not presently determinable, in the opinion of management of STA and SSG, based in part on the advice of counsel, the resolution of these matters is not expected to have a material adverse effect on the financial position or results of operations of STA and SSG, or is adequately covered by insurance.

**Federal and State Grant Programs**

STA participates in Federal and State grant programs. These programs were audited in accordance with the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and applicable state requirements. No cost disallowance is expected as a result of these audits; however, these programs may be subject to further examination by the grantors. Awards which may be disallowed by the granting agencies, if any, cannot be determined at this time. Management expects such amounts, if any, to be immaterial.

**Commitments**

Commitments consist primarily of additions to operations equipment and building improvements. Significant commitments as of June 30, 2023 are as follows:

	<u>Amount Authorized</u>	<u>Cumulative Expenses June 30, 2022</u>	<u>Unexpended Commitments</u>
Project			
Bus and van purchases	\$ -	\$ -	\$ -
Facility improvements	-	-	-
Administrative building	-	-	-
CNG & Hydrogen Fueling Infrastructure	8,392,828	-	8,392,828
Equipment and other	2,411,020	756,858	1,654,162
	<u>\$ 10,803,848</u>	<u>\$ 756,858</u>	<u>\$ 10,046,990</u>

**NOTE 11      TRANSPORTATION DEVELOPMENT ACT (TDA) COMPLIANCE**

STA is subject to the provisions of the Public Utilities Code ("PUC") Section 99270.1 and must maintain a minimum fare ratio of 18.73% in 2023 of operating revenues to operating expenses.

After allocation of indirect costs to each type of service and taking into consideration certain cost exemption provisions of the TDA, STA's fare ratio for the year ended June 30, 2023 was 35.94%, as calculated below. STA is in compliance with the provisions of PUC Section 99270.1.

Farebox and other revenues	\$	5,005,679
Measure A		10,900,000
Interest		12,715
Total revenues		<u>15,918,394</u>
 Net revenues	 \$	 <u>15,918,394</u>
 Operating expenses	 \$	 53,286,375
Less:		
Depreciation		9,397,820
Pension expense (GASB 68 adjustment)		(402,823)
Net operating expenses	\$	<u>44,291,378</u>
Fare ratio		<u>35.94%</u>
Target ratio		<u>18.73%</u>

**NOTE 12      PROPOSITION 1B**

On November 7, 2006, the voters of the State of California approved the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, known as Proposition 1B. Proposition 1B included in a State program of funding in the amount of \$4 billion and \$1 billion to be deposited in the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) and Transit System Safety, Security and Disaster Response Account (TSSSDRA), respectively. PTMISEA funds can be used for rehabilitation, safety or modernization improvements, or for rolling stock procurement, rehabilitation or replacement. TSSSDRA funds can be used for transportation related security and safety projects.

Proposition 1B activity during the year ended June 30, 2023 was as follows:

	PTMISEA	TSSSDRA	Total
Unspent Prop 1B funds at July 1, 2022	\$ 55,870	\$ -	\$ 55,870
Prop 1 B funds received/returned	-	-	-
Prop 1 B transferred to Operating Account	(32,208)	-	(32,208)
Prop 1 B funds spent but not yet transferred	(10,836)	-	(10,836)
Interest revenue earned on unspent Prop 1B funds	359	-	359
Unspent Prop 1B funds at June 30, 2023	<u>\$ 13,185</u>	<u>\$ -</u>	<u>\$ 13,185</u>

**NOTE 14      SUBSEQUENT EVENTS**

The Agency has evaluated events subsequent to June 30, 2023 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through **REPORT DATE**, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements except as noted below.

On November 30, 2023, the Agency filed a claim from the alternative fuel tax refund for the calendar year 2022 in the amount of \$757,388.

DRAFT

**DRAFT**

**REQUIRED SUPPLEMENTARY INFORMATION**

**Sunline Transit Agency**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**As of June 30, 2023**  
**Last Ten Years\***

	Reporting Period 2023		Reporting Period 2022	
	Bargaining	Non- Bargaining	Bargaining	Non- Bargaining
<b>Total Pension Liability</b>				
Service cost	\$ 1,116,292	\$ 1,177,833	\$ 1,207,067	\$ 1,380,011
Interest	2,115,168	2,049,530	2,048,466	1,991,365
Differences between expected and actual experience	(1,369,478)	(295,067)	-934,699	-722,460
Changes of assumptions	64,027	88,031	-155,027	-297,465
Benefits payments, including refunds of employee contributions	<u>(1,067,926)</u>	<u>(1,235,933)</u>	<u>-858,741</u>	<u>-1,123,771</u>
Net change in total pension liability	858,083	1,784,394	1,307,066	1,227,680
Total pension liability - beginning	<u>34,670,474</u>	<u>33,598,967</u>	<u>33,363,408</u>	<u>32,371,287</u>
Total pension liability - ending <sup>(a)</sup>	<u>\$ 35,528,557</u>	<u>\$ 35,383,361</u>	<u>\$ 34,670,474</u>	<u>\$ 33,598,967</u>
<b>Plan fiduciary net pension</b>				
Contributions from the employer	\$ 1,106,547	\$ 1,433,887	\$ 1,389,133	\$ 1,399,272
Contributions from the employee	288,746	192,015	136,158	187,922
Net investment income	(6,823,207)	(6,820,169)	4,383,472	4,398,827
Benefits payments, including refunds of employee contributions	(1,067,926)	(1,235,933)	(858,741)	(1,123,771)
Administrative expenses	<u>(111,647)</u>	<u>(79,491)</u>	<u>(82,165)</u>	<u>(65,276)</u>
Net change in plan fiduciary net position	<u>\$ (6,607,487)</u>	<u>\$ (6,509,691)</u>	<u>\$ 4,967,857</u>	<u>\$ 4,796,974</u>
Plan fiduciary net position - beginning	<u>41,361,273</u>	<u>41,369,897</u>	<u>36,393,416</u>	<u>36,572,923</u>
Plan fiduciary net position - ending <sup>(b)</sup>	<u>\$ 34,753,786</u>	<u>\$ 34,860,206</u>	<u>\$ 41,361,273</u>	<u>\$ 41,369,897</u>
Net pension liability (asset) - ending <sup>(a) - (b)</sup>	<u>\$ 774,771</u>	<u>\$ 523,155</u>	<u>\$ (6,690,799)</u>	<u>\$ (7,770,930)</u>
Plan fiduciary net position as a percentage of the total pension liability	97.82%	98.52%	119.30%	123.13%
Covered - employee payroll	\$ 10,148,861	\$ 5,613,094	\$ 11,240,877	\$ 6,487,132
Net pension liability (asset) as a percentage of covered - employee payroll	7.63%	9.32%	-59.52%	-119.79%

**Note to Schedule**

\*Fiscal Year 2015 was the 1st year of implementation

**Sunline Transit Agency**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**As of June 30, 2023**  
**Last Ten Years\***

	Reporting Period		Reporting Period	
	2021		2020	
	Bargaining	Non- Bargaining	Bargaining	Non- Bargaining
<b>Total Pension Liability</b>				
Service cost	\$ 1,213,301	\$ 1,286,954	\$ 1,123,520	\$ 1,056,964
Interest	1,910,847	1,861,389	1,699,200	1,672,990
Differences between expected and actual experience	-	-	297,167	(185,002)
Changes of assumptions	-	-	1,088,323	1,397,572
Benefits payments, including refunds of employee contributions	(789,772)	(1,026,502)	(751,313)	(1,038,556)
Net change in total pension liability	2,334,376	2,121,841	3,456,897	2,903,968
Total pension liability - beginning	31,029,032	30,249,446	27,572,135	27,345,478
Total pension liability - ending <sup>(a)</sup>	\$ 33,363,408	\$ 32,371,287	\$ 31,029,032	\$ 30,249,446
<b>Plan fiduciary net pension</b>				
Contributions from the employer	\$ 1,007,430	\$ 1,214,312	\$ 1,137,127	\$ 1,202,250
Contributions from the employee	323,330	202,300	143,440	158,948
Net investment income	5,145,119	5,175,214	5,105,422	5,175,930
Benefits payments, including refunds of employee contributions	(789,772)	(1,026,502)	(751,313)	(1,038,556)
Administrative expenses	(79,683)	(76,046)	(77,740)	(68,989)
Net change in plan fiduciary net position	\$ 5,606,424	\$ 5,489,278	\$ 5,556,936	\$ 5,429,583
Plan fiduciary net position - beginning	30,786,992	31,083,645	25,230,056	25,654,062
Plan fiduciary net position - ending <sup>(b)</sup>	\$ 36,393,416	\$ 36,572,923	\$ 30,786,992	\$ 31,083,645
Net pension liability (asset) - ending <sup>(a) - (b)</sup>	\$ (3,030,008)	\$ (4,201,636)	\$ 242,040	\$ (834,199)
Plan fiduciary net position as a percentage of the total pension liability	109.08%	112.98%	99.22%	102.76%
Covered - employee payroll	\$ 11,332,605	\$ 6,016,305	\$ 11,077,510	\$ 5,204,655
Net pension liability (asset) as a percentage of covered - employee payroll	-26.74%	-69.84%	2.18%	-16.03%

**Note to Schedule**

\*Fiscal Year 2015 was the 1st year of implementation

**Sunline Transit Agency**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**As of June 30, 2023**  
**Last Ten Years\***

	Reporting Period 2019		Reporting Period 2018	
	Bargaining	Non- Bargaining	Bargaining	Non- Bargaining
<b>Total Pension Liability</b>				
Service cost	\$ 1,067,330	\$ 1,023,221	\$ 1,014,181	\$ 1,072,153
Interest	1,595,457	1,569,141	1,501,976	1,494,609
Differences between expected and actual experience	(252,563)	64,249	(341,121)	(417,693)
Changes of assumptions	-	-	-	-
Benefits payments, including refunds of employee contributions	(723,427)	(880,536)	(616,895)	(835,332)
Net change in total pension liability	1,686,797	1,776,075	1,558,141	1,313,737
Total pension liability - beginning	25,885,338	25,569,403	24,327,197	24,255,666
Total pension liability - ending <sup>(a)</sup>	<u>\$ 27,572,135</u>	<u>\$ 27,345,478</u>	<u>\$ 25,885,338</u>	<u>\$ 25,569,403</u>
<b>Plan fiduciary net pension</b>				
Contributions from the employer	\$ 1,332,751	\$ 1,163,831	\$ 1,240,460	\$ 1,056,891
Contributions from the employee	-	154,443	-	139,280
Net investment income	(1,445,368)	(1,480,804)	3,196,447	3,301,003
Benefits payments, including refunds of employee contributions	(723,427)	(880,536)	(616,895)	(835,332)
Administrative expenses	(89,608)	(89,087)	(164,498)	(176,739)
Net change in plan fiduciary net position	\$ (925,652)	\$ (1,132,153)	\$ 3,655,514	\$ 3,485,103
Plan fiduciary net position - beginning	26,155,708	26,786,215	22,500,194	23,301,112
Plan fiduciary net position - ending <sup>(b)</sup>	<u>\$ 25,230,056</u>	<u>\$ 25,654,062</u>	<u>\$ 26,155,708</u>	<u>\$ 26,786,215</u>
Net pension liability (asset) - ending <sup>(a) - (b)</sup>	<u>\$ 2,342,079</u>	<u>\$ 1,691,416</u>	<u>\$ (270,370)</u>	<u>\$ (1,216,812)</u>
Plan fiduciary net position as a percentage of the total pension liability	91.51%	93.81%	101.04%	104.76%
Covered - employee payroll	\$ 10,495,187	\$ 4,842,573	\$ 9,937,276	\$ 4,939,705
Net pension liability (asset) as a percentage of covered - employee payroll	22.32%	34.93%	-2.72%	-24.63%

**Note to Schedule**

\*Fiscal Year 2015 was the 1st year of implementation

**Sunline Transit Agency**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**As of June 30, 2023**  
**Last Ten Years\***

	Reporting Period 2017		Reporting Period 2016	
	Bargaining	Non- Bargaining	Bargaining	Non- Bargaining
<b>Total Pension Liability</b>				
Service cost	\$ 963,077	\$ 987,864	\$ 786,230	\$ 838,631
Interest	1,396,512	1,443,007	1,319,280	1,380,214
Differences between expected and actual experience	(97,435)	(866,759)	43,602	(461,064)
Changes of assumptions	-	-	(565,426)	(130,456)
Benefits payments, including refunds of employee contributions	(494,152)	(741,407)	(452,533)	(718,599)
Net change in total pension liability	1,768,002	822,705	1,131,153	908,726
Total pension liability - beginning	22,559,195	23,432,961	21,428,042	22,524,235
Total pension liability - ending <sup>(a)</sup>	<u>\$ 24,327,197</u>	<u>\$ 24,255,666</u>	<u>\$ 22,559,195</u>	<u>\$ 23,432,961</u>
<b>Plan fiduciary net pension</b>				
Contributions from the employer	\$ 1,171,779	\$ 1,043,297	\$ 1,017,569	\$ 972,058
Contributions from the employee	-	131,637	-	124,295
Net investment income	1,553,438	1,619,088	(134,851)	(140,493)
Benefits payments, including refunds of employee contributions	(494,152)	(741,407)	(452,533)	(718,599)
Administrative expenses	(181,447)	(186,344)	(162,245)	(172,502)
Net change in plan fiduciary net position	\$ 2,049,618	\$ 1,866,271	\$ 267,940	\$ 64,759
Plan fiduciary net position - beginning	20,450,576	21,434,841	20,182,636	21,370,082
Plan fiduciary net position - ending <sup>(b)</sup>	<u>\$ 22,500,194</u>	<u>\$ 23,301,112</u>	<u>\$ 20,450,576</u>	<u>\$ 21,434,841</u>
Net pension liability (asset) - ending <sup>(a) - (b)</sup>	<u>\$ 1,827,003</u>	<u>\$ 954,554</u>	<u>\$ 2,108,619</u>	<u>\$ 1,998,120</u>
Plan fiduciary net position as a percentage of the total pension liability	92.49%	96.06%	90.65%	91.47%
Covered - employee payroll	\$ 9,306,674	\$ 4,429,828	\$ 7,395,958	\$ 3,608,769
Net pension liability (asset) as a percentage of covered - employee payroll	19.63%	21.55%	28.51%	55.37%

**Note to Schedule**

\*Fiscal Year 2015 was the 1st year of implementation



**Sunline Transit Agency**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**As of June 30, 2023**  
**Last Ten Years\***

	Reporting Period	
	2015	
	Bargaining	Non-Bargaining
<b>Total Pension Liability</b>		
Service cost	\$ 722,633	\$ 832,999
Interest	1,168,813	1,248,085
Differences between expected and actual experience	38,118	(491,252)
Changes of assumptions	948,715	1,267,953
Benefits payments, including refunds of employee contributions	(415,646)	(603,943)
Net change in total pension liability	2,462,633	2,253,842
Total pension liability - beginning	18,965,409	20,270,393
Total pension liability - ending <sup>(a)</sup>	<u>\$ 21,428,042</u>	<u>\$ 22,524,235</u>
<b>Plan fiduciary net pension</b>		
Contributions from the employer	\$ 838,727	\$ 850,854
Contributions from the employee	-	119,857
Net investment income	827,017	878,786
Benefits payments, including refunds of employee contributions	(415,646)	(603,943)
Administrative expenses	(16,569)	(16,079)
Net change in plan fiduciary net position	\$ 1,233,529	\$ 1,229,475
Plan fiduciary net position - beginning	18,949,107	20,140,607
Plan fiduciary net position - ending <sup>(b)</sup>	<u>\$ 20,182,636</u>	<u>\$ 21,370,082</u>
Net pension liability (asset) - ending <sup>(a) - (b)</sup>	<u>\$ 1,245,406</u>	<u>\$ 1,154,153</u>
Plan fiduciary net position as a percentage of the total pension liability	94.19%	94.88%
Covered - employee payroll	\$ 7,171,287	\$ 3,626,818
Net pension liability (asset) as a percentage of covered - employee payroll	17.37%	31.82%

**Note to Schedule**

\*Fiscal Year 2015 was the 1st year of implementation

**SunLine Transit Agency  
Schedule of Contributions – Bargaining Plan  
Last Ten Years\***

Year Ended December 31	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contributions Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2013	916,788	999,727	(82,939)	6,862,649	13.94%
2014	693,586	838,727	(145,141)	7,171,287	11.34%
2015	891,288	1,017,569	(126,281)	7,395,958	10.93%
2016	1,175,179	1,171,779	3,400	9,306,674	11.79%
2017	1,276,570	1,240,460	36,110	9,937,276	11.82%
2018	1,271,919	1,332,751	(60,832)	10,495,187	12.70%
2019	1,332,533	1,137,127	195,406	11,077,510	10.27%
2020	1,233,598	1,007,430	226,168	11,332,605	8.89%
2021	992,105	1,379,571	(387,466)	11,240,877	12.30%
2022	553,349	1,106,547	(553,198)	10,148,861	10.90%

**Notes to Schedule**

Actuarially determined contributions are calculated annually, at the beginning of each Plan year in which contributions are reported. Methods and assumptions used to determine contributions are as follows:

Actuarial cost method	Aggregate Actuarial Cost Method
Amortization method	Level percentage of payroll
Remaining amortization period	Remaining working lifetime
Asset valuation method	Actuarial value of assets is the market value of funds held by custodian with accrued contributions and accrued interest and dividends.
Inflation	2.75%
Salary increases	3.00%, including merit, seniority, and inflation.
Investment rate of return	6.00% per annum, net of investment expenses, compounded annually.
Retirement age	Retirement age varies based on employees' age and year of service
Mortality	Generational mortality based on the Society of Actuaries' (SOA) public plan mortality study published in January 2019. For employees and retirees, the SOA Public healthy general participant tables (PubG-2010) with generational mortality improvements based on MP-2021. For disabled participants, the mortality rates for disabled non-safety participants (PubNS-2010) with generational mortality improvements based on MP-2021.

**SunLine Transit Agency  
Schedule of Contributions – Non-Bargaining Plan  
Last Ten Years\***

Year Ended December 31	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contributions Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2013	960,708	1,168,010	(207,302)	3,626,818	32.20%
2014	709,392	970,711	(261,319)	3,608,769	26.90%
2015	838,188	972,058	(133,870)	4,429,828	21.94%
2016	1,053,887	1,043,297	10,590	4,939,705	21.12%
2017	1,088,228	1,056,891	31,337	4,842,573	21.82%
2018	979,399	1,163,831	(184,432)	4,842,573	24.03%
2019	1,043,456	1,202,250	(158,794)	5,204,655	23.10%
2020	1,363,614	1,214,312	149,302	6,016,305	20.18%
2021	1,229,797	1,403,000	(173,203)	6,487,132	21.60%
2022	841,503	1,433,887	(592,384)	5,613,094	25.55%

**Notes to Schedule**

Actuarially determined contributions are calculated annually, at the beginning of each Plan year in which contributions are reported. Methods and assumptions used to determine contributions are as follows:

Actuarial cost method	Aggregate Actuarial Cost Method
Amortization method	Level percentage of payroll
Remaining amortization period	Remaining working lifetime
Asset valuation method	Actuarial value of assets is the market value of funds held by custodian with accrued contributions and accrued interest and dividends.
Inflation	2.75%
Salary increases	4.00%
Investment rate of return	6.00% per annum, net of investment expenses, compounded annually.
Retirement age	Retirement age varies based on employees' age and year of service
Mortality	Generational mortality based on the Society of Actuaries' (SOA) public plan mortality study published in January 2019. For employees and retirees, the SOA Public healthy general participant tables (PubG-2010) with generational mortality improvements based on MP-2021. For disabled participants, the mortality rates for disabled non-safety participants (PubNS-2010) with generational mortality improvements based on MP-2021.

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**SUPPLEMENTARY INFORMATION**

**SunLine Transit Agency**  
**Combining Statements of Net Position**  
**June 30, 2023**

	STA	SSG	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ 5,745,651	\$ 473,922	\$ 6,219,573
Accounts receivable, net	621,323	100	621,423
Due from other governmental agencies	7,397,735	-	7,397,735
Inventory	1,478,348	-	1,478,348
Prepaid items	862,988	-	862,988
<b>Total current assets</b>	<u>16,106,045</u>	<u>474,022</u>	<u>16,580,067</u>
<b>Noncurrent assets:</b>			
Deposits	2,447,789	-	2,447,789
Capital assets, not depreciated	6,229,932	-	6,229,932
Capital assets, depreciated	79,268,330	522	79,268,852
<b>Total noncurrent assets</b>	<u>87,946,051</u>	<u>522</u>	<u>87,946,573</u>
<b>Total assets</b>	<u>104,052,096</u>	<u>474,544</u>	<u>104,526,640</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts related to pension	<u>16,765,374</u>	<u>-</u>	<u>16,765,374</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	1,625,904	27,392	1,653,296
Accrued payroll and related liabilities	172,071	10,733	182,804
Compensated absences - current portion	-	-	-
Claims payable - current portion	1,228,149	-	1,228,149
Unearned revenue	6,947,755	-	6,947,755
<b>Total current liabilities</b>	<u>9,973,879</u>	<u>38,125</u>	<u>10,012,004</u>
<b>Noncurrent liabilities:</b>			
Net pension liabilities	1,391,448	-	1,391,448
Compensated absences	1,699,972	2,618	1,702,590
Claims payable - noncurrent portion	2,865,681	-	2,865,681
<b>Total noncurrent liabilities</b>	<u>5,957,101</u>	<u>2,618</u>	<u>5,959,719</u>
<b>Total liabilities</b>	<u>15,930,980</u>	<u>40,743</u>	<u>15,971,723</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts related to pension	<u>9,457,501</u>	<u>-</u>	<u>9,457,501</u>
<b>NET POSITION</b>			
Net investment in capital assets	85,498,262	522	85,498,784
Unrestricted	9,930,727	433,279	10,364,006
<b>Total net position</b>	<u>\$ 95,428,989</u>	<u>\$ 433,801</u>	<u>\$ 95,862,790</u>

See independent auditor's report.

**SunLine Transit Agency**  
**Combining Statements of Revenues, Expenses, and Changes in Net Position**  
**Year ended June 30, 2023**

	STA	SSG	Total
<b>OPERATING REVENUES</b>			
Passenger fares	\$ 1,718,197	\$ -	\$ 1,718,197
CNG and hydrogen fuel sales	2,393,164	-	2,393,164
Taxi license fees	-	201,427	201,427
Other	886,859	-	886,859
<b>Total operating revenues</b>	<b>4,998,220</b>	<b>201,427</b>	<b>5,199,647</b>
<b>Operating expenses</b>			
Salaries and employee benefits	25,473,191	-	25,473,191
Depreciation	9,397,820	123	9,397,943
Services	5,278,117	36,901	5,315,018
Bad debts	1,617	-	1,617
Casualty and liability costs	4,495,148	5,589	4,500,737
Materials and supplies	2,360,308	2,286	2,362,594
Utilities	4,811,253	4,893	4,816,146
Tires and tubes	203,306	-	203,306
Taxes	121,190	-	121,190
Administrative	-	85,630	85,630
Fuel and lubricants	190,918	-	190,918
Miscellaneous	953,507	3,182	956,689
<b>Total operating expenses</b>	<b>53,286,375</b>	<b>138,604</b>	<b>53,424,979</b>
<b>OPERATING LOSS</b>	<b>(48,288,155)</b>	<b>62,823</b>	<b>(48,225,332)</b>
<b>NONOPERATING REVENUES</b>			
Operating grants:			
Local Transportation Fund	21,954,362	-	21,954,362
Measure A	10,900,000	-	10,900,000
Federal Transit Administration -Section 5307	4,193,673	-	4,193,673
Federal Transit Administration -Section 5309	40,701	-	40,701
Federal Transit Administration -Section 5311	314,830	-	314,830
Federal Transit Administration -Section 5311(f)	201,793	-	201,793
Federal Transit Administration - ARPA	2,201,297	-	2,201,297
Federal Transit Administration - CRRSA	832,330	-	832,330
Federal Transit Administration - Others	709,528	-	709,528
Low-Carbon Transit Operations Program (LCTOP) Grant	282,410	-	282,410
Other operating grants	25,324	-	25,324
<b>Total operating grants</b>	<b>41,656,248</b>	<b>-</b>	<b>41,656,248</b>
Interest income	12,715	-	12,715
Gain on sale of capital assets, net	7,459	-	7,459
<b>Total nonoperating revenues</b>	<b>41,676,422</b>	<b>-</b>	<b>41,676,422</b>
<b>LOSS BEFORE CAPITAL CONTRIBUTIONS</b>	<b>(6,611,733)</b>	<b>62,823</b>	<b>(6,548,910)</b>
<b>CAPITAL CONTRIBUTIONS</b>			
Capital grants:			
Federal Transit Administration	1,350,304	-	1,350,304
State Transit Assistance	715,897	-	715,897
Proposition 1B	43,043	-	43,043
Local Transportation Fund	201,015	-	201,015
Low-Carbon Transit Operations Program (LCTOP) Grant	1,750,490	-	1,750,490
State of Good Repair	803	-	803
Other capital grants	3,936,944	-	3,936,944
<b>Total capital contributions</b>	<b>7,998,496</b>	<b>-</b>	<b>7,998,496</b>
<b>CHANGE IN NET POSITION</b>	<b>1,386,763</b>	<b>62,823</b>	<b>1,449,586</b>
<b>NET POSITION</b>			
Beginning of year	94,042,226	370,978	94,413,204
End of year	\$ 95,428,989	\$ 433,801	\$ 95,862,790

*See independent auditor's report.*

**SunLine Transit Agency**  
**Combining Statements of Cash Flows**  
**Year ended June 30, 2023**

	STA	SSG	Total
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 4,690,457	\$ 242,730	\$ 4,933,187
Cash payments to suppliers for goods and services	(17,483,107)	(27,680)	(17,510,787)
Cash payments to employees for services	(26,041,292)	(85,775)	(26,127,067)
<b>Net cash provided by (used in) operating activities</b>	<u>(38,833,942)</u>	<u>129,275</u>	<u>(38,704,667)</u>
<b>Cash flows from noncapital financing activities</b>			
Cash received from operating grants	39,386,158	-	39,386,158
<b>Cash provided by noncapital financing activities</b>	<u>39,386,158</u>	<u>-</u>	<u>39,386,158</u>
<b>Cash flows from capital and related financing activities</b>			
Cash received from capital grants	7,430,853	-	7,430,853
Acquisition and construction of capital assets	(7,998,495)	-	(7,998,495)
Proceeds from sale of capital assets	7,459	-	7,459
<b>Net cash provided by capital and related financing activities</b>	<u>(560,183)</u>	<u>-</u>	<u>(560,183)</u>
<b>Cash flows from investing activity</b>			
Interest income received	-	-	-
<b>Cash provided by investing activity</b>	<u>-</u>	<u>-</u>	<u>-</u>
Change in cash and cash equivalents	(7,967)	129,275	121,308
<b>Cash and cash equivalents, beginning of year</b>	<u>5,753,618</u>	<u>344,647</u>	<u>6,098,265</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 5,745,651</u>	<u>\$ 473,922</u>	<u>\$ 6,219,573</u>
<b>Reconciliation of operating loss to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (48,275,440)	62,823	\$ (48,212,617)
Write off of bad debts	1,617	-	1,617
Depreciation	9,397,820	123	9,397,943
Changes in operating assets, liabilities and deferred outflows and inflows of resources:			
Accounts receivable	(320,478)	41,303	(279,175)
Inventory	(233,306)	-	(233,306)
Prepaid items	152,129	-	152,129
Deposits	214,780	-	214,780
Deferred outflows of resources related to pension	1,239,709	-	1,239,709
Accounts payable and accrued liabilities	394,214	25,171	419,385
Accrued payroll and related liabilities	(96,569)	(558)	(97,127)
Retention payable	-	-	-
Net pension asset/liability	1,391,448.00	-	1,391,448.00
Compensated absences	(142,065)	413	(141,652)
Claims payable	402,823	-	402,823
Deferred inflows of resources related to pension	(2,960,624)	-	(2,960,624)
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (38,833,942)</u>	<u>\$ 129,275</u>	<u>\$ (38,704,667)</u>

*See independent auditor's report.*

**SunLine Transit Agency**  
**Combining Statements of Fiduciary Net Position – Pension Trust Funds**  
**June 30, 2023**

	As of December 31, 2022*		
	Bargaining	Non-Bargaining	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,863,787	\$ 1,868,761	\$ 3,732,548
Receivables:			
Contributions	53,735	65,957	119,692
Interest	6,789	6,817	13,606
Dividends	-	-	-
Investments, at fair value:			
Mutual funds	<u>32,883,206</u>	<u>32,984,625</u>	<u>65,867,831</u>
Total assets	<u>34,807,517</u>	<u>34,926,160</u>	<u>69,733,677</u>
<b>NET POSITION</b>			
Fiduciary net position restricted for pension benefits	<u>\$ 34,807,517</u>	<u>\$ 34,926,160</u>	<u>\$ 69,733,677</u>

\*Measurement date used in this report was as of December 31, 2022.

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See independent auditor's report.



**SunLine Transit Agency**  
**Combining Statements of Changes in Fiduciary Net Position – Pension Trust Funds**  
**Year ended June 30, 2023**

	Year ended December 31, 2022*		
	Bargaining	Non-Bargaining	Total
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 1,104,398	\$ 1,438,780	\$ 2,543,178
Participants	288,004	192,716	480,720
Investment income:			
Interest	16,612	16,987	33,599
Dividend	1,102,313	1,104,219	2,206,532
Net appreciation in fair value of investments	-	-	-
Total additions	<u>2,511,327</u>	<u>2,752,702</u>	<u>5,264,029</u>
<b>DEDUCTIONS</b>			
Benefits paid to participants and beneficiaries	1,067,926	1,235,933	2,303,859
Administrative expenses	111,647	79,492	191,139
Net depreciation in fair value of investments (Note 4)	7,942,134	7,941,375	
Total deductions	<u>9,121,707</u>	<u>9,256,800</u>	<u>2,494,998</u>
<b>CHANGES IN NET POSITION</b>	(6,610,380)	(6,504,098)	2,769,031
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>			
Beginning of year	41,417,897	41,430,258	82,848,155
End of year	<u>\$ 34,807,517</u>	<u>\$ 34,926,160</u>	<u>\$ 85,617,186</u>

\*Measurement date used in this report was for the year ended December 31, 2022.

See independent auditor's report.



## Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

### Board of Directors SunLine Transit Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the SunLine Transit Agency (STA), which comprise the statement of net position as of June 30, 2023, the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated **REPORT DATE**.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered STA's internal control over financial reporting (internal control) 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 STA's internal control. Accordingly, we do not express an opinion on the effectiveness of STA's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 STA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, contained in the State of California Department of Transportation, Article 4 of the *Transportation Development Act*, the *Public Transportation Modernization, Improvement and Service Enhancement Account* (PTMISEA) described in California Government Code §8879.55, the *Transit System Safety, Security and Disaster Response Account* (TSSSDRA) described in California Government Code §8879.23, 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 result of that testing, and not to provide an opinion on the effectiveness of STA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Glendale, California  
**REPORT DATE**

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**SunLine Services Group**  
**Audited Financial Statements**  
*As of and for the Year Ended June 30, 2023*  
*with Independent Auditor's Report*



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**SunLine Services Group**  
**Audited Financial Statements**  
*As of and for the Year Ended June 30, 2023*  
*with Independent Auditor's Report*

	<u>PAGE</u>
<b>INDEPENDENT AUDITOR’S REPORT</b>	1
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	4
<b>AUDITED FINANCIAL STATEMENTS</b>	
Statement of Net Position	8
Statement of Revenues, Expenses, and Changes in Net Position	9
Statement of Cash Flows	10
Notes to Financial Statements	11
<b>INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	16

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## Independent Auditor's Report

**Board of Directors**  
**SunLine Services Group**  
Thousand Palms, California 92276

### Report on the Financial Statements

#### *Opinion*

We have audited the financial statements of the SunLine Services Group (SSG), a component unit of SunLine Transit Agency (STA), which comprise the statements of net position as of June 30, 2023, the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements (collectively the financial statements).

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of SunLine Services Group, as of June 30, 2023, and the changes in financial position and cash flows for the year 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 SSG 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***

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 SSG's ability to continue as a going concern for twelve months beyond the financial 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 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 GAAS 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 SSG'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 SSG'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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated **REPORT DATE** on our consideration of SSG’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SSG’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SSG’s internal control over financial reporting and compliance.

**Glendale, California**  
**REPORT DATE**

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The management of SunLine Services Group (SSG) offers readers of the SSG's financial statements narrative overview and analysis of the financial activities of SSG for the fiscal year (FY) ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the audited financial statements including the notes to the financial statements.

## **FINANCIAL HIGHLIGHTS**

- Total assets of SSG exceeded its liabilities at the close of the fiscal year by \$433,801 in 2023 and \$370,978 in 2022. At June 30, 2023, net position consisted of \$522 net investment in capital assets and \$433,279 of unrestricted net position. Accordingly, operating revenue and operating expenses decreased during the year.
- SSG's net position increased in FY 2023 by \$62,823. The increase in net position in FY 2023 when compared to FY 2022 was due to the decrease in administrative expenses as a result of decrease in the number of employees and group health insurance.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

- Financial statements
- Notes to financial statements

### **Financial Statements**

The financial statements are designed to provide readers with a broad overview of SSG's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of SSG's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether SSG's financial position is improving or deteriorating. The presentation of net position also distinguishes between those invested in capital assets, those that are restricted by external parties or legal requirements, or those that are unrestricted and can be used for any purpose.

The *Statement of Revenues, Expenses and Changes in Net Position* provide information regarding the revenues generated and earned and the expenses incurred related to those revenues. The difference between the revenues and expenses represents the change in net position, or profitability as reflected by the amount of change in net position generated for the fiscal year.

The *Statement of Cash Flows* presents information on SSG's sources and uses of cash and the overall change in cash and cash equivalents over the fiscal year. These activities are categorized by the different activities in which SSG engages: operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

**Notes to Financial Statements**

The notes provide information on significant accounting policies, cash and investments, accounts receivable, capital assets, compensated absences, and other areas for a full understanding of the data in the financial statements.

**FINANCIAL STATEMENT ANALYSIS**

**Net Position**

As stated earlier, increases or decreases in net position over time may serve as a useful indicator of SSG's financial position. At June 30, 2023, SSG's assets exceeded liabilities by \$433,801, a \$62,823 increase from June 30, 2022. A condensed summary of the Statements of Net Position as of June 30, 2023 and 2022 is shown below:

	2023	2022	Increase (Decrease)	
			Amount	%
Current assets	\$ 474,022	\$ 386,050	\$ 87,972	23%
Capital assets	522	644	(122)	-19%
Total assets	<u>474,544</u>	<u>386,694</u>	<u>87,850</u>	23%
Current liabilities	40,743	15,716	25,027	159%
Total liabilities	<u>40,743</u>	<u>15,716</u>	<u>25,027</u>	159%
Net position:				
Net investment in capital assets	522	644	(122)	-19%
Unrestricted	433,279	370,334	62,945	17%
Total net position	<u>\$ 433,801</u>	<u>\$ 370,978</u>	<u>\$ 62,823</u>	17%

SSG's investment in capital assets represents acquisition of service vehicles, facilities/structures, and peripheral equipment for operations, and administrative support. SSG uses these capital assets to provide services to regulate, license, and franchise taxicabs and alternative transportation in the Coachella Valley. Because of this, these assets are not available for future spending. The decrease of \$122 in net investment in capital assets at June 30, 2023, resulted primarily from the depreciation of capital assets.

Unrestricted net position represents the portion of net position that can be used to finance day-to-day operations without constraints by debt covenants, enabling legislation, or other legal requirements. Unrestricted net position increased by \$62,945 due to the decrease in administrative expenses as a result of decrease in the number of employees and group health insurance.

### Changes in Net Position

For the fiscal years ended June 30, 2023 and 2022, SSG's revenues were \$201,427 and \$204,542, respectively, while the total expenses, excluding depreciation, were \$138,482 and \$143,069, respectively. The table below presents financial data related to the increase of \$62,823 and \$61,148 during the fiscal years ended June 30, 2023 and 2022, respectively. The change in net position in 2023 was primarily due to decrease in expenses related to employee salaries and group health insurance.

	<b>Years ended June 30</b>		<b>Increase (Decrease)</b>	
	<b>2023</b>	2022	<b>Amount</b>	<b>%</b>
<b>OPERATING REVENUES</b>				
Operating vehicle permit fees	\$ 78,636	\$ 96,561	\$ (17,925)	-19%
Taxi business permit fees	111,114	97,526	13,588	14%
Driving permits and inspection fees	3,885	3,710	175	5%
Operator application fees	1,500.00	-	1,500	100%
Other	6,292	6,745	(453)	-7%
<b>Total operating revenues</b>	<b>201,427</b>	<b>204,542</b>	<b>(3,115)</b>	<b>-2%</b>
<b>CONTROLLABLE OPERATING EXPENSES</b>				
Administrative	85,630	99,624	(13,994)	-14%
Services	36,901	28,729	8,172	28%
Casualty and liability	5,589	5,489	100	2%
Utilities	4,893	4,687	206	4%
Materials and supplies	2,286	2,392	(106)	-4%
Miscellaneous	3,183	2,148	1,035	48%
Total controllable operating expenses	138,482	143,069	(4,587)	-3%
Depreciation	122	325	(203)	-62%
<b>Total expenses</b>	<b>138,604</b>	<b>143,394</b>	<b>(4,790)</b>	<b>-3%</b>
<b>CHANGE IN NET POSITION</b>	<b>62,823</b>	<b>61,148</b>	<b>1,675</b>	<b>3%</b>
<b>NET POSITION</b>				
Beginning of year	370,978	309,830	61,148	20%
End of year	\$ 433,801	\$ 370,978	\$ 62,823	17%

### Revenues

Operating revenues during FY 2023 decreased by \$3,115 from FY 2022 due to the decrease in operating vehicle permit fees relating to lower taxi vehicles in service.

## **Expenses**

Adopted SSG policies, procedures, and business processes are used as management tools to control expenses and attain goals and objectives. These controllable operating expenses consist of cost elements that exclude depreciation. For purposes of this analysis, operating expenses before depreciation will be discussed. These expenses totaled \$138,482 and \$143,069 during the fiscal years ended June 30, 2023 and 2022, respectively. Operating expenses before depreciation in FY 2023 decreased by \$4,587 from FY 2022. The decrease is primarily due to decrease in administrative expenses.

## **Capital assets**

SSG's investment in capital assets amounted to \$522 and \$644 (net of accumulated depreciation), as of June 30, 2023 and 2022, respectively. This investment in capital assets includes service vehicles, facilities/structures, and peripheral equipment for operations, and administrative support. These capital assets were acquired using internally generated funds.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The following significant factors were considered as budget assumptions when preparing SSG's budget for FY 2024:

- Increase in revenue from the annual vehicle permits due to the increase in the vehicle permit fees.
- Increase in operating expenses largely from the increase in salary expenses and conducting a taxi study.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of SSG's finances for all those with an interest in SSG's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, SunLine Services Group, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

**SunLine Services Group**  
**Statement of Net Position**  
**June 30, 2023**

**ASSETS**

**Current assets**

Cash and cash equivalents	\$	473,922
Accounts receivable		100
		474,022
<b>Total current assets</b>		474,022

**Noncurrent assets**

Capital assets, net of accumulated depreciation		522
		474,544
<b>Total assets</b>		474,544

**LIABILITIES**

**Current liabilities**

Accounts payable and accrued liabilities		27,392
Accrued payroll and related liabilities		10,732
Compensated absences		2,619
		40,743
<b>Total current liabilities</b>		40,743

**NET POSITION**

Net investment in capital assets		522
Unrestricted		433,279
		433,801
<b>Total net position</b>	\$	433,801

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*See notes to financial statements.*

**SunLine Services Group**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Year ended June 30, 2023**

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**OPERATING REVENUES**

Operating vehicle permit fees	\$	78,636
Taxi business permit fees		111,114
Driving permits and inspection fees		3,885
Operator application fees		1,500
Other		6,292
<b>Total operating revenues</b>		<u>201,427</u>

**CONTROLLABLE OPERATING EXPENSES**

Administrative		85,630
Services		36,901
Casualty and liability		5,589
Utilities		4,893
Materials and supplies		2,286
Miscellaneous		3,183
Total controllable operating expenses		<u>138,482</u>
Depreciation		122
<b>Total expenses</b>		<u>138,604</u>

**CHANGE IN NET POSITION**

62,823

**NET POSITION**

Beginning of year		370,978
End of year	\$	<u><u>433,801</u></u>

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*See notes to financial statements.*



**SunLine Services Group**  
**Statement of Cash Flows**  
**Year ended June 30, 2023**

<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 242,730
Cash payments to suppliers for goods and services	(27,681)
Cash payments to employees for services	(85,774)
<b>Net cash provided by operating activities</b>	<u>129,275</u>
<b>Change in cash and cash equivalents</b>	129,275
<b>Cash and cash equivalents, beginning of year</b>	344,647
<b>Cash and cash equivalents, end of year</b>	<u>\$ 473,922</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 62,823
Depreciation	122
Change in operating assets and liabilities:	
Accounts receivable	41,303
Accounts payable and accrued liabilities	25,171
Accrued payroll and related liabilities	(558)
Compensated absences	414
<b>Net cash provided by operating activities</b>	<u>\$ 129,275</u>

*See notes to financial statements.*

**NOTE 1      REPORTING ENTITY**

SunLine Services Group (SSG) was formed in 1993 in order to enhance public/private partnerships in the Coachella Valley. SSG operations include regulating, licensing, and franchising of the taxicabs and alternative transportation in the Coachella Valley. Effective July 1, 1996, SSG adopted ordinances to give it the authority to regulate taxicabs.

SSG is accounted for as a blended component unit of SunLine Transit Agency (STA). STA was formed by the County of Riverside, California, and the cities in the Coachella Valley to provide transportation services in the Coachella Valley. The accompanying financial statements present only the SSG and are not intended to present fairly the financial position, change in financial position, or cash flows of STA as a whole, in conformity with accounting principles generally accepted in the United States of America.

**NOTE 2      SUMMARY SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The financial statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and statement of cash flows) report information on all of the activities of SSG.

**Basis of Accounting and Measurement Focus**

The financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

Operating revenues are those revenues that are generated from the primary operations of SSG. The principal operating revenues of SSG are operating vehicle permit fees, passenger surcharge fees, and driving permits and inspection fees. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**NOTE 2      SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred inflows and outflows of resources**

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

*Deferred Outflows of Resources* represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

*Deferred Inflows of Resources* represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time.

**Cash and Cash Equivalents**

Cash and cash equivalents include all highly liquid investments with original maturities of 90 days or less and are carried at cost, which approximates fair value.

**Investments**

Investments are stated at fair value, which is based on quoted market price. Changes in fair value that occur during the fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**Accounts Receivable**

Accounts receivable are shown net of allowances for doubtful accounts, if any. Federal and State grants are reported as revenue when all eligibility requirements have been met. Amount earned but outstanding at year-end are reported as accounts receivable.

**Capital Assets**

Capital assets which consist of service vehicles, facilities/structures, and peripheral equipment for operations and administrative support are stated at cost or, for donated assets, at fair value at the date of donation. SSG capitalizes all assets with acquisition cost of at least \$1,000 and useful life of at least one year. The cost of normal maintenance and repairs that do not add to the value of the assets and do not materially extend asset lives are charged to operations as incurred. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets ranging from three to seven years.

**Compensated Absences**

It is SSG's policy to permit employees to accumulate earned but unused vacation leave up to 500 hours and unlimited hours for unused sick leave. Management, non-exempt, and union employees begin to accrue vested vacation and sick hours upon being hired, except for part-time employees who begin to accrue such hours after the first year. Accumulated unpaid vacation and vested sick leave pay is recorded as an expense and a liability at the time the benefit is earned.

**NOTE 2      SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position**

Net Position is classified as follows:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted - This component of net position is the amounts of the assets, deferred outflows of resources, reduced by liabilities, and deferred inflows of resources that are not included in the determination of net investments in capital assets or the restricted component of net position.

**Use of Restricted/Unrestricted Resources**

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

**Regulatory Administration Fees**

Regulatory administration fees consist of permit fees, inspection fees, and passenger surcharge fees. Inspection fees and passenger surcharge fees are recognized as revenue when such services are rendered. Permit fees are recognized when permits are issued.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 3      CASH AND CASH EQUIVALENTS**

The carrying amounts of SSG's cash deposits was \$473,922 at June 30, 2023. Bank balance at June 30, 2023 was \$476,629, which were fully insured and/or collateralized with securities held by the pledging financial institution in SSG's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure SSG's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in SSG's name.

**NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)**

The market value of pledged securities must equal at least 110% of SSG’s cash deposits. California law also allows institutions to secure SSG’s deposits by pledging first trust deed mortgage notes having a value of 150% of SSG’s total cash deposits. SSG may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (“FDIC”). SSG, however, has not waived the collateralization requirements.

**NOTE 4 CAPITAL ASSETS**

Summary of changes in capital assets for the year ended June 30, 2023 is as follows:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Depreciable assets:				
Vehicles	\$ 290,606	\$ -	\$ -	\$ 290,606
Equipment	50,087	-	-	50,087
Total depreciable assets	340,693	-	-	340,693
Accumulated depreciation	(340,049)	(122)	-	(340,171)
Net capital assets	\$ 644	\$ (122)	\$ -	\$ 522

Depreciation expense was \$122 for the year ended June 30, 2023.

**NOTE 5 RELATED PARTY TRANSACTIONS**

STA’s staff and resources are used in the performance of its responsibilities relating to the activities of SSG. Accordingly, STA allocates salaries and benefits to SSG on the basis of actual hours spent by activity. Other indirect overhead is allocated based on management’s estimates. The fees to reimburse STA are billed to SSG monthly. For the year ended June 30, 2023, STA charged SSG \$85,630, for administrative services.

**NOTE 6 COMPENSATED ABSENCES**

Compensated absences at June 30, 2023, amounted to \$2,619. There is no fixed payment schedule for compensated absences.

**NOTE 7            RISK MANAGEMENT**

SSG is insured through STA for its general liability and worker's compensation insurance. Claims liabilities and the related claims expenses are not included in the accompanying financial statements because claims are not identifiable between STA and SSG. Claim liabilities at June 30, 2023 are displayed in the financial statements of STA in the amount of \$4,093,830. Refer to the audited financial statements of STA for additional information.

**NOTE 8            COMMITMENT AND CONTINGENCIES**

SSG may become involved in various legal actions, administrative proceedings, or claims in the ordinary course of operations. Although it is not possible to predict with certainty the outcome of these actions or the range of possible loss or recovery, it is the opinion of SSG's legal counsel and SSG's management that the resolution of these matters will not have a material adverse effect on the financial condition of SSG.

**NOTE 9            SUBSEQUENT EVENTS**

Management has evaluated subsequent events through **REPORT DATE**, the date which the financial statements were available to be issued and concluded that, other than the matter described in Note 6, there were no material subsequent events that required disclosure or adjustment to the accompanying financial statements.

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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 Financial Statements Performed in Accordance with *Government Auditing Standards*

**Board of Directors**  
**SunLine Services Group**  
Thousand Palms, California 92276

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the SunLine Services Group (SSG), a component unit of SunLine Transit Agency (STA), which comprise the statement of net position as of June 30, 2023, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated **REPORT DATE**.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered SSG's internal control over financial reporting (internal control) 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 SSG's internal control. Accordingly, we do not express an opinion on the effectiveness of SSG's internal control.

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

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



## **Compliance and Other Matters**

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

**Glendale, California**  
**REPORT DATE**

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**SunLine Transit Agency**  
**Single Audit Report**  
***Year Ended June 30, 2023***  
***with Independent Auditor's Report***

draft 11.30.2023

**SunLine Transit Agency  
Single Audit Report  
Year Ended June 30, 2023  
*with Independent Auditor's Report***

	<u>PAGE</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Report on Compliance for Each Major Federal Program, on Internal Control over Compliance, and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.	3
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	6
<b>NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	7
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	8
<b>STATUS OF PRIOR AUDIT FINDINGS</b>	11



**Independent Auditor’s Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with *Government Auditing Standards***

**Board of Directors**  
**SunLine Transit Agency**  
Thousand Palms, California 92276

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 (*Government Auditing Standards*), the financial statements of SunLine Transit Agency (STA), which comprise the statement of financial position as of June 30, 2023, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated **OPEN DATE**.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered STA's internal control over financial reporting (internal control) 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 STA's internal control. Accordingly, we do not express an opinion on the effectiveness of STA's internal control.

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

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



### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether STA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 result of that testing, and not to provide an opinion on the effectiveness of STA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering STA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Glendale, California**

**OPEN DATE**



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

**Board of Directors  
SunLine Transit Agency**  
Thousand Palms, California 92276

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

***Opinion on Each Major Federal Program***

We have audited SunLine Transit Agency’s (STA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of STA’s major federal programs for the year ended June 30, 2023. STA’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, STA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 STA 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 STA’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 the STA'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 STA'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 GAAS, *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 STA's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with GAAS, *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 STA'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 STA'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 STA'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 SunLine Transit Agency as of and for the year ended June 30, 2023 and have issued our report thereon dated **<DATE OPEN>**, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Glendale, California  
**<DATE OPEN>**.

SunLine Transit Agency  
 Schedule of Expenditures of Federal Awards  
 Year Ended June 30, 2023

Federal Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	Pass-Through/ Grantors Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
<b>Federal Transit Cluster:</b>				
Direct Assistance:				
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.507	CA-90-Z036	\$ -	\$ 3,808
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.507	CA-90-Z201	-	23,918
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.507	CA-90-Z225	-	24,591
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.507	CA-90-Z341	-	138,166
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.507	CA-90-Z374	-	91,580
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.507	CA-90-4051	-	149,076
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Operating)	20.507	CA-90-Z489	-	4,193,673
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Operating) - ARPA	20.507	CA-90-4188	-	2,090,797
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Operating) - ARPA	20.507	CA-90-4299	-	110,500
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Operating)	20.507	CA-95-0076	-	561,680
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Operating)	20.507	CA-95-X327	-	142,232
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.526	CA-34-0119	-	27,674
Federal Transit - Formula Grants (Urbanized Area Formula Program) (Capital)	20.526	CA-34-0296	-	723,315
Subtotal - Federal Transit - Formula Grants (Urbanized Area Formula Program)			-	8,281,010
Federal Transit - Capital Investment Grants	20.500	CA-55-0006	-	40,701
<b>Total Federal Transit Cluster</b>			-	8,321,711
<b>Formula Grants for Rural Areas</b>				
Passed through from the State of California, Department of Transportation				
Formula Grants for Rural Areas (Operating)	20.509	64B021-01740	-	314,830
Formula Grants for Rural Areas (Operating)	20.509	64CO21-01495	-	201,793
Formula Grants for Rural Areas (Operating)	20.509	64RO21-01665	-	832,330
<b>Total Formula Grants for Rural Areas</b>			-	1,348,953
<b>Enhanced Mobility of Seniors and individuals with Disabilities</b>				
Passed through from the State of California, Department of Transportation				
	20.513	64AC19-01233	-	168,176
<b>Public Transportation, Technical Assistance and Training</b>				
Direct Assistance:				
Federal Transit - Research, Demonstration and Innovation	20.514	CA-26-1017	-	5,616
<b>Total Expenditures of Federal Programs</b>			\$ -	\$ <b>9,844,456</b>

See accompanying Notes to Schedule of Expenditures of Federal Awards and Report of Independent Auditors on Compliance for Each Major Federal Program, on Internal Control over Compliance, and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of SunLine Transit Agency (STA) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of STA, it is not intended to and does not present the financial position, changes in net position, or cash flows of STA.

**NOTE 2 BASIS OF ACCOUNTING**

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

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

**NOTE 3 RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

Grant expenditure reports for the year ended June 30, 2023, which have been submitted to grantor agencies, will, in some cases, differ from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of the year-end accruals.

**NOTE 4 RELATIONSHIP OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO THE FINANCIAL STATEMENTS**

Funds received under the various grant programs have been recorded within the operating grants of the STA. Therefore, some amounts reported in the accompanying Schedule may differ from the amounts presented in, or used in, the preparation of the Annual Financial Statements.

**Section I – Summary of Auditors’ Results**

**Financial Statements**

Type of auditors’ report issued on the financial statements	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over its major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors’ report issued on compliance for its major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR 200.516 (a) of the Uniform Guidance?	No

**Identification of Major Programs:**

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.500/20.507/20.526	Federal Transit Cluster
20.509	Formula Grants for Rural Areas

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

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**Section II – Financial Statement Findings**

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There were no financial statement findings noted during the fiscal year ended June 30, 2023.

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**Section III – Federal Award Findings**

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There were no federal award findings noted for the year ended June 30, 2023.

No findings were reported for the year ended June 30, 2022.



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**SunLine Transit Agency**

**DATE:** December 6, 2023 **ACTION**

**TO:** Finance/Audit Committee  
Board of Directors

**FROM:** Luis Garcia, Chief Financial Officer

**RE:** Resolution No. 0804 to Submit Application for Volkswagen  
Environmental Mitigation Trust Fund

---

**Recommendation**

Recommend that the Board of Directors approve Resolution No. 0804, which grants authorization to the CEO/General Manager to submit an application for Volkswagen Environmental Mitigation Trust Fund (VEMT) for a total amount of \$2,400,000.

**Background**

The Board of Directors approved the purchase of eight (8) New Flyer hydrogen fuel cell buses for a total not to exceed the amount of \$11,007,418. The buses were fully funded through multiple existing funding sources, however, the Board was also informed that staff would be pursuing additional funds through the VEMT.

Approval of this item will allow the Agency to submit and receive funds in order to leverage all available competitive funding sources. The addition of the VEMT funding would result in surplus replacement bus funding that can be utilized for additional buses as approved by the Board.

**Financial Impact**

The financial impact of \$2,400,000 would increase the Agency's funding for replacement buses under the original Board approved cost of \$11,007,418.

Attachment:

- [Item 10a](#) – Resolution No. 0804

**RESOLUTION NO. 0804**

**RESOLUTION AUTHORIZING SUNLINE TRANSIT AGENCY TO MAKE APPLICATION FOR AND TO SIGN CERTAIN ASSURANCES WITH RESPECT TO APPLICATIONS FOR LOCAL, STATE AND FEDERAL PROGRAMS, PROJECTS OR GRANTS RELATING TO THE RECEIPT OF THE VOLKSWAGEN ENVIRONMENTAL MITIGATION TRUST FUNDING**

**WHEREAS**, several local, state and federal programs allow public and non-profit transportation providers to apply for administration, capital, and operation assistance programs or grants; and

**WHEREAS**, the Volkswagen Environmental Mitigation Trust Fund (VEMT) became available to public and private owners of transit, schools and shuttle buses to provide funding to eligible applicant recipients for the replacement of old, high-polluting transit, school, and shuttle buses with new battery-electric or fuel-cell buses; and

**WHEREAS**, funds from the VEMT are administered through San Joaquin Valley Air Pollution Control District (SJVAPCD) and the California Air Resources Board (CARB); and

**WHEREAS**, it is required for SunLine to make application for, to sign required assurances and to administer the VEMT funds with respect to applications for local, state and federal programs, projects or grants; and

**WHEREAS**, SunLine will procure five (5) hydrogen electric fuel cell vehicles; and

**WHEREAS**, the anticipated funding amount is \$2,400,000, with SunLine providing a match of \$4,856,731

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the SunLine Transit Agency that the CEO/General Manager is authorized to execute an agreement with VEMT, SJVAPCD and/or CARB to receive the funding for SunLine's project.

**NOW THEREFORE, BE IT FURTHER RESOLVED** that the CEO/General Manager be authorized to furnish such additional information as the VEMT, SJVAPCD and/or CARB to receive the funding for SunLine's project .

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the SunLine Transit Agency that it hereby authorizes the submittal of the following project nomination and allocation request to the Volkswagen Environmental Mitigation Trust Fund:

**Project Name: Procurement of Fuel Cell Buses**

**Amount of funds requested: \$2,400,000**

**Short description of project: This project will procure five (5) hydrogen electric fuel cell vehicles with partial funding by the Volkswagen Environmental Mitigation Trust Fund.**

ADOPTED THIS \_\_\_\_\_ DAY OF DECEMBER , 2023

ATTEST:

\_\_\_\_\_  
Edith Hernandez  
Clerk of the Board  
SunLine Transit Agency

\_\_\_\_\_  
Lisa Middleton  
Chairperson of the Board  
SunLine Transit Agency

APPROVED AS TO FORM:

\_\_\_\_\_  
General Counsel  
Eric Vail

STATE OF CALIFORNIA    )  
  ) SS.  
COUNTY OF RIVERSIDE    )

I, EDITH HERNANDEZ, Clerk of the Board of Directors of the SunLine Transit Agency, do hereby certify that Resolution No. \_\_\_\_\_ was adopted at a regular meeting of the Board of Directors held on the \_\_\_\_\_ day of DECEMBER, 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

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Edith Hernandez  
Clerk of the Board  
SunLine Transit Agency

## SunLine Transit Agency

**DATE:** December 6, 2023 **ACTION**

**TO:** Finance/Audit Committee  
Board of Directors

**FROM:** Luis Garcia, Chief Financial Officer

**RE:** California Senate Bill 125 (SB125) Project List and State Transit Assistance Funding Allocation

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### Recommendation

- 1) Recommend that the Board of Directors endorse the project priority list provided to the Riverside County Transportation Commission (RCTC) totaling \$91,000,000; and
- 2) Direct staff to engage with the RCTC and Coachella Valley Association of Governments (CVAG) on the practice around the yearly 10% allocation of SunLine's State Transit Assistance (STA) funding for rail in the Coachella Valley.

### Background

Since 2020, the public transportation industry has encountered several obstacles and ridership has been at the forefront of the issues. In order to alleviate the impacts on public transportation federal stimulus funds were distributed. However, much of that funding has, or will soon be, fully utilized by transit operators but the industry has still not recovered. Transit operators have been impacted differently but some are foreseeing a fiscal cliff which would result in reduced service.

Due to a budget deficit at the state level, planned funding for public transportation was reduced in the 2023 budget. Advocates for public transportation were able to successfully communicate the need for funding and the possible resulting negative impacts on the public who is reliant on transit services. On July 10, 2023, Governor Newsom signed a series of budget bills including Senate Bill 125 (SB125) which returned a portion of the planned funding for public transportation. SB125 focuses on ridership growth and improving the transit experience for all users of public transportation. The bill allocates \$5.1B for public transit agencies for transit operations, zero-emission transit equipment and investment in transformative capital improvements.

As required in the senate bill, the funding under SB125 is being allocated to the state's Regional Transportation Planning Agencies (RTPA) which is RCTC for Riverside County. Riverside County is expected to receive \$287M of SB125 funding over a four (4) year period. Under the initial deadline, RTPAs must submit projects for the first year of funding

before the end of calendar year 2023. The initial first year of funding is projected to allocate \$138M of funding across the county.

Accordingly, RCTC worked with the transportation operators within the county to request project scopes and budgets. SunLine requested \$91 million to complete the five (5) projects noted in Table 1 below. The receipt of these funds and completion of the projects would enable SunLine to provide reliable and safe transit services to the residents of Coachella Valley and avoid mission-critical infrastructure failures in the future.

On November 27, 2023, RCTC staff presented the proposed funding list to the Budget and Implementation Committee. Notable funding allocations for the first year of funding include \$16M to SunLine Transit Agency and \$40M for tier 2 environmental work for Coachella Valley rail. The rail project for the Coachella Valley has been a topic of interest over the years and has progressed slowly due to funding availability. One of the funding sources towards the Coachella Valley rail project has been a 10% allocation of SunLine's yearly State Transit Assistance (STA) formula funding. With the recent allocation of SB125 funding for rail, staff would like to further explore the ongoing need of the 10% allocation to rail and discuss the full 100% utilization of STA funds for SunLine's services.

Along with the ongoing concerns about public transportation funding, transit properties in California must also comply with the Innovative Clean Transit (ICT) rule, which will result in an increase in operating and capital costs. In a recent item presented by RCTC, a deficit of \$347M is anticipated in Riverside County through 2040 as a result of the zero emission transition requirements. It is important that SunLine leverage all available funding to ensure it is able to support future operating and capital needs.

The recent allocation of SB125 funding for rail, represents a major milestone in the overall Coachella Valley rail project (CV Rail). The project will become more competitive for discretionary funding at the state and federal level which would help the project come to fruition. Upon completion of the CV rail project, operating costs would be needed. At the moment it is unclear how that would be funded, but similar rail lines in the State have been found to rely on funding from a dedicated tax measure.

Table 1: Proposed Projects for SB 125 Funding

Agency	Project Title	TIRCP/ZETCP Funding Request
SunLine Transit Agency	Microgrid and Mobile Hydrogen Station Project	\$ 40,000,000
SunLine Transit Agency	New Maintenance Facility - Thousand Palms	\$ 15,000,000
SunLine Transit Agency	Division II Zero Emission Fleet Maintenance Facility	\$ 25,000,000
SunLine Transit Agency	Center of Excellence Final Phase	\$ 10,000,000
SunLine Transit Agency	Alternative Fuels Strategic Master Plan	\$ 1,000,000
		<b>\$ 91,000,000</b>

## **The Future of SunLine Transit Agency**

As noted earlier, due to the State's mandated compliance with the Innovative Clean Transit (ICT) Rule, all transit operators in Riverside County will experience an operating deficit through 2040, and SunLine, specifically, will face a projected deficit of over \$100 million. In fact, given that the Board has supported advancing our efforts and transition by 2035 (5 years before the State mandate), this deficit will be realized much sooner.

Currently, SunLine depends heavily on annual allocations of federal and state grants, including State Transit Assistance (STA) funds, to fully fund its operating and capital expenses. Annually, SunLine receives approximately \$5,000,000 in population-based STA funds, 10% of which is automatically taken "off-the-top" by RCTC for CV Rail environmental and station area planning. This equates to approximately \$500,000 in annual revenue for rail.

Staff acknowledges this Agency's support for the CV Rail project and understands the value of building out a comprehensive transportation network that includes both rail and bus transit, in order to meet local ridership demand. As a result, the allocation of \$40 million in SB 125 funds towards the project in the first year, and, potentially, more funding in the next year, is not a point of debate at this time. Instead, staff sees value in reevaluating the need for the continued allocation of approximately \$500,000 per year in SunLine STA revenue in light of the significant amount of new SB 125 funding being earmarked for CV Rail, which was not anticipated at the time that the STA agreement was established in 2015. As a result, staff is seeking Board support in reengaging with RCTC and the Coachella Valley Association of Governments (CVAG) to understand better the long term need of the annual allocation of SunLine's STA funds now that the project is better positioned to fully fund its environmental work and then compete for other state and federal sources that are specifically earmarked for rail.

Please note that staff's interest in seeking Board support to reengage with its county partners is focused entirely on identifying ways to reduce its projected operating deficit and ensure the long term sustainability of the SunLine system, which is important for building-out a comprehensive, zero emission transportation system in the Valley that can meet the diverse needs of its citizens.

### **Financial Impact**

Awarded funds from RCTC on the proposed projects for the first year of SB125 funding would be included in the fiscal year 2025 budget and Short Range Transit Plan (SRTP) which will come before the Board for approval later this fiscal year. Any recommended action relating to the Agency's STA funds would come before the Board for approval at a future meeting.

Attachment:

- [Item 11a](#) – RCTC SB 125 Formula-Based TIRCP and ZETCP Funding Recommendations for Year 1



**RCTC SB 125 Formula-Based TIRCP and ZETCP Funding Recommendations for Year 1**

<b>Project Type</b>	<b>TIRCP/ZETCP Year 1 - FY24</b>
<b>Zero Emission and Transit Capital Projects *</b>	
Riverside Transit Agency	\$ 14,828,290
SunLine Transit Agency	16,000,000
Palo Verde Valley Transit Agency	16,010,000
City of Corona Transit	12,400,000
City of Banning Transit	2,489,413
City of Beaumont Transit	10,300,000
City of Riverside Transit	5,392,073
<b>Passenger Rail Project Development</b>	
RCTC - Coachella Valley Rail Tier 2 Environmental	40,000,000
City of Banning - Hargrave Ave Grade Separation	5,000,000
City of Beaumont - Pennsylvania Ave Grade Separation	5,000,000
County of Riverside - Broadway Grade Separation	10,000,000
<b>Program Administration</b>	
Grade Separation Study Update, Technical Assistance, Program Administration	791,214
<b>Total</b>	<b>\$ 138,210,990</b>

\* Includes projects such as zero-emission infrastructure & buses, facility upgrades, and integrated passenger fare systems.

## SunLine Transit Agency

**DATE:** December 6, 2023 **ACTION**

**TO:** Finance/Audit Committee  
Board of Directors

**FROM:** Walter Watcher, Procurement Officer

**RE:** Liquid Hydrogen Station Change Order/Change Directive

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### **Recommendation**

Recommend that the Board of Directors authorize the CEO/General Manager to negotiate and execute a Change Order/Change Directive to the contract with Integrated Cryogenic Solutions, LLC (Cryogenic) in the amount of \$182,117 for owner directed changes.

### **Background**

Starting in November of 2021, SunLine managed a competition for the award of a contract to design and build a liquid hydrogen fueling station. Cryogenic was awarded the contract to design and build the fueling station for SunLine in July 2022. The amount of the fueling station award approved by the Board of Directors was \$6,200,955. At that time, staff notified the Board that they were seeking discretionary funding to bridge the gap between the CEC grant and the cost of the liquid hydrogen fueling station.

On August 16, 2022, SunLine was notified that it had been awarded Federal Transit Administration (FTA) discretionary funding in an amount of \$3,500,000 for the liquid hydrogen station. This amount not only bridged the gap in funding from the award amount, but also allowed SunLine to exercise a separate bid item, which was not originally incorporated into the agreement due to its cost. On January 25, 2023 the Board approved a change order for \$1,557,055 which substantially increased the stations fueling capacity.

During the station design phase, a change order request was submitted by Cryogenic to move the station south of the original location. This relocation allows for the fuel dispensers to have two separate lanes allowing for a safer and more efficient traffic pattern for the SunLine staff that clean and fuel the buses each night. Staff has reviewed the change order request and is requesting the Board approve an increase to the contract amount of \$182,117. This amount includes additional demolition work, site preparation work, relocation of the fuel dispensers and expansion of the fuel dispensing area from one (1) to two (2) lanes.

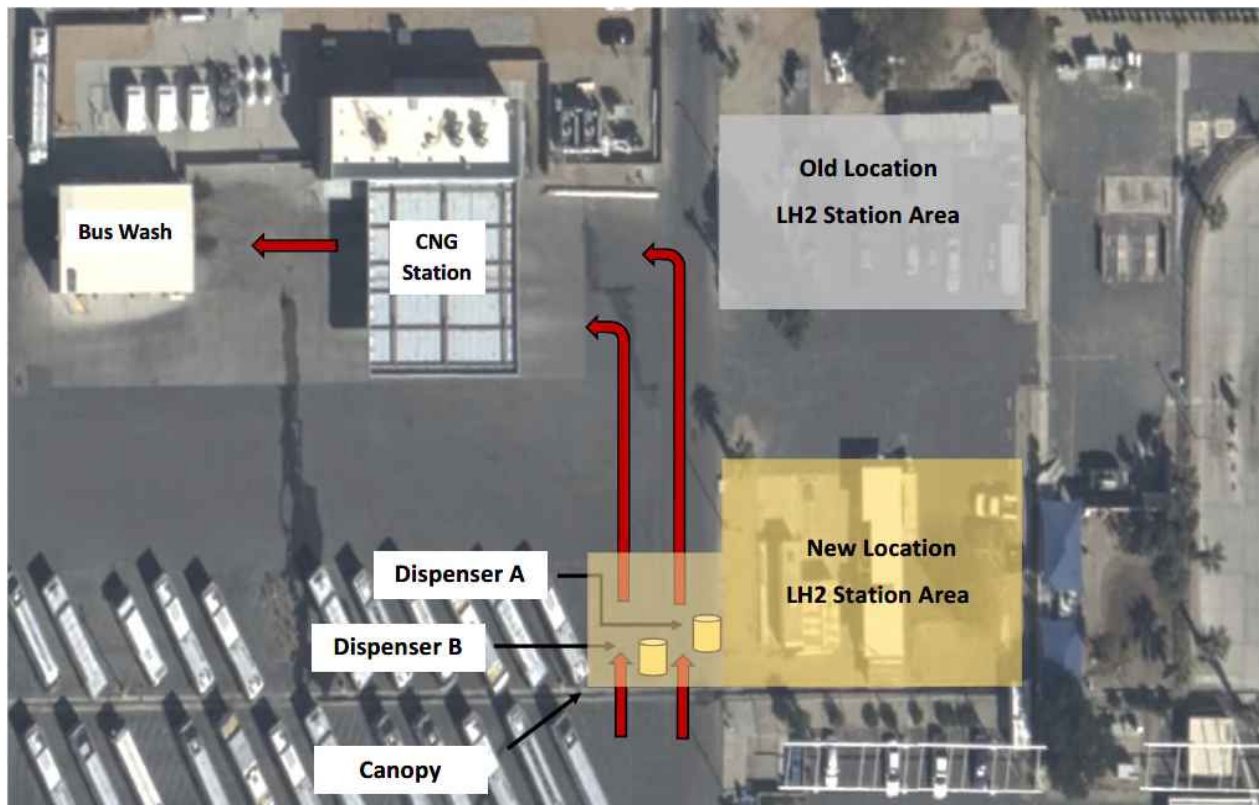
In an effort to preserve the schedule staff directed Cryogenic to proceed with design approval and construction at the new location.

**Financial Impact**

The original project budget included a contingency amount of \$500,000, of which \$197,813 has been budgeted for change order 2. If approved, change order 3 will reduce the budgeted contingency amount by \$182,117 leaving a remaining contingency amount of \$120,070.

**Change Order Log**

<b>Amount of Original Contract = \$6,200,955.</b>		
<b>Approved by the Board</b>		
\$ 1,557,055.	CO #1	Bid Alternate 3-Increase to station capacity
\$ 197,813.	CO #2	Increase dispenser capacity dual hose
<b>Recommendation for approval</b>		
\$ 182,117.	CO #3	Fueling station relocation
\$ 1,936,985.	<b>Total Changes</b>	
\$ 8,137,940.	<b>New Contract Total</b>	



**SunLine Transit Agency****DATE: December 6, 2023****INFORMATION****TO: Finance/Audit Committee  
Board of Directors****FROM: Manuel Alcala, Transit Planning Manager****RE: Fixed Route Service Status Report**

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**Background**

Due to the failures of the Nel hydrogen electrolyzer fueling station, SunLine was forced to reduce service, which resulted in missed trips and some loss of ridership. Without a working hydrogen fueling station, SunLine could not fuel a sufficient number of its hydrogen fuel cell bus fleet to allow for a sufficient number of buses available to meet daily operational (service pull-out) needs. Consequently, SunLine pre-cancelled bus trips and operated fewer revenue miles and hours. To report the impact of this temporary, special situation, SunLine introduced two (2) new reports to the monthly metrics performance report to the Board of Directors. Item 17e reports Daily Lost Trips Average and item 17f summarizes missed Revenue Miles and Hours.

The monthly metrics performance report to the Board of Directors summarizes the performance of all SunLine services. The metrics report covers on-time performance, early departures, late departures, average daily lost trips, and revenue miles and hours.

- Fixed route on-time performance had an increase of 1.9% from September 2023 to October 2023. Although all routes experienced heavy delays due to weather conditions, detours and construction related road closures in the Coachella Valley, the Agency's on-time performance was 87.8%, exceeding its service standard goal of 85%.
- October 2023 early departures maintain the same percentage of 0.3%, when compared to September 2023.
- Late departures for October 2023 had a decrease of 2.2% when compared to September 2023.
- Daily fixed route missed trips, on average, equated to 78 trips or 18% of total daily trips. No tripper routes and Route 10 Commuter Link were missed.
- Revenue Miles and Hours chart reports fixed route missed impacted. This chart was created in response to the challenges faced by the hydrogen station.

Attachments:

- [Item 13a](#) – Fixed Route Service Status Report Presentation
- [Item 13b](#) – On-Time Performance
- [Item 13c](#) – Early Departures
- [Item 13d](#) – Late Departures
- [Item 13e](#) – Daily Lost Trips Average
- [Item 13f](#) – Revenue Miles and Hours

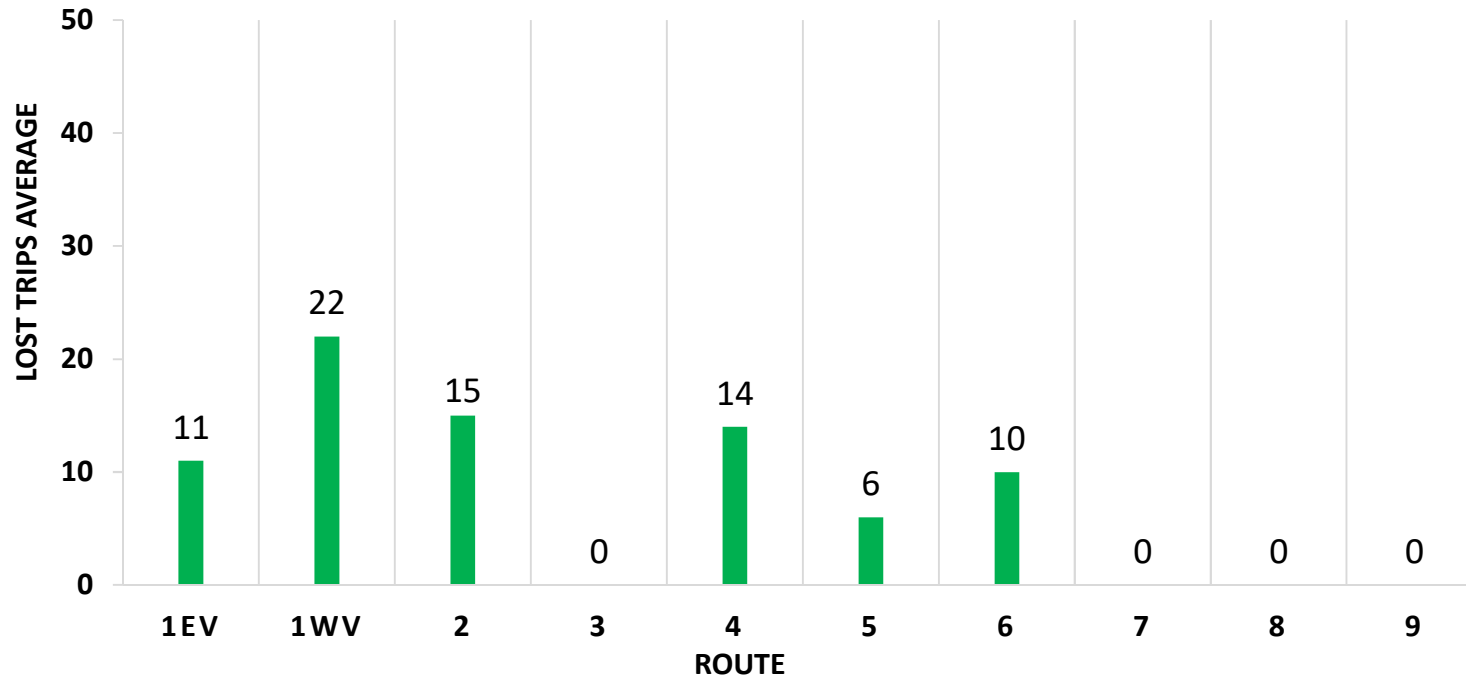


# Fixed Route Service Status Report

December 6, 2023

### Daily Lost Trips Average - October 2023

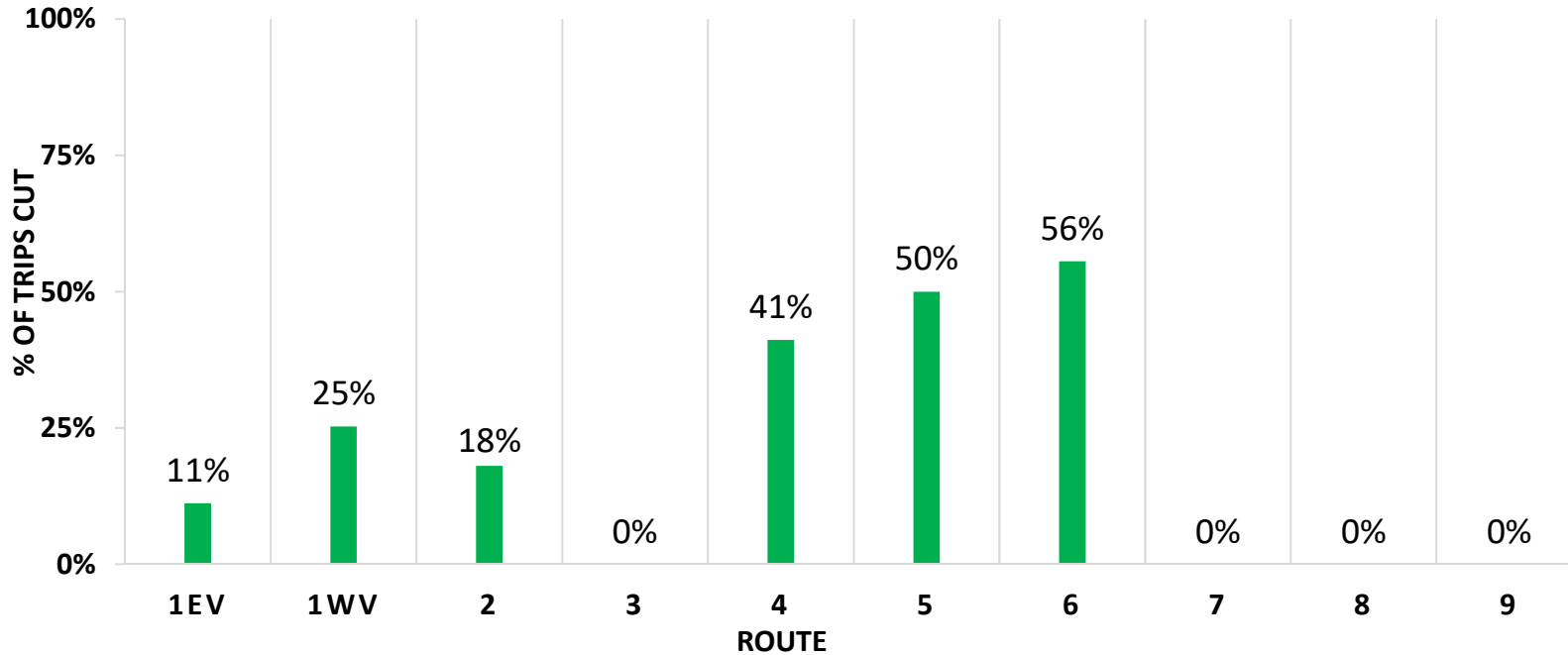
■ Trips Cut



- An average of 35 buses available daily from 47 buses needed to provide scheduled service
- Total of 78 trips impacted
- No tripper routes nor Route 10 Commuter Link trips were impacted

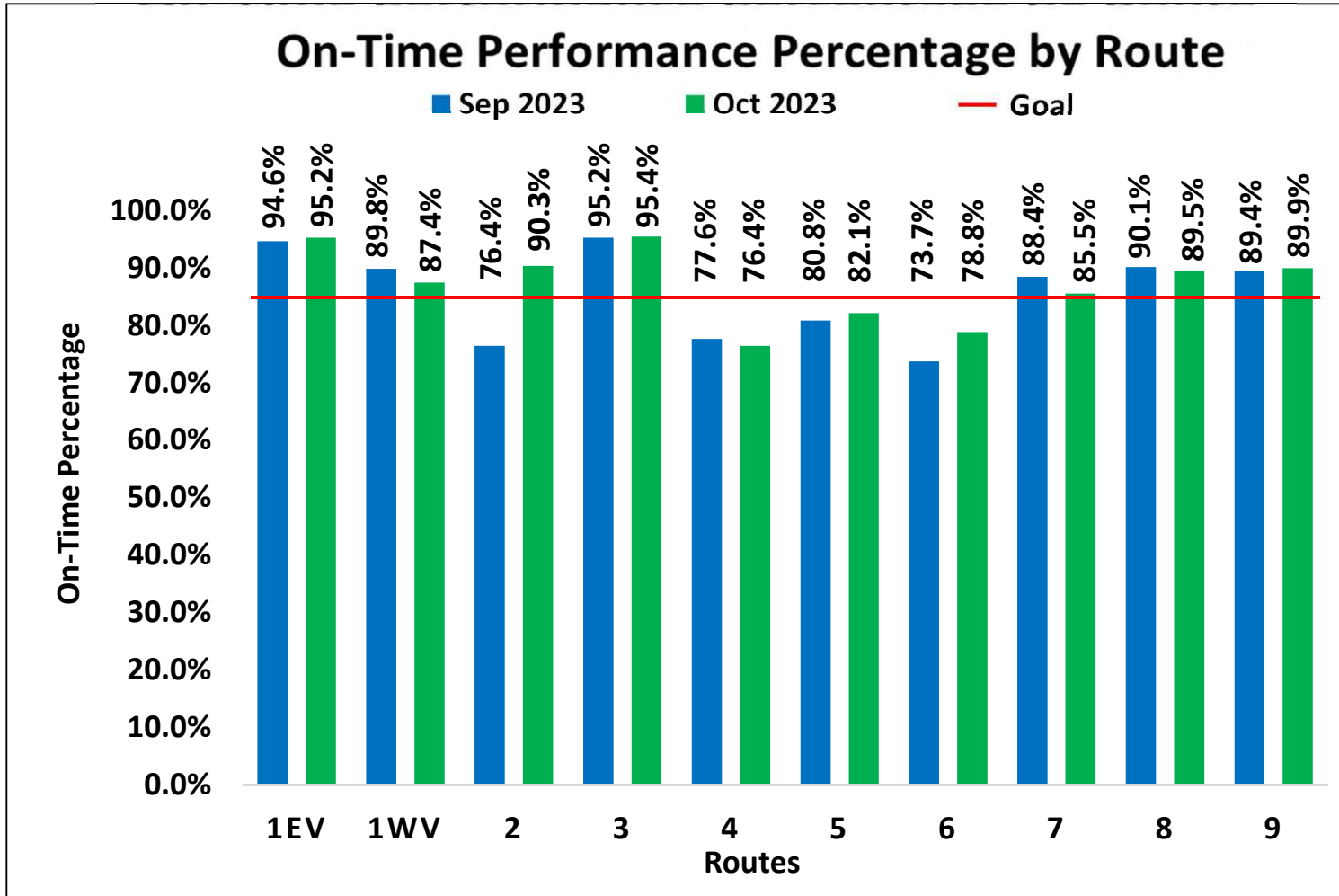
## Percentage of Trips Cut Daily - October 2023

■ Percentage Trips Cut



- 78 total daily trips cut on average
- Amounted to 18% of total scheduled system trips

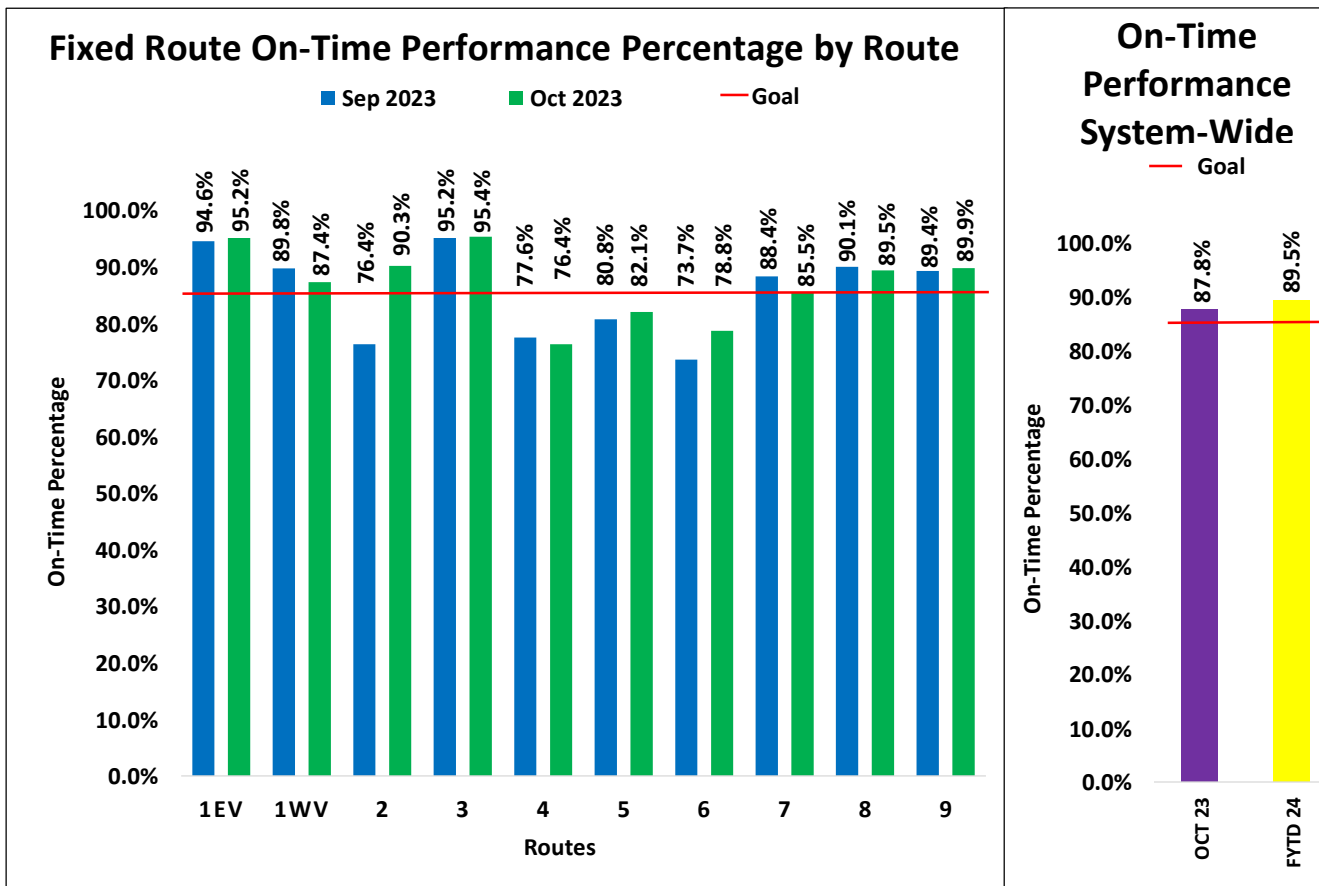




- On-time performance is based on service operated
- Seven (7) routes met goal
- Construction and detours are the primary cause for decreased on-time performance

# Questions?

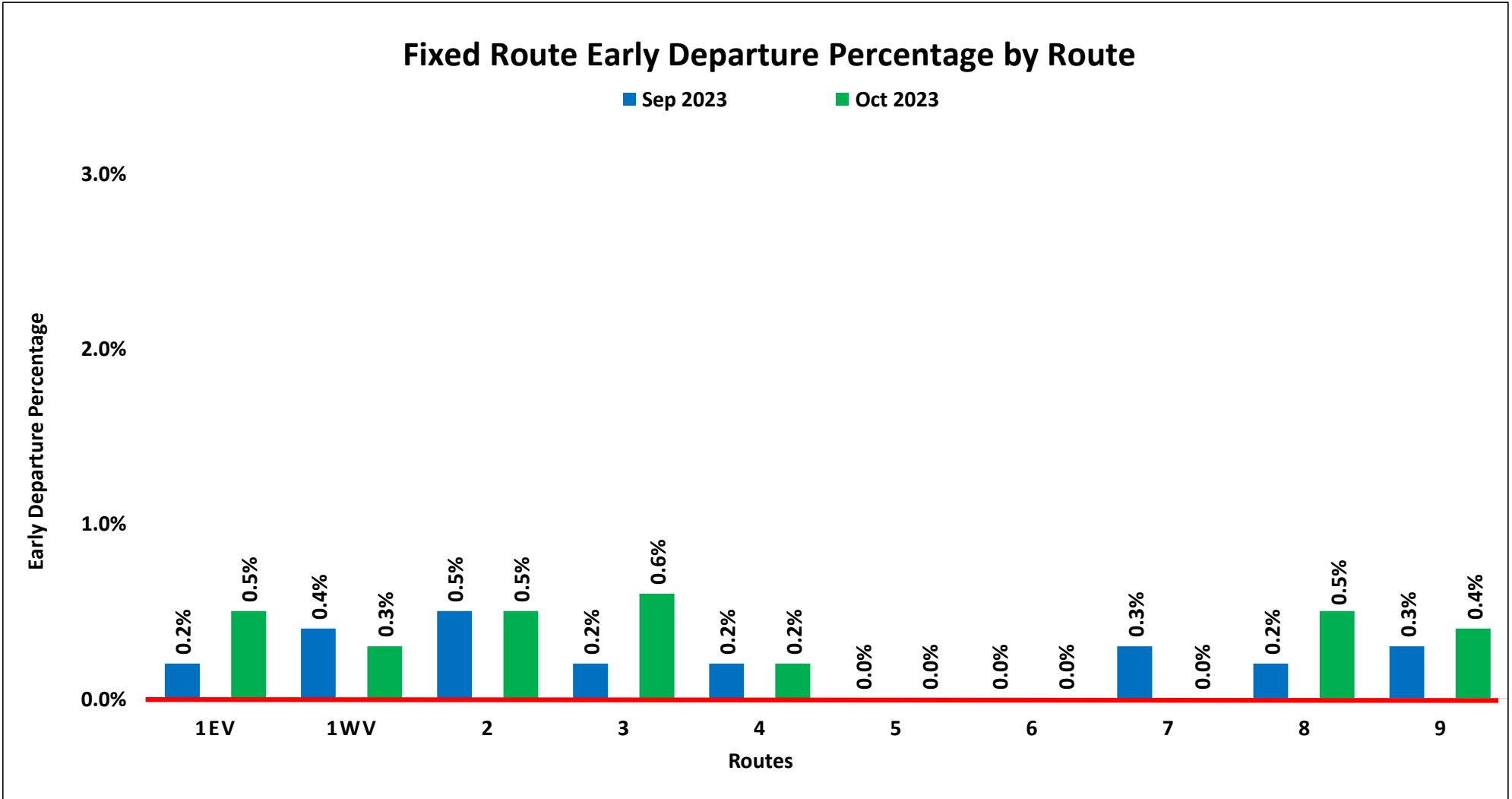




On-Time: When a trip departs a time point within a range of zero (0) minutes early to five (5) minutes late.

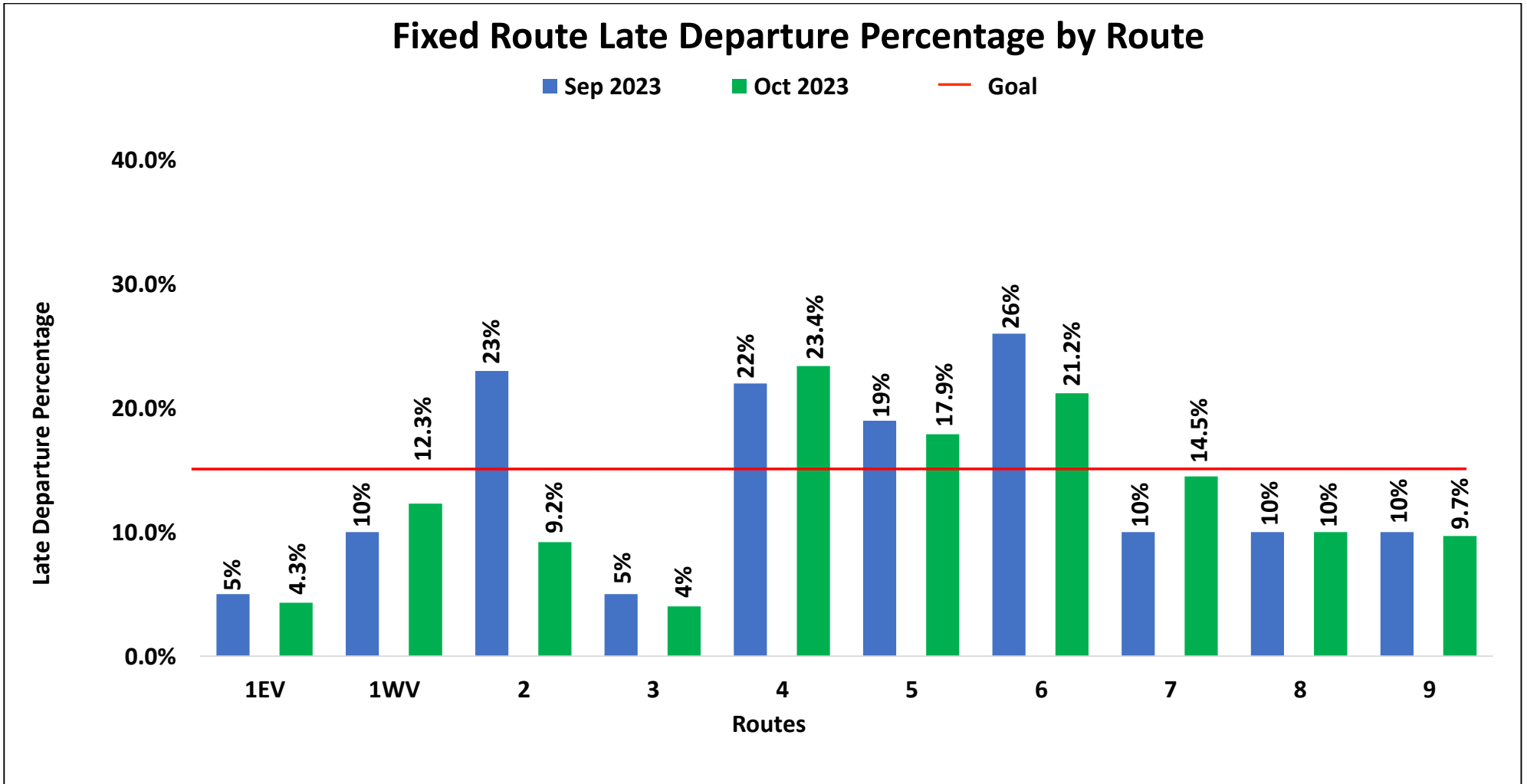
Goal: Minimum target for On-Time Performance is 85%.

Note: For the month of October 2023, the Agency's on-time performance was at 87.8% when compared to October 2022 at 84.6%. This is an increase of 3.2%.



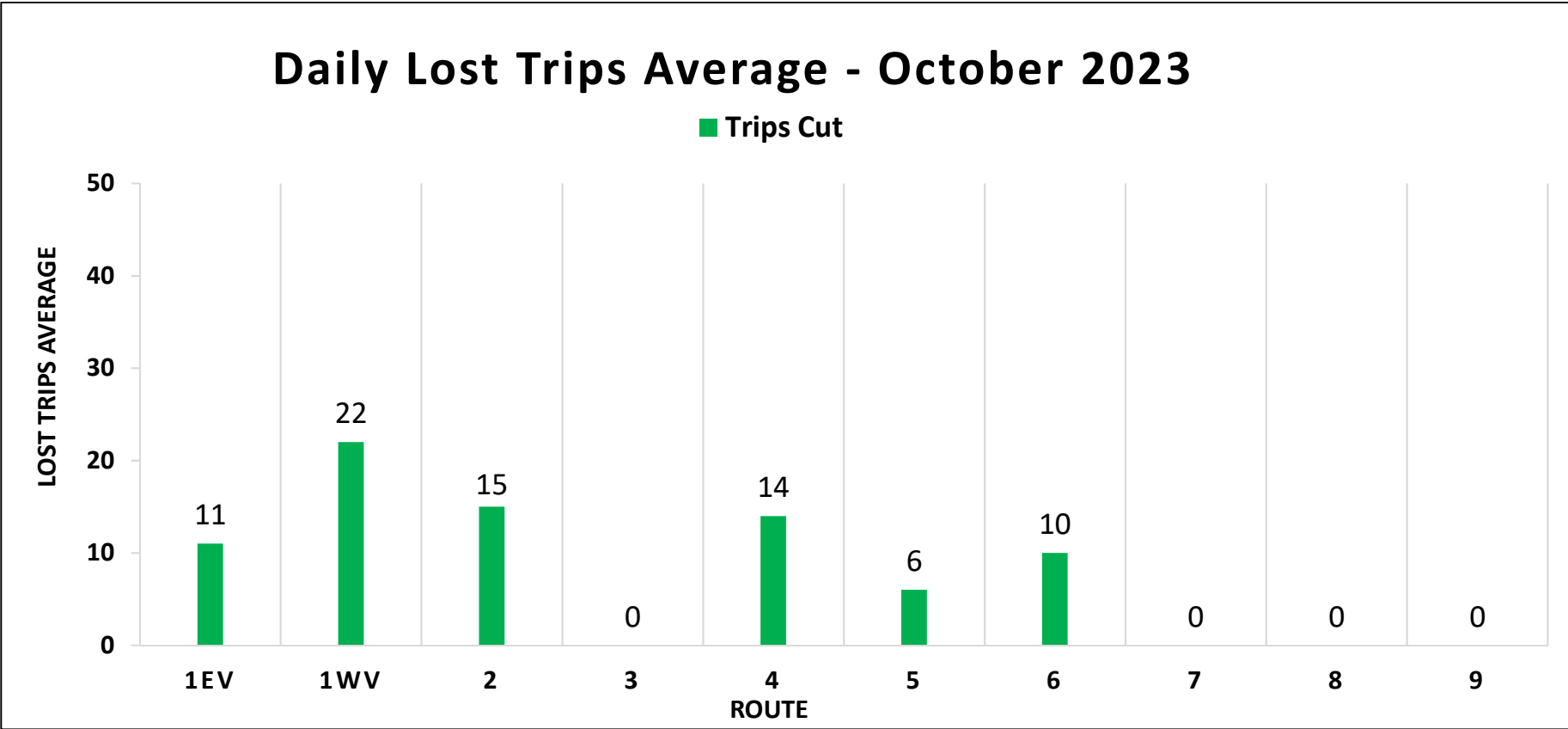
Early Departure: When a bus leaves a time point ahead of the scheduled departure time.

Goal: To reduce early departures to 0%.



Late Departure: When a bus leaves a time point after the scheduled departure time and the route is running late with a departure greater than five (5) minutes.

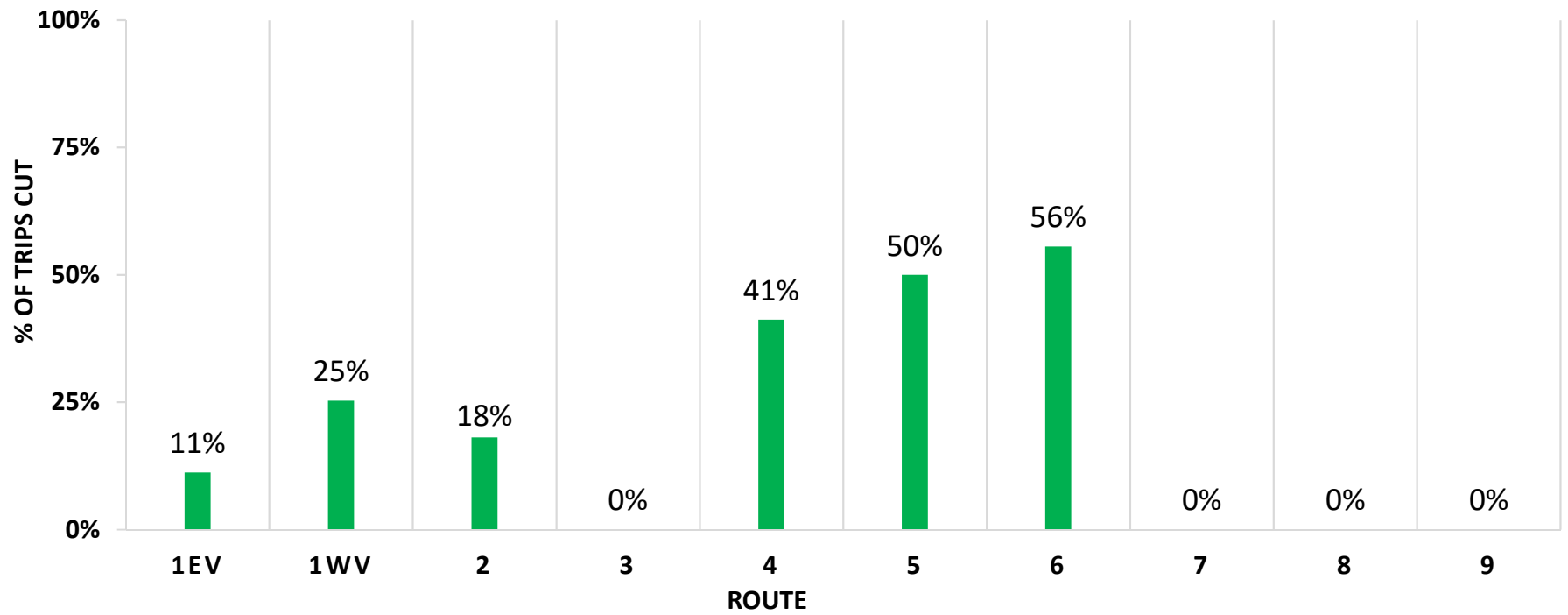
Goal: To ensure late departures remain below 15%.



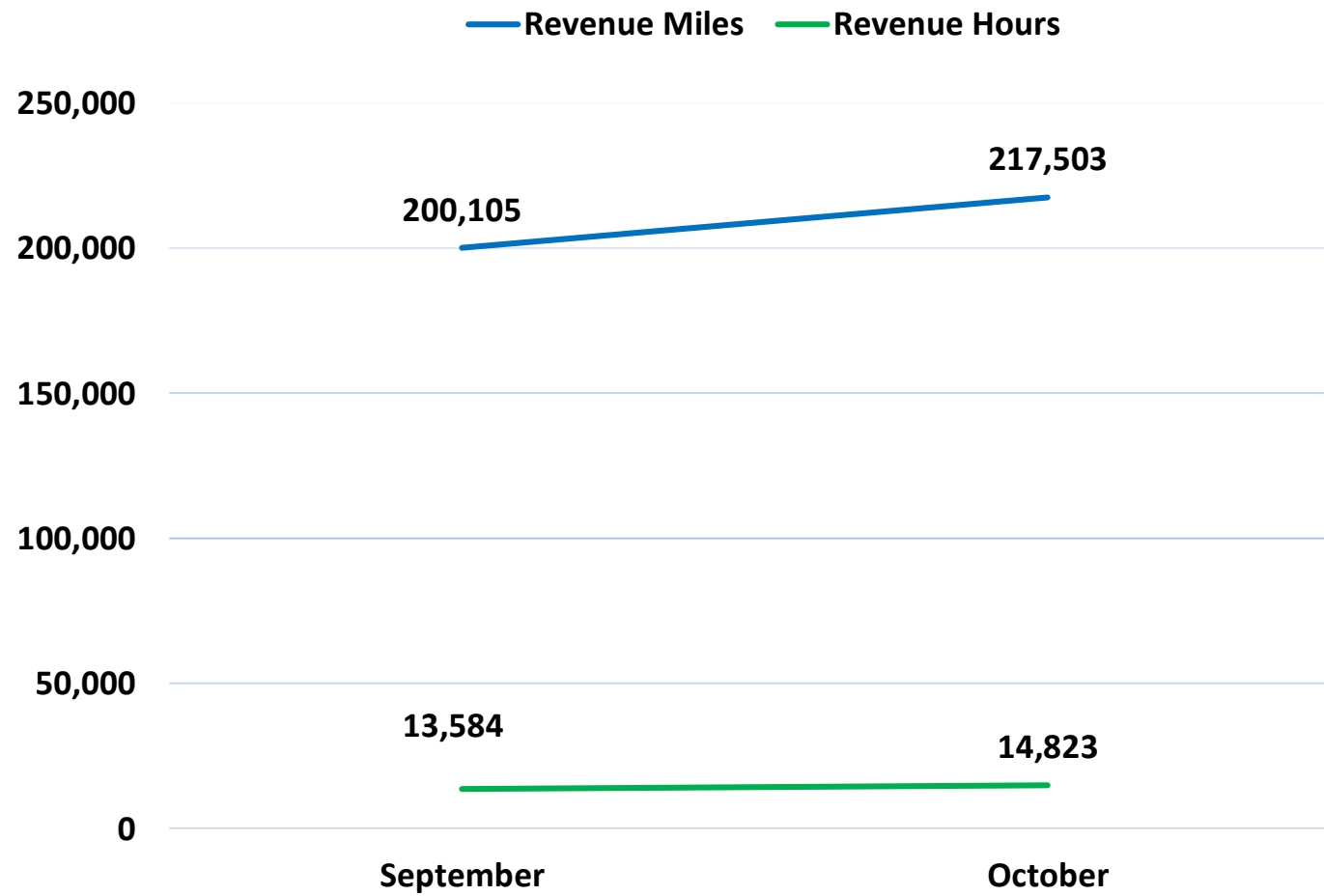
This chart represents the daily lost trips on average per route during the month of September 2023.

## Percentage of Trips Cut Daily - October 2023

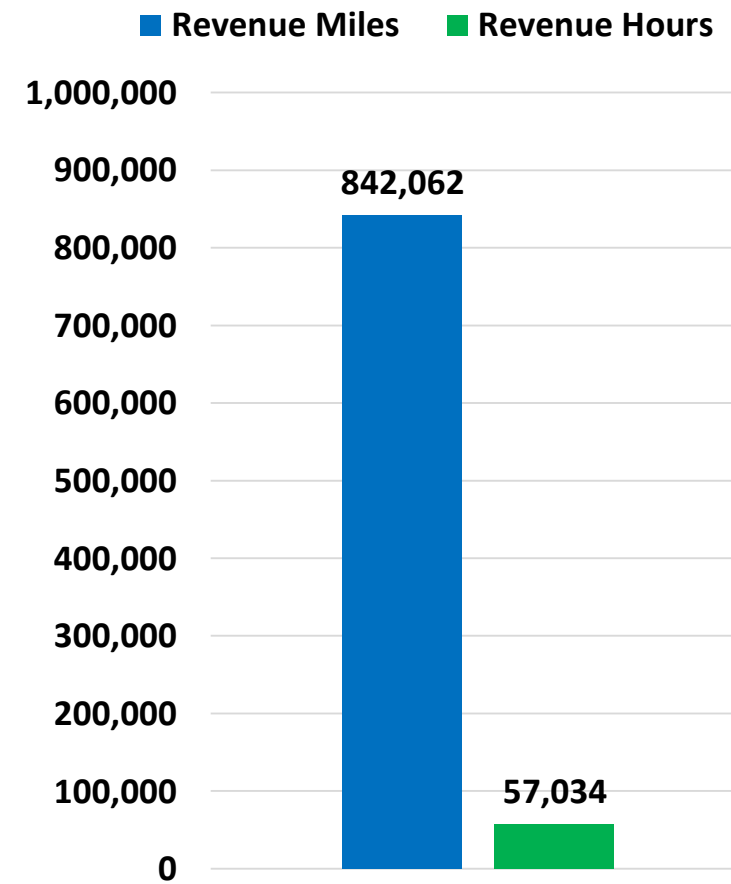
■ Percentage Trips Cut



**Revenue Miles and Hours - October 2023**



**Revenue Miles & Hours  
FY24 Totals**



This chart represent the trend of fixed route revenue miles and revenue hours provided during the month of October 2023. For October 2023, the scheduled fixed route revenue miles are 236,675 and the scheduled fixed route revenue hours are 15,957.

Revenue Miles: Are the number of miles of service available to passengers for transport. Excludes deadhead miles. Calculated for each route and for the system as a whole.

Revenue Hours: Are the number of hours of service available to passengers for transport. Excludes deadhead hours, but includes layover time. Calculated for each route and for the system as a whole.