



Foothill Transit
Going Good Places

EXECUTIVE BOARD MEETING

West Covina, CA
Friday, October 27, 2017



Foothill Transit

Executive Board Meeting **AGENDA**

EXECUTIVE BOARD MEETING
8:00 AM, OCTOBER 27, 2017
Foothill Transit Administrative Office
2nd Floor Board Room
100 South Vincent Avenue
West Covina, CA 91790

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. FOCUS ON SAFETY
4. ROLL CALL: MEMBERS CALAYCAY, HERRERA, PEDROZA, STERNQUIST, WARSHAW
5. APPROVAL OF AGENDA
6. APPROVAL OF MINUTES FOR THE REGULAR MEETING OF SEPTEMBER 29, 2017
7. PRESENTATIONS:
 - 7.1. Contractors' Employee Recognition
8. PUBLIC COMMENT
 - 8.1. Executive Director Response to Public Comment

Public Comment: Members of the public shall have the right to address the Board on any item of interest which is within the jurisdiction of the Board before or during the Board's consideration of the item. Presentation shall not exceed three minutes in length. Action may be taken on any item identified on the agenda. Persons wishing to comment should submit a "Request to Speak" form to the Secretary. Note: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA.

The public may view and obtain all written information supporting this agenda provided to the board both initially and supplementary prior to the meeting by calling (626) 931-7300 extension 7204 or at the agency's offices located at 100 S. Vincent Ave., Suite 200, West Covina, CA 91790. Documents, including PowerPoint handouts, distributed to Board Members by staff or Board Members at the meeting will simultaneously be made available to the public upon request.



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CONSENT CALENDAR: Items 9 through 11 are consent items which may be received and filed and/or approved by the board in a single motion. If any member of the Executive Board wishes to discuss a consent item, please request that the item be pulled for further discussion and potential action.

9. SEPTEMBER 2017 FINANCIAL STATEMENTS AND INVESTMENT SUMMARY

Recommended Action: Receive and file the Financial Statements and Investment Summary year-to-date report through September 30, 2017. The attached Financial Statements and Investment Report summarize Foothill Transit's unaudited operations and financial condition as of September 30, 2017, for the fiscal year ending June 30, 2018.

10. OCTOBER 2017 LEGISLATIVE SUMMARY

Recommended Action: Receive and file the October 2017 Legislative Summary. There are no recommended positions on bills this month.

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please contact the Executive Director's office at (626) 931-7300 extension 7204, at least 48 hours prior to the meeting.

If you require translation services, please contact the Executive Director's office at (626) 931-7300 extension 7204, at least 48 hours prior to the meeting.

Si necesita servicios de traducción, por favor póngase en contacto con la oficina del Director Ejecutivo en el (626) 931-7300, extensión 7204, al menos 48 horas antes de la reunión.

如果需要翻译服务, 请至少于会议前48小时致电高级主任办公室: (626) 931-7300 分机 7204。

Nếu Quý vị có yêu cầu dịch vụ dịch thuật, xin vui lòng liên hệ với văn phòng Giám đốc Điều hành tại (626) 931-7300 số lẻ 7204, ít nhất 48 giờ trước khi cuộc họp.

Kung nangangailangan ka ng mga serbisyo sa pagsasalín, pakisuyong makipag-ugnayan sa opisina ng Executive Director sa (626) 931-7300 extension 7204, ng hindi bababa sa 48 oras bago ang pulong.

번역 서비스가 필요하시면 미팅 최소 48시간 이전에 임원 사무실로 (626-931-7300, 내선 번호 7204) 전화주시기 바랍니다.

翻訳サービスが必要な方は、会議の48時間前までに(626) 931-7300 内線 7204のエグゼクティブディレクター事務所にご連絡ください。

إن كنت بحاجة إلى خدمات ترجمة، برجاء الاتصال بالمدير التنفيذي للمكتب على رقم (626) 931-7300 (الرقم الداخلي 7204) قبل الاجتماع بـ 48 ساعة على الأقل.

Եթե Ձեզ թարգմանչական ծառայությունների են հարկավոր, հանդիպումից առնվազն 48 ժամ առաջ խնդրում ենք զանգահարել Գործադիր տնօրենի գրասենյակ (626) 931-7300 լրացուցիչ 7204 հեռախոսահամարով:

ប្រសិនបើលោកអ្នកស្នើសុំសេវាកម្មបកប្រែភាសា សូមទាក់ទងមកកាវិយាល័យនាយកប្រតិបត្តិ តាមលេខទូរស័ព្ទ៖ (626) 931-7300 លេខបញ្ជូនបន្ត 7204 ដែលមានរយៈពេលយ៉ាងតិច 48 ម៉ោង មុនពេលកិច្ចប្រជុំ។

در صورت نیاز به خدمات ترجمه، لطفاً حداقل 48 ساعت قبل از جلسه ملاقات با مدیر اجرایی دفتر به شماره (626) 931-7300 داخلی 7204 تماس حاصل فرمایید.



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11. RESOLUTION ADOPTING EXECUTIVE AND GOVERNING BOARD MEETING SCHEDULE FOR 2018

Recommended Action: Adopt Resolution No. 2017-07, the Executive and Governing Board Meeting Schedule for 2018.

REGULAR AGENDA:

12. FISCAL YEAR 2016-2017 COMPREHENSIVE ANNUAL FINANCIAL AUDIT REPORT RESULTS

Recommended Action: Receive and file the Fiscal Year 2016-2017 financial and compliance audit results. The Comprehensive Annual Financial Report (CAFR) including the auditor's opinions has been provided for you as a separate attachment.

13. Foothill Transit Class Pass Update

Recommended Action: Receive and file the Foothill Transit Class Pass Update.

14. DOUBLE DECKER ELECTRIC BUS PURCHASE

Recommended Action: Authorize the Executive Director to negotiate final terms and conditions and enter into a contract with Alexander Dennis in the amount of \$3,360,000 plus applicable sales tax for the purchase of two 40-foot Alexander Dennis electric double-decker buses.

15. Foothill Transit EXIS Table Top Exercise Overview

Recommended Action: Receive and file the Foothill Transit EXIS Table Top Exercise Overview.

16. CONTRACT AWARD - CNG BUS PROCUREMENT

This item will be provided under separate cover.

17. CONTRACT AWARD - POMONA OPERATIONS & MAINTENANCE FACILITY RENOVATIONS

Recommended Action: Authorize the Executive Director to enter into Agreement No. 16-054 with IPI Construction in the amount of \$255,047 for construction activities related to the facility renovations at the Pomona Operations & Maintenance Facility.



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18. FISCAL YEAR 2017-2018 FIRST QUARTER PERFORMANCE INDICATORS REPORT

Recommended Action: Receive and file the FY2017-2018 First Quarter Performance Indicators Report.

19. EXECUTIVE DIRECTOR COMMENT

20. BOARD MEMBER COMMENT

21. ADJOURNMENT

A Governing Board Meeting is scheduled for
Friday, November 3, 2017 at 7:45 AM
Proterra, City of Industry

The next Regular Meeting of the Executive
Board is scheduled for
Friday, December 15, 2017 at 8:00 AM



Foothill Transit

**STATEMENT OF PROCEEDINGS FOR THE
REGULAR MEETING OF THE
FOOTHILL TRANSIT EXECUTIVE BOARD**

**FOOTHILL TRANSIT ADMINISTRATIVE OFFICE
2ND FLOOR BOARD ROOM
100 S. VINCENT AVENUE
WEST COVINA, CALIFORNIA 91790**

**Friday, September 29, 2017
8:00 a.m.**

1. CALL TO ORDER

The meeting was called to order by Chair Calaycay at 8:02 a.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Member Pedroza.

3. FOCUS ON SAFETY

Ali Showkatian, Safety Compliance Manager, presented a message on National Preparedness Month.

4. ROLL CALL

Roll call was taken by Christina Lopez, Board Secretary.

Present: Member Sam Pedroza, Member Cynthia Sternquist, Member Carol Herrera, Vice Chair Corey Warshaw, Chair Corey Calaycay

5. APPROVAL OF AGENDA

The agenda was approved as presented.

6. REVIEW & APPROVAL OF THE MINUTES

Approval of the minutes for the Regular Meeting of August 25, 2017.

Motion by Vice Chair Warshaw, second by Member Sternquist, the minutes for the Regular Meeting of August 25, 2017 were approved. Motion carried 5-0.

7. PRESENTATIONS

7.1 Contractors' Employee Recognition

Marc Perla, General Manger, Keolis, introduced and recognized the following Pomona location Keolis operator and employee of the month:

Klesha Anthony, Operator of the Month (September 2017)
Eric Richards, Employee of the Month (September 2017)

Bill Jackson, General Manger, Transdev, introduced and recognized the following Arcadia location Transdev operator and employee of the month:

Ernesto Larios, Operator of the Month (September 2017)
Tommy Maung, Employee of the Month (September 2017)

After discussion, by Common Consent, and there being no objection, the Board recognized the operators and employees of the month.

8. PUBLIC COMMENT

Kevin Ooms, Vice President, Reporting and Accounting, Transdev addressed the Executive Board.

Katrina Heineking, Regional Vice President, Southwest, Transdev addressed the Executive Board.

Michael Ake, Senior Vice President of Operations Keolis addressed the Executive Board.

8.1 Executive Director Response to Public Comment

There was no response by the Executive Director to Public Comment.

CONSENT CALENDAR

9. AUGUST 2017 FINANCIAL STATEMENTS AND INVESTMENT SUMMARY

Recommendation: Receive and file the Financial Statements and Investment Summary year-to-date report through August 31, 2017. The attached Financial Statements and Investment Report summarize Foothill Transit's

unaudited operations and financial condition as of August 31, 2017, for the fiscal year ending June 30, 2018.

Motion by Member Herrera, second by Vice Chair Warshaw, to receive and file. Motion carried 5-0.

10. **AUGUST 2017 PERFORMANCE INDICATORS REPORT**

Recommendation: Receive and file the August 2017 Performance Indicators Report.

Motion by Member Herrera, second by Vice Chair Warshaw, to receive and file. Motion carried 5-0.

11. **SEPTEMBER 2017 LEGISLATIVE SUMMARY**

Recommendation: Receive and file the September 2017 Legislative Summary. There are no recommended positions on bills this month.

Motion by Member Herrera, second by Vice Chair Warshaw, to receive and file. Motion carried 5-0.

12. **INVITATION FOR BIDS (IFB) NO. 18-018 - REPLACEMENT OF HEATING, VENTILATION AND AIR CONDITIONING (HVAC) EQUIPMENT AND ASPHALT ROOF AT FOOTHILL TRANSIT'S ARCADIA OPERATIONS & MAINTENANCE FACILITY**

Recommendation: Authorize the Executive Director to issue IFB No. 18-018 for replacement of the HVAC equipment and asphalt roof at Foothill Transit's Arcadia Operations and Maintenance Facility.

Motion by Member Herrera, second by Vice Chair Warshaw, to approve. Motion carried 5-0.

REGULAR AGENDA

13. **FARE AND SERVICE CHANGES OUTREACH**

Recommendation: Receive and file the report on Fare and Service Changes Outreach.

Felicia Friesema, Director of Marketing and Communications, presented this item.

Ms. Friesema provided an update on the efforts to inform Foothill Transit customers of the upcoming fare and service changes. The outreach process consists of two phases. Phase 1 is the initial presentation of the change proposal to the public to collect the communities' feedback. Then following the approval of the final adjusted proposal, Phase 2 begins with the launch of a customer information campaign, leading up to the launch, which for Phase 2 culminates on October 22, 2017.

The core message for Phase 2 will be to increase system and community awareness, enhance the quality and reach of customer service, target affected areas, and provide inclusive outreach. Digital tactics include foothilltransit.org, social media, digital advertising, and e-newsletters. Traditional print media tactics include brochures and Footnotes, multilingual flyers and interior cards, signage and rider alerts, letters, and 1-800-RIDE-INFO. Traditional print media is important especially when targeting key affected communities such as senior citizens, people with disabilities, and communities where English is not the primary language spoken. Media and influencer tactics include press releases, bloggers and podcasters, and public access. The most effective outreach is face to face engagement. Presentations will be made at community centers, schools, and bus stops to directly engage with customers.

Received and filed.

14. **CAD/AVL SYSTEM REPLACEMENT PROJECT**

Recommendation: Receive and file an update of the replacement of Foothill Transit's computer aided dispatch and automatic vehicle location (CAD/AVL) system.

LaShawn King Gillespie, Director of Customer Service and Operations, presented this item.

Ms. Gillespie reported that in June 2015 the Executive Board authorized a contract award to Avail Technologies for the replacement of the computer aided dispatch automated vehicle locator (CAD/AVL) system. Since that time the Avail team continues to work with Foothill Transit staff in developing the system. Ms. Gillespie introduced Rick Spangler, Chief Technology Officer of Avail Technologies who provided a detailed update on the project status.

Mr. Spangler reported that Phase 1 Factory Testing at Avail was successfully



completed in March 2017. Phase 1 Pilot Testing was completed in July 2017. The first round of User Training at Foothill Transit, Arcadia, and Pomona has been completed. The Vehicle Installation Rollout at Foothill Transit began the second week of September 2017. The goal is to install four buses a night, six days a week. Installations are scheduled to be completed in December 2017. In addition, VoIP Communications Testing has successfully been completed. The Final Design for enhanced service recovery and reporting capabilities of the system has been submitted. Next steps include continued vehicle installations, route validation and ride checks, user training, development of new features, and continue to monitor system performance and usage.

Received and filed.

15. **ELECTRIC BUS SOLE-SOURCE PROCUREMENT - CITY OF DUARTE TRANSIT SERVICE**

Recommendation: Pending execution of a memorandum of understanding (MOU) with the City of Duarte, authorize a sole-source procurement of three 35-foot, extended-range electric buses from Proterra.

Roland Cordero, Director of Maintenance and Vehicle Technology, presented this item.

Mr. Cordero reported that at the June Executive Board Meeting the Board authorized the Executive Director to negotiate a Memorandum of Understanding (MOU) with the City of Duarte to assume operation of the city's circular routes. As specified in that agreement, Foothill Transit will purchase three 35-foot Proterra Extended Range Buses. The city will reimburse Foothill Transit for the first two buses and make payments on the third bus over a ten year period. At last Tuesday's Duarte City Council Meeting, the Council voted to approve the MOU, commemorating the first ever partnership with one of Foothill Transit's member cities. A sole source procurement is recommended for the following reasons. Foothill Transit's current fleet of electric buses are manufactured by Proterra, and adding another bus from another manufacturer would impact parts inventory and training. Given the required deployment date of July 2018, a procurement process other than a sole source would result in an unacceptable delay to service delivery.

Motion by Vice Chair Warshaw, second by Member Pedroza, to approve. Motion carried 5-0.



16. **FAREBOX REFURBISHMENT SOLE SOURCE PROCUREMENT**

Recommendation: Authorize the Executive Director to negotiate final terms and conditions and enter into a sole source agreement with Cubic Transportation in an amount not to exceed \$3,900,000 to refurbish our current fare revenue collection system, which has reached the end of its useful life.

John Xie, Fare Revenue Manager, presented this item.

Mr. Xie reported that Foothill Transit has been a participant in the TAP Program along with 24 operators in LA County. Today, approximately 47 percent of Foothill Transit customers uses a TAP card to pay for their fare. A typical fare collection system has a useful life of nine years. Foothill Transit's current fare collection system was installed in 2009, and next year will mark its ninth year in operation. Components for the current system are becoming obsolete and the current system has limited expandability, which restricts Foothill Transit with moving forward with up-to-date technologies. Maintaining a TAP compatible system is key to the success of Foothill Transit's new fare structure. The best solution is to upgrade the existing fareboxes as this would extend the useful life of system for at least six years. This would also allow Foothill Transit to maintain participation in the TAP program without losing key features and functionality of the existing fareboxes. With the upgraded system, Foothill Transit would have the capabilities to expand the system in the future with creative and innovative features and services for our customers.

Motion by Member Pedroza, second by Member Sternquist, to approve.
Motion carried 5-0.

17. **FIGUEROA AND 9TH BUS STOP CLOSURE**

Recommendation: Receive and file the Figueroa and 9th Bus Stop Closure Report.

Joe Raquel, Director of Planning, presented this item.

Mr. Raquel reported that Downtown Los Angeles is a key destination for Foothill Transit, and that all commuter routes and the Silver Streak have a terminus in the area. My Figueroa is the City of Los Angeles' complete streets project that will build protected bikes lanes along Figueroa. This construction has caused the closure of Foothill Transit's Figueroa and 9th bus stop. This bus stop is the first stop for almost all Foothill Transit's eastbound



commuter express trips. This bus stop also dedicates two lanes of traffic for buses. This allows Foothill Transit to stage buses, which helps the buses stay on time. In late August, the City closed the two lanes and access to the stop. As a result, there was a spike in customer comments due to delays in service. The stop has been moved to Figueroa and 7th and a temporary timetable has been added at that stop to let customers know when they can expect buses to arrive. LA Metro has offered a location at Beaudry and Temple as a location for staging buses.

After construction is completed at Figueroa and 9th there will no longer be two lanes available for staging. Foothill Transit will continue to keep customers informed of any changes or delays.

Received and filed.

18. **TRANSIT STORE QUARTERLY REPORT**

Recommendation: Receive and file the Transit Store Quarterly Report.

Michael Tobin, Quality Assurance Analyst, presented this item.

Mr. Tobin reported on the Foothill Transit Stores sales and activity for the fourth quarter of Fiscal Year 2016-2017. Overall sales for the fourth quarter totaled \$1,023,711. This is a 12 percent decrease from the same quarter last fiscal year. Customers spent an average of 18 seconds waiting on hold. This meets Foothill Transit's target of under 40 seconds. A total of 63,513 phone calls were received through the toll-free customer service line. Customer Service Representatives answered 95.5 percent of the incoming phone calls. Walk-in traffic for the quarter totaled 41,750 amounting to an 11 percent decrease from last fiscal year.

Received and filed.

19. **EXECUTIVE DIRECTOR COMMENT**

Comments by Mr. Doran J. Barnes, Executive Director, Foothill Transit.

Mr. Barnes reported the following:

- Foothill Transit provided very successful service to the LA County Fair.
- Foothill Transit staff completed the second West Coast Multi-Agency Exchange (MAX) Program. This program was put in place in partnership with Santa Monica Big Blue Bus and Long Beach Transit.



Mr. Barnes thanked Deputy Executive Director Kevin Parks McDonald for coordinating and facilitating.

- Mr. Barnes announced that Transit Store General Manager Araceli Lopez was appointed to the Board of Directors of the East Valley Community Health Center.
- The APTA Annual Meeting and EXPO will take place in Atlanta in October. This will mark the end of Mr. Barnes' term as Chair. He thanked the Executive Board for their support this past year. Mr. Barnes stated that he will continue to Chair the CEO Search Taskforce, continue to service the Executive Committee as Immediate Past Chair, will be Chair of Leadership APTA, and he expects that incoming Chair Nat Ford will appoint him to the new Conference Planning Committee.
- The November Governing Board Meeting will tentatively take place at the Proterra West Coast Manufacturing in City of Industry.
- Mr. Barnes requested that the Board review the draft 2018 Meeting Calendar and advise staff of any possible conflicts. Mr. Barnes advised the Board that in March 2018 the National League of Cities Legislative Conference and APTA Legislative Conference are a week apart.
- Cynthia Sternquist will be the special guest star for the October Executive Board Meeting movie.

20. **BOARD MEMBER COMMENT**

Comments by Members of the Foothill Transit Executive Board.

- Chair Calaycay thanked Mr. Barnes for his distinguished service as APTA Chair.
- Member Pedroza thanked Foothill Transit for providing service to the LA County Fair. Mr. Pedroza utilized the service to the fair. Also, he complimented the artwork going up at the Azusa Intermodal Transit Center.
- Member Sternquist invited everyone to the San Gabriel Valley Council of Governments General Assembly, which will take place October 25 at the Pacific Palms Resort in City of Industry. Ryan Poppo from Proterra and Doran Barnes will be part of the line-up of guest speakers.

21. **CLOSED SESSION: CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
(Government Code § 54956.8)

Property Address/Location: 1162 N. Citrus Avenue and 117 E. Covina Boulevard, Covina, CA

Agency Negotiator(s): Doran J. Barnes, Sharlane Bailey, Jane Starke, Darold D. Pieper, Kevin Parks McDonald

Negotiating Parties: MLC Holdings
Under Negotiation: Price and Terms

The Board recessed to closed session at 9:05 a.m.

The Board reconvened at 9:29 a.m.

General Counsel Darold Pieper reported that there were no reportable actions.

22. **COVINA TRANSIT CENTER AND PARK & RIDE - REAL ESTATE ACQUISITION**

Recommendation: Authorize the Executive Director to negotiate final terms and conditions and execute the Purchase and Sale Agreement with MLC Holdings/Meritage Homes regarding the real estate acquisition for the Covina Transit Center and Park & Ride facility.

Motion by Member Carol Herrera, second by Vice Chair Warshaw, to approve. Motion carried 5-0.

23. **ADJOURNMENT**

Adjournment for the September 29, 2017 Foothill Transit Executive Board Meeting.

There being no further business, the Foothill Transit Executive Board meeting adjourned at 9:35 a.m.



October 27, 2017

To: Executive Board

Subject: **September 2017 Financial Statements and Investment Summary**

Recommendation

Receive and file the Financial Statements and Investment Summary year-to-date report through September 30, 2017.

The attached Financial Statements and Investment Report summarize Foothill Transit's unaudited operations and financial condition as of September 30, 2017, for the fiscal year ending June 30, 2018.

Balance Sheet Analysis (Attachment A):

Assets

The balance sheet, as of September 30, 2017, shows total assets at \$325 million. This total consists primarily of \$208 million in fixed assets, \$96 million in cash and investments and \$21 million in receivable and prepaid assets. Foothill Transit's cash position of \$68.90 million is \$5.05 million more than the previous month, and is \$6.20 million less than last year in September.

Liabilities

The accounts payable balance is \$17.1 million. Accounts Payables include operations and maintenance expenses for \$11.11 million and \$1.02 million for fuel.

The deferred revenue of \$64 million represents capital grants that are reserved for planned capital expenditures such as upcoming bus procurements and transit center construction activities.

Investments (Attachment B)

Our current investments are held in financial instruments pursuant to Foothill Transit's investment policy. The cash and investments balance includes \$22.6 million in non-interest bearing accounts held with Bank of the West; \$31 million in interest bearing money market accounts with Bank of the West; \$67,500 with Chase; and \$15.2 million invested in the Local Agency Investment Fund (LAIF). Longer term investments include \$24 million with



Bank of the West Agency notes; a \$250,000 Bank of the West certificate of deposit; and \$2.74 million with Wells Fargo certificates of deposit.

The current interest rates on all accounts are included on Attachment B. The LAIF investment, the CD investments, and the deposits with Chase earn interest and are held for future capital and operating funding requirements.

Operating and Capital Revenues and Expense Analysis (Attachment C)

September 2017 year-to-date fare revenues were \$3.77 million, which is \$581,622 less than the budgeted amount and \$368,881 less than September 2016. Through September 2017, ridership is approximately 12.18 percent less than it was last year at this time. Operating costs through September 2017 were \$23.4 million, which is \$1,537,312 less than the budget and \$1,486,379 more than September 2016. Of this \$23.4 million, \$18.73 million reflects operating costs for the Arcadia and Pomona operations contractors. The other large operating expense is fuel, which was \$1.44 million through September 2017.

The report also reflects receipt of \$2 million of Prop A Local Return funds from the City of West Covina. These funds were used for transit operating expenses during the first quarter of FY2018.

Capital expenditures through September were \$3.57 million compared with \$1.42 million last year at this time. The annual budget for capital expenditures includes the purchase of CNG buses, replacement of the CAD/AVL system and initiation of construction for the Covina Park & Ride and Transit Center project.

Farebox Recovery Ratio

The September year-to-date farebox recovery ratio was 16.13 percent, approximately 1.57 percent lower than the performance target of 17.7 percent. The farebox recovery ratio is derived by dividing the total fare revenue of \$3,773,834 by the total bus operating expense of \$23,401,746. This ratio is less than the September 2016 ratio of 18.9 percent. The decline is due to increasing operating expenses combined with declining fare revenues. Declining bus ridership is a nationwide trend. Foothill Transit is participating in a region-wide study to analyze LA County ridership and provide recommendations for attracting riders.



Total Disbursements (Attachment D)

Total disbursements reflect invoices paid for the month of September 2017; they do not reflect the total expense incurred for the month. If an expense has been incurred but not yet invoiced or paid, Finance accrues the expense to properly track the expenses during the month in which they actually occurred. Total disbursements for September 2017 were \$7.08 million. Capital disbursements totaled \$792,647, and other significant disbursements include \$2.16 million to Keolis and \$3.4 million to Transdev for bus operating services.

Sincerely,

Michelle Lopes Caldwell
Director of Finance and Treasurer

Doran J. Barnes
Executive Director

Attachments

Foothill Transit
Balance Sheet
As of September 30, 2017

Assets

Current Assets:

Cash	\$68,905,869
Investments	26,989,000
Due from government agencies	16,676,357
Other receivables	3,770,829
Other assets	1,091,130

Total Current Assets	\$117,433,185
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Property & Equipment (net of depreciation)	207,927,492
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Total Assets	\$325,360,676
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Liabilities and Equity

Current Liabilities:

Accounts payable and accrued liabilities	\$17,113,360
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Deferred Revenue	64,033,572
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Total Liabilities	\$81,146,932
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Equity

Fund Balance:

Investment in Capital Assets	\$207,927,492
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Current Year Change	(2,776,999)
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Reserve	39,063,252
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Total Equity	\$244,213,745
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Total Liabilities and Equity	\$325,360,676
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Summary of Cash and
Investment Account
For September 30, 2017

Cash:	Interest Rate	Term	Principal/ Book & Market Value
Bank of the West-Reg. Checking	N/A	Demand Deposit	\$14,551,704
Petty Cash	N/A	N/A	400
Revolving Fund - Transit Stores	N/A	N/A	1,200
Bank of the West-Excise Tax	N/A	Demand Deposit	8,053,454
BOW-Prop 1B-Cal Grants	0.85%	Demand Deposit	5,971,697
Bank of the West-Money Market	0.85%	Demand Deposit	14,645,063
Bank of the West-Money Market	0.85%	Demand Deposit	9,661,674
Bank of the West-LCTOP	0.07%	Demand Deposit	756,995
Chase Business Saving	0.18%	Demand Deposit	67,537
LAIF Investment	0.92%	Demand Deposit	15,196,144
Subtotal Cash on Hand			\$68,905,869
 Investments:			
Bank of the West:			
1 Maturity - 10/29/20 - 5yrs.	1.13%	Callable Note	\$5,000,000
2 Maturity - 05/25/21 - 5yrs.	1.25%	Callable Note	5,000,000
3 Maturity - 01/27/21 - 5yrs.	1.00%	Callable Note	5,000,000
4 Maturity - 07/27/21 - 5yrs.	1.00%	Callable Note	8,000,000
5 Maturity - 02/26/21 - 5yrs.	1.25%	Callable Note	1,000,000
	1.25-1.50%	Cert. of Deposit	250,000
	0.45-1.60%	Cert. of Deposit	2,739,000
Subtotal Investments			\$26,989,000
Total Cash and Investments			\$95,894,869

(1) Consist of 1 Cds at \$250,000 each

(2) Consist 11 Cds at \$249,000 each

Foothill Transit
Statement of Revenue and Expense
For Month Ended September 30, 2017

	Actual YTD September-17	Budget YTD September -17	Variance	Actual YTD September - 16
Fare Revenue				
Farebox	\$1,912,837	\$2,185,651	(12.48%)	\$2,173,742
Pass Sales	813,262	921,600	(11.76%)	854,897
TAP Cash Purse	739,713	906,354	(18.39%)	776,154
MetroLink & Access Service	144,712	176,011	(17.78%)	160,344
EZ Transit Pass	163,310	165,841	(1.53%)	177,578
Total Operating Revenue	\$3,773,834	\$4,355,456	(13.35%)	\$4,142,715
Operating Subsidies and Other				
Transportation Development Act	\$5,680,452	\$5,779,043	(1.71%)	\$5,735,202
TDA-Reserve from prior years		2,801,298	(100.00%)	2,701,225
STA	217,785	217,784	0.00%	460,452
Prop A 40% Discretionary	4,131,534	4,131,533	0.00%	4,020,310
Prop A 40% BSCP	1,116,240	1,116,240	0.00%	1,139,719
Prop A Exchange	2,000,000			
Prop C BSIP	232,551	232,552	0.00%	228,552
Prop C Base Restructuring	499,497	499,496	0.00%	490,905
Prop C Transit Service Expansion	83,238	83,237	0.00%	81,807
Transit Security-Operating	225,246	225,246	0.00%	229,506
Measure R Operating	2,610,720	2,610,720	0.00%	2,602,931
Measure M Operating	2,486,457	2,486,454	0.00%	0
CRD Subsidy	100,000			0
Miscellaneous Transit Revenues	244,193	400,000	(38.95%)	82,042
Total Subsidies and Other	\$19,627,913	\$20,583,602	(4.64%)	\$17,772,651
Total Operating Revenue	\$23,401,746	\$24,939,058	(6.16%)	\$21,915,367
Other Revenues				
Gain on Sale of Fixed Assets	\$1,020	\$0	0.00%	\$43,384
Fuel Tax Credit	\$163,411			
Auxiliary Revenue	188,256	405,000	(53.52%)	373,963
Total Other Revenues	\$352,688	\$405,000	(12.92%)	\$417,347
Total Operating and Other Revenues	\$23,754,434	\$25,344,058	6.27%	\$22,332,714
Operating Expenses				
Operations	\$20,941,368	\$21,238,074	1.40%	\$19,486,068
Maintenance & Vehicle Technology	246,460	261,560	5.77%	209,225
Marketing and Communications	320,491	566,758	43.45%	306,907
Information Technology	429,935	654,252	34.29%	506,289
Administration	504,471	760,188	33.64%	557,872
Policy & Strategic Sourcing	138,879	233,330	40.48%	87,405
Finance	373,122	462,579	19.34%	295,015
Planning	199,698	331,881	39.83%	203,676
Facilities	247,322	430,436	42.54%	262,910
Total Operating Expenses	\$23,401,746	\$24,939,058	6.16%	\$21,915,367
Other Expenses				
Property Management	\$84,031	\$111,250	24.47%	\$122,306
Dial-A-Ride	197,520	200,000	1.24%	189,760
Special Services	71,137	93,750	24.12%	36,270
Total Other Expenses	\$352,688	\$405,000	25.36%	\$348,336
Total Operating and Other Expenses	\$23,754,434	\$25,344,058	6.27%	\$22,263,702
Capital Revenues				
Capital Grants	\$3,574,128	\$14,031,778	(74.53%)	\$1,413,554
Capital Expenditures				
Capital Expenditures	\$3,574,128	\$14,031,778	74.53%	\$1,413,554

Bank Account - Check Details

Period: 09/01/17..09/30/17

Foothill Transit

Monday, October 02, 2017
FOOTHILLTRANSITFKUO

This report also includes bank accounts that only have balances.

Bank Account: No.: B001, Date Filter: 09/01/17..09/30/17

Check Date	Check No.	Vendor Name	Description	Amount	Printed Amount	Voided Amount	Entry Status
B001	General Checking						
	Phone No.		800-488-2265				
09/01/17	E00657	Keolis Transit Services LLC	07/16-31Pomona Contractor Service	1,411,687.62	0.00	0.00	Posted
09/01/17	E00658	Transdev Services, Inc.	04-06/2017 Arcadia Monthly Incentives	24,000.00	0.00	0.00	Posted
09/01/17	E00659	Transdev Services, Inc.	Arcadia Start up cost for 493-498	75,000.00	0.00	0.00	Posted
09/01/17	E00660	Transdev Services, Inc.	07/16-31 Arcadia Contractor Services	2,236,954.48	0.00	0.00	Posted
09/07/17	50763	Aaron Brothers	Framing of 9 prints and supplies	910.43	910.43	0.00	Posted
09/07/17	50764	ACC Business	Order PO015847	4,207.76	4,207.76	0.00	Posted
09/07/17	50765	ACCO Engineered Systems Inc.	8/17 Admin Bldg HVAC Maintenance	360.50	360.50	0.00	Posted
09/07/17	50766	American Cancer Society, Inc.	San Gabriel Valley Hope Gala	1,500.00	1,500.00	0.00	Posted
09/07/17	50767	AT and T - 105068	El Monte Back line3444df	42.53	42.53	0.00	Posted
09/07/17	50768	AT and T - 5025	Phone Service	142.07	142.07	0.00	Posted
09/07/17	50769	AT and T - 5025	Order PO015842	292.35	292.35	0.00	Posted
09/07/17	50770	Basic Backflow	Valve Test & Certification	200.00	200.00	0.00	Posted
09/07/17	50771	Carol A. Herrera	Reimbursable Expenses-APTA	405.58	405.58	0.00	Posted
09/07/17	50772	Come Land Maintenance Service Company Inc.	3rd Floor Conference Room Carpet Cleaning	200.00	200.00	0.00	Posted
09/07/17	50773	Donald Luey	Reimbursable expenses	1,094.09	1,094.09	0.00	Posted
09/07/17	50774	Ford of West Covina	Vehicle maintenance	57.75	57.75	0.00	Posted
09/07/17	50775	Frontier	Industry Park and Ride Phone Line	351.54	351.54	0.00	Posted
09/07/17	50776	Gotcha Media Holdings, LLC	Mt. SAC, Rio Hondo	4,200.00	4,200.00	0.00	Posted
09/07/17	50777	Graingers	Commmercial Faucet	668.61	668.61	0.00	Posted
09/07/17	50778	HD Supply Facilities Maintenance	Facility Supplies	186.53	186.53	0.00	Posted
09/07/17	50779	Instant Signs Inc.	Printing of Banner	456.30	456.30	0.00	Posted
09/07/17	50780	Jarrett Stoltzfus	FTA Transit Asset Management reimbursement	1,294.37	1,294.37	0.00	Posted
09/07/17	50781	Landmark Healthplan of California, Inc.	09/17 Chiropractor insurance premium	357.59	357.59	0.00	Posted
09/07/17	50782	Lillian Lin	Reimbursable Expenses - NIGP Forum	162.30	162.30	0.00	Posted
09/07/17	50783	Omnitrans	08/17 Omnitrans passes	6,062.40	6,062.40	0.00	Posted
09/07/17	50784	Pitney Bowes Credit Corp.	Lease Property Tax - Postage Machine	38.89	38.89	0.00	Posted
09/07/17	50785	Richards Watson and Gershon	7/17 Legal Fees	39.10	39.10	0.00	Posted
09/07/17	50786	Rotary Club of West Covina	Membership - Doran Barnes	1,100.00	1,100.00	0.00	Posted
09/07/17	50787	State Compensation Insurance Fund	9/1-10/1/17 worker compensation insurance	4,493.50	4,493.50	0.00	Posted
09/07/17	50788	Thomas J. Koontz	Interior Cards	3,672.23	3,672.23	0.00	Posted
09/07/17	50789	Toyo Landscaping Company	8/17 Azusa P&R Landscape Maintenance	1,754.29	1,754.29	0.00	Posted
09/07/17	50790	Tri - Signal Integration, Inc.	7/17 Admin Building Fire Pump Test	230.00	230.00	0.00	Posted
09/07/17	50791	Verizon Wireless	Cell Phone	3,037.18	3,037.18	0.00	Posted
09/13/17	E00664	International City Management Assoc. Retirement Co	Payroll ending 9/9/17 retirement funds	40,309.25	0.00	0.00	Posted
09/13/17	E00665	Keolis Transit Services LLC	08/1-15 Pomona Contractor Services	749,255.76	0.00	0.00	Posted
09/13/17	E00666	Keolis Transit Services LLC	08/23/2017 Pomona Special Service 196 Fairplex	100.10	0.00	0.00	Posted
09/13/17	E00667	Payment of Invoice PI021148	08/1-15 Arcadia Contractor Services	1,058,299.28	0.00	0.00	Posted
09/14/17	50792	Athens Services	9/17 Admin Trash Service & Parking Lot Sweeping	1,225.83	1,225.83	0.00	Posted
09/14/17	50793	CA Newspaper Service Bureau	Notice of Public Sale	237.50	237.50	0.00	Posted
09/14/17	50794	Cal Poly Pomona Foundation	Operations Workshop - Kellogg House Balance	1,871.59	1,871.59	0.00	Posted
09/14/17	50795	Chamber of Commerce - Glendora	2018 Membership Renewal	275.00	275.00	0.00	Posted

Bank Account - Check Details

Period: 09/01/17..09/30/17

Foothill Transit

Monday, October 02, 2017
FOOTHILLTRANSITFKUO

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Bank Account: No.: B001, Date Filter: 09/01/17..09/30/17

Check		Vendor Name	Description	Amount	Printed Amount	Voided Amount	Entry
Date	Check No.						Status
09/14/17	50796	Chamber of Commerce - Irwindale	2017 Membership Renewal	5,750.00	5,750.00	0.00	Posted
09/14/17	50797	Chamber of Commerce - Pasadena	2018 Membership Renewal	265.00	265.00	0.00	Posted
09/14/17	50798	Christopher Pieper	Reimbursable Exp - 2017 NIGP Conference	272.04	272.04	0.00	Posted
09/14/17	50799	Come Land Maintenance Service Company Inc.	9/17 Janitorial Services	2,980.00	2,980.00	0.00	Posted
09/14/17	50800	Complete Coach Works	F-1624 Repowering & Repainting Articulated	190,331.76	190,331.76	0.00	Posted
09/14/17	50801	Crowe Horwath LLP	Professional services - period end 8/21/17	20,000.00	20,000.00	0.00	Posted
09/14/17	50802	Cummins Pacific, LLC	Heater-Eng Coolant	251.46	251.46	0.00	Posted
09/14/17	50803	Darold D. Pieper Attorney at Law	8/17 Legal Fees	7,174.15	7,174.15	0.00	Posted
09/14/17	50804	Downtown El Monte Business Association	Day of the Dead 10/14/17	750.00	750.00	0.00	Posted
09/14/17	50805	Frank Kuo - Petty Cash	Replenish petty cash fund	335.48	335.48	0.00	Posted
09/14/17	50806	Friends of Project 10 Inc	1st Annual Back to School Health Fair	1,000.00	1,000.00	0.00	Posted
09/14/17	50807	G4S Secure Integration LLC	07/17 Security Maintenance	10,448.74	10,448.74	0.00	Posted
09/14/17	50808	Gotcha Media Holdings, LLC	APU	1,296.00	1,296.00	0.00	Posted
09/14/17	50809	Grand Car Wash	Vehicle Washing	872.80	872.80	0.00	Posted
09/14/17	50810	Greater La Puente Valley Meals on W	Annual fundraising event 11/10/17	650.00	650.00	0.00	Posted
09/14/17	50811	Hendy Satya	Mileage Reimbursement	74.37	74.37	0.00	Posted
09/14/17	50812	Hurst Ranch Historical Foundation	Garden Gourmets Program/Build Storage	500.00	500.00	0.00	Posted
09/14/17	50813	Independent Technology Group, LLC	Minerva	7,700.00	7,700.00	0.00	Posted
09/14/17	50814	Jose Antonio Aguirre	Azusa Intermodal Transit Center Muralist-materials	3,000.00	3,000.00	0.00	Posted
09/14/17	50815	Netpower, Inc	Fiber extension at Puente Hills	1,683.13	1,683.13	0.00	Posted
09/14/17	50816	Panera, LLC	Avail lunch	59.90	59.90	0.00	Posted
09/14/17	50817	PCC Men's Basketball Program	Banner in Gym/Ad in program	500.00	500.00	0.00	Posted
09/14/17	50818	Regional Chamber of Commerce - SGV	2017/18 Membership Renewal	350.00	350.00	0.00	Posted
09/14/17	50819	Sabrina Ashley Muhne	Reimbursed Ezpense-The Human Environment	2,070.00	2,070.00	0.00	Posted
09/14/17	50820	Schindler Elevator Corporation	9/1/17 - 11/30/17 Elevator Maintenance	2,604.00	2,604.00	0.00	Posted
09/14/17	50821	Suburban Water Systems	8/17 Admin Bldg Fire Pump Water	1,079.46	1,079.46	0.00	Posted
09/14/17	50822	The Type Gallery	Printing of 5,400 Free Ride Coupons	2,174.08	2,174.08	0.00	Posted
09/14/17	50823	Thomas J. Koontz	Business Cards	56.81	56.81	0.00	Posted
09/14/17	50824	ThyssenKrupp Elevator Corporation	Industry P&R Elevator Annual Inspection	2,095.00	2,095.00	0.00	Posted
09/14/17	50825	T-Mobile USA Inc.	Viriciti	169.37	169.37	0.00	Posted
09/14/17	50826	Toyo Landscaping Company	Landscape repairs	880.00	880.00	0.00	Posted
09/14/17	50827	Transit - Finance Learning Exchange	7/17 - 6/18 Membership Dues - Michelle Caldwell	950.00	950.00	0.00	Posted
09/14/17	50828	Tri - Signal Integration, Inc.	Industry P&R Elevator Recall test	366.00	366.00	0.00	Posted
09/14/17	50829	Virgilio Victorio	Reimbursed Ezpense for FTIP WS	49.51	49.51	0.00	Posted
09/14/17	50830	Walnut Valley Water District	8/17 Industry P&R Fire Sprinkler Water	125.72	125.72	0.00	Posted
09/14/17	50831	Waste Management	9/17 Arcadia Warehouse Trash	250.23	250.23	0.00	Posted
09/14/17	50832	Westgate Ctr for Leadership Managemement Development	Transit&Paratransit MGMT Certificate program 2017	1,095.00	1,095.00	0.00	Posted
09/14/17	50833	Willie J. Brooks	8/17 Indoor Plant Care	662.75	662.75	0.00	Posted
09/14/17	50834	Wright Express	Vehicle fueling	560.45	560.45	0.00	Posted
09/22/17	50835	4imprint Inc.	Risky Business Sunglasses 1,000	2,319.72	2,319.72	0.00	Posted
09/22/17	50836	Allied Administrators for Delta Dental	10/17 Dental insurance premium	7,784.47	7,784.47	0.00	Posted
09/22/17	50837	AT and T - 5019	Phone Service	308.35	308.35	0.00	Posted
09/22/17	50838	AT and T - 5025	El Monte phone line router management	162.90	162.90	0.00	Posted
09/22/17	50839	C.A.T. Specialties	Polo Shirts for Cherie Lin	45.89	45.89	0.00	Posted

Bank Account - Check Details

Period: 09/01/17..09/30/17

Foothill Transit

Monday, October 02, 2017
FOOTHILLTRANSITFKUO

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Bank Account: No.: B001, Date Filter: 09/01/17..09/30/17

Check		Vendor Name	Description	Amount	Printed Amount	Voided Amount	Entry
Date	Check No.						Status
09/22/17	50840	California Choice	10/17 Medical insurance premium	48,274.39	48,274.39	0.00	Posted
09/22/17	50841	Capture Technologies, Inc.	Verint	189.56	189.56	0.00	Posted
09/22/17	50842	CDW Government Inc.	Fiber equipment	437.02	437.02	0.00	Posted
09/22/17	50843	CDW Government Inc.	Fiber equipment	426.28	426.28	0.00	Posted
09/22/17	50844	Chamber of Commerce - Azusa	2017/18 Membership Renewal	735.00	735.00	0.00	Posted
09/22/17	50845	Charter Communications Inc.	Cable TV for Aug and Sep	339.48	339.48	0.00	Posted
09/22/17	50846	City of Claremont	2017 Halloween Spooktacular	250.00	250.00	0.00	Posted
09/22/17	50847	Civic Publications	Covina's Commuter Hub Heaven	4,987.00	4,987.00	0.00	Posted
09/22/17	50848	Clean Energy	07/17 Pomona CNG Fuel	108,230.75	108,230.75	0.00	Posted
09/22/17	50849	Clean Energy	07/17 Arcadia CNG Facility Maintenance	125,229.97	125,229.97	0.00	Posted
09/22/17	50850	Clean Energy	07/17 Arcadia CNG Fuel	186,821.73	186,821.73	0.00	Posted
09/22/17	50851	FEDEX Corp.	Express Mail	59.63	59.63	0.00	Posted
09/22/17	50852	FEDEX Corp.	Express Mail	45.83	45.83	0.00	Posted
09/22/17	50853	Frontier	Fax line	51.47	51.47	0.00	Posted
09/22/17	50854	Frontier	Local	2,512.15	2,512.15	0.00	Posted
09/22/17	50855	GetGo, Inc.	OpenVoice Audio Service	211.06	211.06	0.00	Posted
09/22/17	50856	Green's Lock and Safe	Admin Bldg Lock/Key Service	375.31	375.31	0.00	Posted
09/22/17	50857	Holzberg Communications, Inc.	Headsets for Transit Stores	5,066.32	5,066.32	0.00	Posted
09/22/17	50858	Home Depot Credit Services	8/17 Facility Supplies	330.87	330.87	0.00	Posted
09/22/17	50859	IBI Group	CAD/AVL Replacement Consulting	12,848.00	12,848.00	0.00	Posted
09/22/17	50860	Kapsch TrafficCom Transportation NA, Inc.	Traffic Bus Signal Priority	121,459.00	121,459.00	0.00	Posted
09/22/17	50861	Katherine E. Gagnon	Reimbursed Ezpense for BOS Meeting	420.64	420.64	0.00	Posted
09/22/17	50862	Keystone Uniform Depot	Safety vest for Cherie	15.11	15.11	0.00	Posted
09/22/17	50863	Lazar and Associates	Translation Services	170.00	170.00	0.00	Posted
09/22/17	50864	Linda Garrison	Yogo instruction 9/2017	520.00	520.00	0.00	Posted
09/22/17	50865	Luis A Renderos	Educational Assistance and Reimbursement	1,578.00	1,578.00	0.00	Posted
09/22/17	50866	MetroKinetics, Inc.	Scheduling Software Consultant	7,537.00	7,537.00	0.00	Posted
09/22/17	50867	Neofunds by Neopost	8/17 Postage	560.00	560.00	0.00	Posted
09/22/17	50868	Newage PHM, LLC	TS2 Electricity Usage	191.48	191.48	0.00	Posted
09/22/17	50869	NextBus, Inc.	Installation Hardware	25,760.00	25,760.00	0.00	Posted
09/22/17	50870	Office Depot	Office Supplies	1,264.39	1,264.39	0.00	Posted
09/22/17	50871	Henry Zepeda	Refund Lost Card Fee	10.00	10.00	0.00	Posted
09/22/17	50872	Lynn Lee	Refund for Commuter Express Pass duplicated purcha	170.00	170.00	0.00	Posted
09/22/17	50873	Peter Barron Stark and Associates	Employee Opinion Survey Action Planning	3,162.01	3,162.01	0.00	Posted
09/22/17	50874	ReadyRefresh	8/17 Drinking Water	72.08	72.08	0.00	Posted
09/22/17	50875	Richards Watson and Gershon	7/17 Legal Fees	794.75	794.75	0.00	Posted
09/22/17	50876	RNL/Interplan	Arcadia Improvement- Generator Replacement	679.75	679.75	0.00	Posted
09/22/17	50877	San Dimas Rodeo Inc.	2017 23rd San Dimas Western Days Rodeo	800.00	800.00	0.00	Posted
09/22/17	50878	Socal Office Technologies	Xerox Copier	487.20	487.20	0.00	Posted
09/22/17	50879	Southern California Edison Co.	8/17 Admin Bldg Electricity	32,993.44	32,993.44	0.00	Posted
09/22/17	50880	Standard Parking Corporation	8/17 Parking Services	3,450.73	3,450.73	0.00	Posted
09/22/17	50881	Thomas J. Koontz	08/17 Footnotes Monthly Newsletter	2,992.00	2,992.00	0.00	Posted
09/22/17	50882	Thomas J. Koontz	Reprint of Citrus College Class Pass Brochures	855.43	855.43	0.00	Posted
09/22/17	50883	Thomas J. Koontz	Printing of TAP Location Cards	589.95	589.95	0.00	Posted
09/22/17	50884	Thomas J. Koontz	Business Cards	113.62	113.62	0.00	Posted

Bank Account - Check Details

Period: 09/01/17..09/30/17

Foothill Transit

Page 4
Attachment DMonday, October 02, 2017
FOOTHILLTRANSITFKUO

This report also includes bank accounts that only have balances.

Bank Account: No.: B001, Date Filter: 09/01/17..09/30/17

Check		Vendor Name	Description	Amount	Printed Amount	Voided Amount	Entry
Date	Check No.						Status
09/22/17	50885	Tri - Signal Integration, Inc.	7/17 Azusa P&R Quarterly Inspection	260.00	260.00	0.00	Posted
09/22/17	50886	U.S. Healthworks Medical Group. P.C.	Pre-Employment Physical Check - ORTIZ DALILA	55.00	55.00	0.00	Posted
09/22/17	50887	Verizon Business - 15043	Arcadia and Pomona Yard MPLS	3,226.50	3,226.50	0.00	Posted
09/22/17	50888	Verizon Business - 15043	ARC/POM MPLS	4,595.27	4,595.27	0.00	Posted
09/22/17	50889	Verizon Business - 15043	800 Line	2,932.35	2,932.35	0.00	Posted
09/22/17	50890	Verizon Business - 15043	Transit Store MPLS	7,087.37	7,087.37	0.00	Posted
09/22/17	50891	Vortex Industries Inc.	PHTS Door Repair	822.66	822.66	0.00	Posted
09/22/17	50892	W.M. Klorman Construction Corp.	Covina Park & Ride Design-Build Phase 2	428,485.15	428,485.15	0.00	Posted
09/22/17	50893	Willie J. Brooks	8/17 Indoor Plant Care	449.75	449.75	0.00	Posted
09/22/17	50894	Zonar Systems Inc.	ACTIVATION ON 2500-2504	499.84	499.84	0.00	Posted
09/22/17	50895	Zonar Systems Inc.	Pomona V3 GPS upgrade	7,595.50	7,595.50	0.00	Posted
General Checking				7,078,866.63	1,483,260.14	0.00	



October 27, 2017

To: Executive Board

Subject: **October 2017 Legislative Summary**

Recommendation

Receive and file the October 2017 Legislative Summary. There are no recommended positions on bills this month.

Analysis

A summary of state and federal legislation and corresponding status is attached.

State Legislative Issues:

On October 15, Governor Jerry Brown put another end-of-session bill signing period in the books, the 15th in his record-setting tenure as California governor. The Governor vetoed 12 percent of the bills that made it to his desk this year, slightly less than the 15 percent he vetoed in 2016. Brown vetoed 118 of the 977 bills by the end of the period.

Unfortunately, among those that didn't make it into law was AB 17 by Assemblyman Chris Holden that would have created a statewide Transit Pass Program to provide free or reduced-fare transit passes to public school, community college, California State University, and University of California students. In his veto message, the Governor stated the following, "Many transit agencies, including the Los Angeles County Metropolitan Transportation Authority (Metro), already have a variety of reduced-fare transit programs for students. Before we create this new statewide program, I think we should have a fuller discussion on how local transit discount programs work and how any new ones should be paid for".

Federal Legislative Issues:

California State Senate President Pro Tem Kevin de León formally announced his challenge to United States Senator Dianne Feinstein, setting up a generational confrontation over the direction of the Democratic Party between one of California's political stalwarts and the Los Angeles lawmaker.

De León's entry into the Senate race aims to shake up the state's Democrat-dominated political order that has largely been characterized by its veteran



older guard relinquishing their seats only upon retirement. Next year, Governor Jerry Brown is leaving office because of term limits. Senator Kamala Harris last year won the Senate seat of Barbara Boxer, who retired after 24 years in the Senate.

Feinstein, 84 was elected alongside Boxer in 1992, in the "Year of the Woman," announced recently that she would seek a fifth full term next year, a decision aides and confidants said she had been wrestling with for months. Feinstein commands respect in Washington, where she holds esteemed positions on the judiciary and intelligence committees.

Budget Impact

The recommended action has no budget impact.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Reyno".

David Reyno
Director of Government Relations

A handwritten signature in blue ink, appearing to read "Doran J. Barnes".

Doran J. Barnes
Executive Director

Attachment

2017 Legislation Summary

Current as of 10/17/2017

(Amendments and Bills with updated status or requesting action are indicated in **bold**)

Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
AB 1	Frazier	<p>AB 1 and SB 1 are \$6 billion/year proposals, like the proposals that preceded them in the 2015-2016 Special Session on Transportation Infrastructure, include a combination of new revenues, additional investments of Cap and Trade auction proceeds, accelerated loan repayments, Caltrans efficiencies & streamlined project delivery, accountability measures, and constitutional protections.</p> <p>These proposals would continue to fund public transit by doubling the Cap and Trade allocation to the Transit and Intercity Rail Capital Program and Low Carbon Transit Operations Program; and, each triples the incremental diesel sales tax going to the State Transit Assistance program, from 1.75% to 5.25% (an effective increase of 3.5%).</p>	This bill could lead to increased state funding for Foothill Transit.	See SB 1.	CTA - Support	Support Position Adopted 2/24/2017
AB 17	Holden	This bill would create a Transit Pass Program to provide free or reduced-fare transit passes to public school, community college, California State University and University of California students. This program would join the Transit and Intercity Rail Capitol Program and Low Carbon Transit Operations Program as a transit related Cap and Trade expenditure once appropriated from the Greenhouse Gas Reduction Fund. Recent amendments (May 31, 2016) have removed a dedicated funding amount for this program.	This bill could help support Foothill Transit's Class Pass Program.	Passed by the Legislature. Vetoed by the Governor on 10/15/2017		Support Position Adopted 2/24/2017
AB 301	Rodriguez	Existing law prohibits a person from operating a commercial motor vehicle unless the person has passed a written and driving test for the operation of a commercial motor vehicle that complies with specified federal standards and any other requirements imposed by the Vehicle Code. AB 301 would require the Department of Motor Vehicles, by June 1, 2019, to ensure that the maximum	This bill would assist Foothill Transit's Operating Contractors from lengthy delays in hiring coach operators due to difficulty obtaining the appropriate license.	Assembly Committee on Appropriations	CTA - Support	Support Position Adopted 5/26/2017

2017 Legislation Summary

Current as of 10/17/2017

(Amendments and Bills with updated status or requesting action are indicated in **bold**)

Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
		wait time to obtain an appointment to take the driving skills test to operate a commercial motor vehicle does not exceed 7 days. The bill would require the department, by June 1, 2018, to submit a report to the budget and transportation committees of the Legislature detailing how the department intends to achieve the 7-day maximum wait time. The bill would require the report to include, among other components, the methodology the department intends to use to collect and monitor wait times, and an implementation timeline for the department's recommendations.				
AB 1113	Bloom	This bill would amend the statutes governing the State Transit Assistance (STA) program to clarify several ambiguities that led to the State Controller's Office's (SCO) 2016 administrative changes. These changes implemented new calculation and allocation methodologies for the STA program, suddenly changing the way these vital funds are distributed. These STA grant funds are vital to the ongoing operations and capital projects of about 145 public transit systems statewide.	This bill would help bring consistency and clarity to Foothill Transit's budgeting process related to the STA Program.	Signed by the Governor & Chaptered by the Secretary of State - 7/21/2017	CTA - Support	Support Position Adopted 3/24/2017
ACA 5	Frazier	This measure would add Article XIXD to the California Constitution to require revenues derived from vehicle fees imposed under a specified chapter of the Vehicle License Fee Law to be used solely for transportation purposes. The measure would prohibit these revenues from being used for the payment of principal and interest on state transportation general obligation bonds that were authorized by the voters on or before November 8, 2016. The measure would prohibit the revenues from being used for the payment of principal and interest on state transportation general obligation bonds issued after that date unless the bond act submitted to the voters expressly	This bill would protect Foothill Transit's dedicated state transportation funds from being diverted for other purposes.	Signed by the Governor & Chaptered by the Secretary of State - 4/17/2017	CTA - Support	Support Position Adopted 5/2/2017

2017 Legislation Summary

Current as of 10/17/2017

(Amendments and Bills with updated status or requesting action are indicated in **bold**)

Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
		authorizes that use. The measure would also prohibit the Legislature from borrowing these revenues, except as specified, or using them for purposes other than transportation purposes.				
SB 1	Beall	See AB 1. SB 1 adds another 0.50% sales tax on diesel fuel increment, for intercity and commuter rail purposes.	This bill could lead to increased state funding for Foothill Transit.	Signed by the Governor & Chaptered by the Secretary of State - 4/28/2017	CTA - Support	Support Position Adopted 2/24/2017
SB 268	Mendoza	This bill would change the Los Angeles County Metropolitan Transportation Authority (Metro) Board of Directors current governance structure, including an increase in members from 16 to 21. The original composition of the Metro Board was the result of a lengthy, local process in which all local stakeholders were brought together to develop a consensus. This bill attempts to undermine existing law and unilaterally overrule a locally agreed upon governance structure. The restructuring of a local board should be done at the local level and not at the state level and sets a troubling precedent for local entities.	If this bill becomes law, it would be a step towards putting the Foothill Transit JPA at risk of being altered by state legislation at any time with the local governing agencies having no control in the matter.	Assembly Committee on Local Government	Metro - Oppose	Oppose Position Adopted 6/30/2017



October 27, 2017

To: Executive Board

Subject: **Resolution Adopting Executive and Governing Board Meeting Schedule for 2018**

Recommendation

Adopt Resolution No. 2017-07, the Executive and Governing Board Meeting Schedule for 2018.

Analysis

The schedule of Executive and Governing Board meetings and the annual meeting of the Governing Board are shown on the attached meeting schedule (**Attachment A**). Foothill Transit's Joint Powers Agreement (JPA) requires that meetings be fixed by resolution (**Attachment B**). Upon adoption, the resolution and meeting schedule will be filed with the JPA member cities and Los Angeles County.

At times it may be necessary to modify the meeting schedule due to business issues that arise. Notification will be provided in a timely manner of any possible date or time changes and proper notifications will be posted.

Sincerely,

Christina Lopez
Board Secretary

Doran J. Barnes
Executive Director

Attachments



Foothill Transit

2018 Executive & Governing Board Meeting Calendar

January 2018	Friday, January 26 @ 8:00 a.m. - Executive Board Meeting
February 2018	Friday, February 2 - 8:00 a.m. - 3:00 p.m. - Strategic Planning Workshop, Location TBD Friday, February 16 @ 7:45 a.m. - Governing Board Meeting Friday, February 23 @ 8:00 a.m. - Executive Board Meeting
March 2018	Friday, March 30 @ 8:00 a.m. - Executive Board Meeting
April 2018	Friday, April 27 @ 8:00 a.m. - Executive Board Meeting
May 2018	Friday, May 25 @ 7:45 a.m. Joint Meeting - Annual Governing Board and Executive Board Friday, May 25 @ 9:00 a.m. - Executive Board Meeting
June 2018	Friday, June 29 @ 8:00 a.m. - Executive Board Meeting
July 2018	Friday, July 27 @ 8:00 a.m. - Executive Board Meeting
August 2018	Friday, August 31 @ 8:00 a.m. - Executive Board Meeting
September 2018	Friday, September 28 @ 8:00 a.m. - Executive Board Meeting
October 2018	Friday, October 19 @ 7:45 a.m. - Governing Board Meeting
November 2018	Friday, November 2 @ 8:00 a.m. - Executive Board Meeting
December 2018	Friday, December 14 @ 8:00 a.m. - Executive Board Meeting



RESOLUTION NO. 2017-07

**A RESOLUTION OF THE EXECUTIVE BOARD OF Foothill TRANSIT
ADOPTING THE 2017 MEETING SCHEDULE**

The Executive Board of Foothill Transit does resolve as follows:

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

A. The Joint Exercise of Powers Agreement governing Foothill Transit requires that the dates of the regular meetings of the Governing Board and Executive Board fixed by resolution.

B. It is most convenient and useful to the agency and its members to fix the dates of the regular meetings and of other significant meetings through the adoption of an annual schedule.

2. Action.

A. The Executive Board adopts the 2018 Executive and Governing Board Meeting Schedule attached as Attachment A.

3. Adoption. PASSED AND ADOPTED at a meeting of the Executive Board held on October 27, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

COREY CALAYCAY, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
CHRISTINA LOPEZ, BOARD SECRETARY

By: _____

By: _____



October 27, 2017

To: Executive Board

Subject: **Fiscal Year 2016-2017 Comprehensive Annual Financial Audit Report Results**

Recommendation

Receive and file the Fiscal Year 2016-2017 financial and compliance audit results. The Comprehensive Annual Financial Report (CAFR) including the auditor's opinions has been provided for you as a separate attachment.

Analysis

The accounting firm of Crowe Horwath LLP has completed their audit of Foothill Transit's balance sheet as of June 30, 2017 along with the related statements of revenues, expenses, and cash flow. The audit was conducted in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. This audit was performed for the purpose of forming an opinion regarding Foothill Transit's financial statements.

In addition to the financial audit, Crowe Horwath LLP completed an audit of Foothill Transit's compliance with the Single Audit (Office of Management and Budget Circular [OMB] A-133 guidelines mandated by our receipt of federal funds), the Transportation Development Act, and the rules and regulations for the Los Angeles County Metropolitan Transportation Authority. The purpose of these audits is to determine compliance with all laws, regulations, contracts, and grants, including the Transportation Development Act as summarized in the "Guidelines on Auditing for Conformance" which is published by the Southern California Association of Governments.

Crowe Horwath LLP found no deficiencies for any of the above audits. This includes no recommendations or adjustments to Foothill Transit's financial statements for the fiscal year ended June 30, 2017, to properly reflect the financial position and changes in its financial position. This is the 15th consecutive year that Foothill Transit has received a "clean" audit finding for its financial statements.

Crowe Horwath LLP will present a review of the audit results and present the final Independent Financial and Single Audit Reports to the Executive Board on Friday, October 27, 2017.



A summary of the financial activities are as follows:

Summary of Financial Activity for Fiscal Year Ended June 30, 2017

Other revenue	<u>1,489,212</u>
Total operating revenues	17,571,558
Operating expense before depreciation	86,984,959
Depreciation expense	<u>25,430,961</u>
Total operating expense	112,415,920
Operating Loss	<u>(94,844,362)</u>
Non-operating revenues	68,777,964
Other Income (expense) net	4,070,709
Loss before capital contributions	(21,995,689)
Capital contributions	30,848,596
Change in net assets	8,852,907
Net assets at beginning of year	<u>238,137,837</u>
Net assets at end of year	<u>\$ 246,990,744</u>
Farebox recovery ratio	18.73%



Foothill Transit's working capital (current assets less current liabilities); a measure of Foothill Transit's liquidity, was \$100 million, representing a decrease of approximately \$6 million since last year. This is an indicator of Foothill Transit's ability to respond to an unexpected situation requiring immediate cash. A copy of the audit report is attached for your review.

Sincerely,

Michelle Lopes Caldwell
Director of Finance & Treasurer

Doran J. Barnes
Executive Director

Attachment

Board of Directors
Foothill Transit, A Joint Powers Authority
West Covina, California

In planning and performing our audit of the financial statements of Foothill Transit, A Joint Powers Authority ("Foothill Transit") as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered Foothill Transit's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Foothill Transit's internal control. Accordingly, we do not express an opinion on the effectiveness of Foothill Transit'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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

The purpose of this letter 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 Foothill Transit's internal control over financial reporting or on compliance. This letter is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Foothill Transit's internal control over financial reporting and compliance. Accordingly, this letter is not suitable for any other purpose.



Crowe Horwath LLP

Los Angeles, California
October 16, 2017



Foothill Transit

West Covina, California

Comprehensive Annual Financial Report

For the Fiscal Years Ended
June 30, 2017 and 2016

Prepared by:
Finance Department

Michelle Lopes Caldwell
Director of Finance and Treasurer

FOOTHILL TRANSIT
(A JOINT POWERS AUTHORITY)

FOOTHILL TRANSIT
 (A JOINT POWERS AUTHORITY)
Comprehensive Annual Financial Report
 JUNE 30, 2017 AND 2016

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INTRODUCTION

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Foothill Transit

Executive Board Memorandum

To: Executive Board

Subject: 2017 Fiscal Year 2016/2017 Comprehensive Annual Financial Report

Enclosed is the Comprehensive Annual Financial Report of Foothill Transit for the fiscal year ended June 30, 2017. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with Foothill Transit. To the best of management's knowledge and belief, the information presented is accurate in all material aspects and includes all disclosures necessary to enable the reader to gain an understanding of Foothill Transit's financial activities.

In addition to the financial audit, Foothill Transit is required to conduct an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to the single audit, including the schedule of expenditures of federal awards, findings and recommendations, and auditor's reports on internal control structure and compliance with applicable laws and regulations are included with this report.

Independent Audit. The accounting firm of Crowe Horwath LLP was selected to perform an annual independent audit of Foothill Transit's financial statements. The goal of the independent audit is to provide reasonable assurance that Foothill Transit's financial statements for the fiscal year ended June 30, 2017, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that Foothill Transit's financial statements for fiscal year ended June 30, 2017, are fairly presented in conformity with generally accepted accounting principles (GAAP). The audit also was designed to meet the requirements of the Federal Single Audit Act of 1984 and related Uniform Guidance. The auditor's report on the basic financial statements and schedules, including reports specifically related to the single audit, are included in this document.

Management's Representations. This report consists of management representations concerning Foothill Transit's finances. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, Foothill Transit's management has established a comprehensive internal control framework designed to ensure that the assets of Foothill Transit are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefit likely to be derived; and (2) the valuation of the costs and benefits requires estimates and judgments by management. As Management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Management’s Discussion and Analysis. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A that begins on page 3, and should be read in conjunction with it.

Reporting Entity. Foothill Transit, a joint powers authority of 22 cities and the County of Los Angeles, is a public transit provider located in the San Gabriel and Pomona Valleys in Los Angeles County. Foothill Transit operates a fleet of 380 buses transporting 14 million passengers with 12.6 million vehicle service miles. The entire fleet is equipped with bicycle racks and is wheelchair accessible and 100 percent of the buses are powered by either compressed natural gas (CNG) or electricity.

Foothill Transit’s investment transactions are conducted in conformance with internal investment policies and the State of California Government Code. The Executive Board has assigned the responsibility for investing to the Director of Finance and Treasurer.

The Governing Board approves the Business Plan and Budget by June 30th of each fiscal year. The approved budget establishes the legal level of appropriation. The budget includes operating and capital funding to implement the policy directions contained in the previously Board adopted plans such as the Short Range Transportation Plan (SRTP).

Local Economy. Foothill Transit provides service in the San Gabriel and Pomona Valleys located in Los Angeles County. LA County and its 88 cities represent a dynamic, multicultural economy with a diverse workforce and top universities and colleges throughout. According to the LA Economic Development Corporation (LAEDC) LA County is the entertainment, manufacturing, and international trade capital of the US. With nearly \$544 billion in annual output, LA County ranks among the world’s largest economies.

The transportation and trade industry is very extensive and is one of the prominent industries in LA County. International trade continues to play an important role in the economy. The San Pedro Bay ports of Los Angeles and Long Beach and Los Angeles International Airport are the largest container ports and the busiest air cargo terminals in the nation, respectively. Transportation improvements are focused on alleviating congestion problems and improving air quality in these important corridors. Over 160,000 LA County workers support this international trade center.

One of the biggest economic changes seen during the FY2016/2017 budget year was the increase in new and used car sales and leases. According to the California New Car Dealers Association, “The combination of very low fuel prices, high demand for light trucks and strong consumer affordability...” were the major reasons for the unprecedented increases. While indicators of strong economic growth, this change has led to decreased public transportation ridership. Transit agencies across the Southern California region are reporting decreased bus ridership from 3% to 8%. Rail ridership has remained steady or seen moderate growth, particularly in geographic corridors where new or improved rail service has been implemented.

The majority of Foothill Transit’s funding is provided from local sales taxes. Although there was a modest increase in sales tax collections during FY2016/2017, the budget was prepared with revenues, service, and fares at current levels to balance the budget. The prominent forecasters for LA County sales tax revenues (UCLA, Beacon Economics and Muni Services) are predicting 2-3% growth in sales tax revenues through 2026.

New capital acquisitions and/or construction projects and those carried forward from the previous year, include park and ride parking structure(s), new replacement buses and the purchase of zero emission electric buses. The park and ride facilities will allow greater utilization of current bus service potentially increasing fare revenue. The purchases of replacement buses will reduce operational expenses, and

the zero emission electric buses will reduce maintenance costs and eliminate all emissions currently attributed to compressed natural gas buses. Sufficient funding (grants) have been dedicated for the completion of these projects.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Foothill Transit for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. This was the thirteenth consecutive year that Foothill Transit has received this prestigious award. This certificate of award is the highest form of recognition for excellence in state and local government financial reporting.

In order to receive this award, Foothill Transit must publish an easily readable and well organized comprehensive financial report whose content conforms to the program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement for Excellence in Financial Reporting is valid for a one year period only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements and are submitting it to determine eligibility for continued recognition.

Acknowledgments. The preparation of this report would not have been possible without the efficient and dedicated service of the entire Finance Department. We wish to express our sincere appreciation for the hard work and long hours that contributed to the preparation of this report. Appreciation is also extended to the Executive Board and the various departments for their cooperation and dedicated service that made it possible to produce a report of the highest standards.

Sincerely,



Michelle Lopes Caldwell
Director of Finance and Treasurer



Doran Barnes
Executive Director

Executive Board

Corey Calaycay
Chair

Corey Warshaw
Vice Chair

Carol Herrera
Member

Cynthia Sternquist
Member

Sam Pedroza
Member

Member Agencies

Arcadia
Diamond Bar
Glendora
La Puente
Monrovia
San Dimas
Walnut

Azusa
Duarte
Industry
La Verne
Pasadena
South El Monte
West Covina

Baldwin Park
El Monte
Irwindale
Los Angeles County
Pomona
Temple City

Senior Staff

Doran J. Barnes
Executive Director

Kevin Parks McDonald
Deputy Executive Director

Felicia Friesema
Director of Marketing and
Communications

LaShawn King Gillespie
Director of Customer Service
and Operations

Donald Luey
Director of Information
Technology

Sharlane Bailey
Director of Facilities

Joseph Raquel
Director of Planning

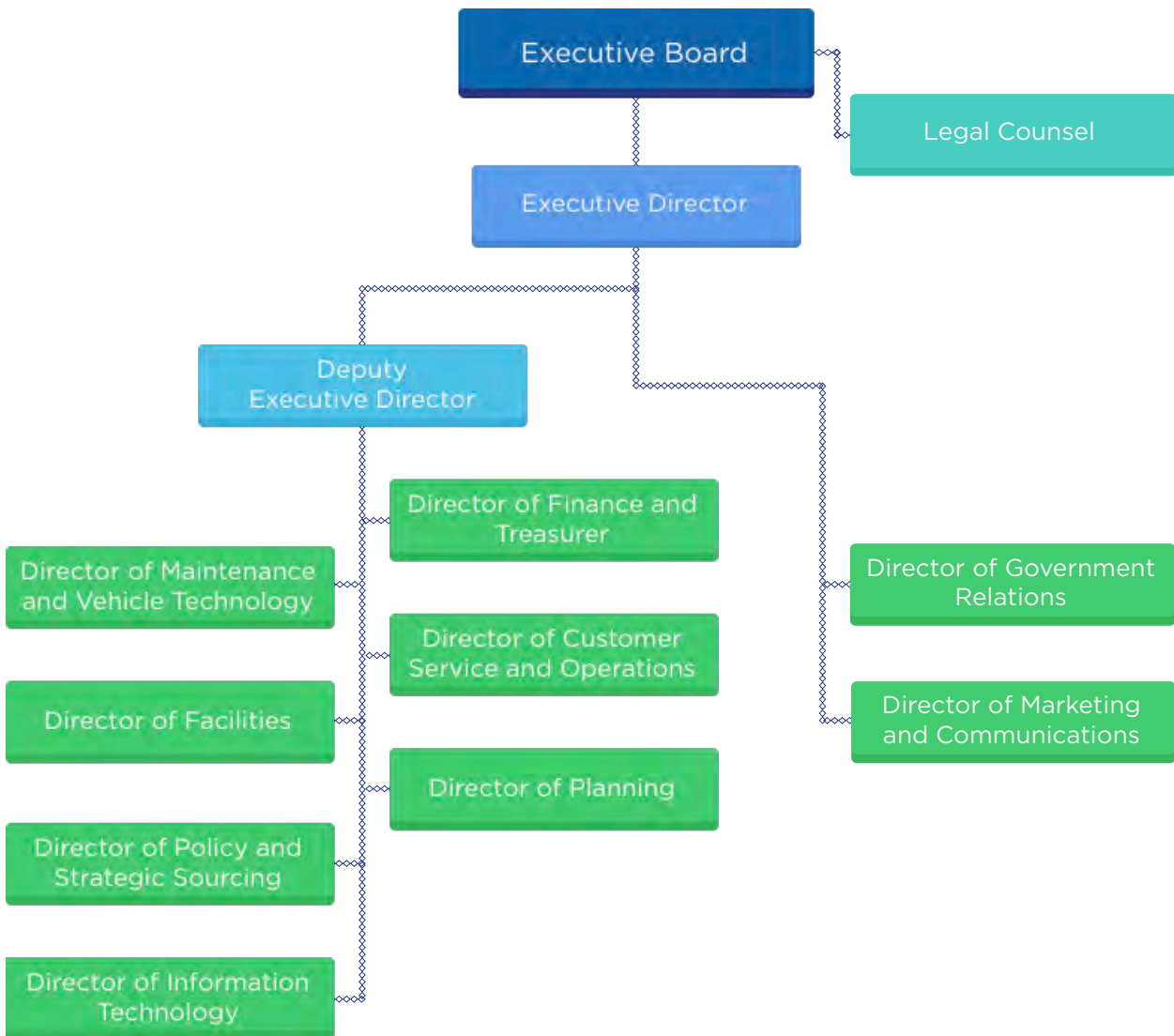
Michelle Lopes Caldwell
Director of Finance and
Treasurer

Roland Cordero
Director of Maintenance and
Vehicle Technology

David Reyno
Director of Government
Relations

Jarrett Stolfus
Director of Policy and
Strategic Sourcing

Foothill Transit A Joint Powers Authority





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Foothill Transit
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Foothill Transit (A Joint Powers Authority)
West Covina, California

Report on the Financial Statements

We have audited the accompanying financial statements of Foothill Transit, A Joint Powers Authority (Foothill Transit), as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Foothill Transit's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foothill Transit as of June 30, 2017 and 2016, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Foothill Transit's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards on page 49 and the introduction and statistical sections from pages i through vi and pages 25 through 45 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introduction and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2017 on our consideration of Foothill Transit's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Foothill Transit's internal control over financial reporting and compliance.

Los Angeles, California
October 16, 2017

Crowe Horwath LLP
Crowe Horwath LLP



FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

Management's Discussion and Analysis

June 30, 2017

The following section of the annual financial report of Foothill Transit includes an overview and analysis of Foothill Transit's financial position and activities for the years ended June 30, 2017 and 2016. This discussion and analysis should be considered in conjunction with the basic financial statements which it accompanies. These statements are the responsibility of the management of Foothill Transit.

Introduction to the Basic Financial Statements

This annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Foothill Transit presents its basic financial statements using the economic resources measurement focus and accrual basis of accounting. As a special purpose government engaged in business-type activity, Foothill Transit's basic financial statements include a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows. The notes to financial statements, supplementary information, and required supplementary information, including this section, support these statements. All sections must be considered together to obtain a complete understanding of the financial position and results of operations of Foothill Transit.

Statement of Net Position: The Statement of Net Position includes all assets and liabilities of Foothill Transit, with the difference between the two reported as net position. Assets and liabilities are reported on an accrual basis at cost or fair value, as applicable, as of June 30, 2017 and 2016. This statement also identifies major categories of restrictions on the net position of Foothill Transit.

Statement of Revenues, Expenses, and Changes in Net Position: The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred by Foothill Transit during the years ended June 30, 2017 and 2016, on an accrual basis.

Statement of Cash Flows: The Statement of Cash Flows presents the changes in Foothill Transit's cash and cash equivalents for the years ended June 30, 2017 and 2016, summarized by operating, capital and noncapital financing, and investing activities. The statement is prepared using the direct method of reporting cash flows and, therefore, presents gross rather than net amounts for the years' activities.

Foothill Transit's basic financial statements can be found on pages 8 through 10 of this report.

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes can be found on pages 11 through 25 of this report.

FINANCIAL HIGHLIGHTS

- During fiscal year 2016-2017, Foothill Transit's net position increased \$8,852,907 (3.7 %) from the previous year resulting primarily from the capital asset acquisitions of \$28,495,091 and disposals of \$14,223,921, exclusive of depreciation. The capital additions were funded by federal, state, and local grants.

- In fiscal year 2016-2017, operating expenses before depreciation increased \$10,688,321 (14 %) over the previous year. This increase was attributed primarily to increases for purchased transportation and fuel costs.
- Foothill Transit's assets exceeded its liabilities at June 30, 2017, by \$246,990,744 (net position). See discussion below.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Non-capital assets	\$ 111,152,490	\$ 118,195,387	\$ 114,508,312
Capital assets, net	210,916,174	205,180,858	203,317,470
Total assets	<u>322,068,664</u>	<u>323,376,245</u>	<u>317,825,782</u>
Current liabilities	10,831,166	11,274,134	9,326,669
Noncurrent liabilities	64,246,754	73,964,274	77,211,908
Total liabilities	<u>75,077,920</u>	<u>85,238,408</u>	<u>86,538,577</u>
Net position:			
Net investment in capital assets	210,142,128	200,276,321	201,831,874
Unrestricted:			
Board designated - capital projects	36,848,616	37,861,516	29,455,331
Total net assets	<u>\$ 246,990,744</u>	<u>\$ 238,137,837</u>	<u>\$ 231,287,205</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Foothill Transit's assets exceeded liabilities by \$246,990,744 as of June 30, 2017, \$238,137,837 in 2016 and \$231,287,205 in 2015. Most of this is attributable to Foothill Transit's \$210,142,128, \$200,276,321 and \$201,831,874 net investment in capital assets (property, plant, and equipment) as of June 30, 2017, 2016 and 2015. Foothill Transit uses capital assets to provide transportation services; these assets are not available for future spending. These capital assets were procured with federal, state, and local grant funds. The remaining unrestricted net position at June 30, 2017 was \$36,848,616, \$37,861,516 in 2016 and \$29,455,331 in 2015. These amounts are designated for future capital projects.

Foothill Transit's net position increased by \$8,852,907 during fiscal year 2016-2017, by \$6,850,632 during fiscal year 2015-2016 and by \$23,298,960 during fiscal year 2014-2015. These increases are primarily due to the addition of capital assets funded with capital grant revenues.

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

Management's Discussion and Analysis

Condensed Summary of Revenues, Expenses and Changes in Net Position

	2017	2016	2015
Operating revenues - farebox and bus pass	\$ 16,082,346	\$ 17,144,739	\$ 18,890,298
Operating revenues - other	1,489,212	1,386,645	1,180,006
Operating grants	68,777,964	57,267,820	50,816,890
Other revenues	4,070,709	5,375,847	5,365,346
Total revenues	90,420,231	81,175,051	76,252,540
Operating expenses:			
Operating expenses before depreciation	86,984,959	76,296,638	71,324,442
Depreciation	25,430,961	25,414,669	24,696,294
Total operating expenses	112,415,920	101,711,307	96,020,736
Loss before capital grants	(21,995,689)	(20,536,256)	(19,768,196)
Capital grants	30,848,596	27,386,888	43,067,156
Change in net position	8,852,907	6,850,632	23,298,960
Net position at beginning of year	238,137,837	231,287,205	207,988,245
Net position at end of year	\$ 246,990,744	\$ 238,137,837	\$ 231,287,205

Revenues

Operating revenues in fiscal year 2017 decreased \$959,826 (5.18 %) over 2016 and fiscal year 2016 operating revenues decreased \$1,538,920 (7.67%) over 2015. The reduction in operating revenue is a result of the loss in ridership. The ridership reduction has drastically affected transit operators across Southern California and is currently being studied by transportation scholars. Operating grant revenues increased \$11,510,144 and capital grant revenues increased \$3,461,708 in fiscal year 2017. Operating grant revenues increased \$6,450,930 and capital grant revenues decreased \$15,680,268 in fiscal year 2016. These grant revenues subsidized Foothill Transit's operating and capital expenses.

Capital grant contributions in fiscal year 2017 resulted in the acquisition of 30 CNG buses and bus repowering and repainting to reflect the Foothill Transit unique livery design. The capital grant contributions in fiscal year 2016 were related to the acquisition of 30 CNG buses, 2 electric buses, and completion of the Azusa Intermodal Transportation Center and bus repowering and painting.

Operating Expenses

Total operating expenses before depreciation increased \$10,688,322 (14.0 %) in fiscal year 2017 and \$4,972,195 (6.97%) in fiscal year 2016. In fiscal year 2017, Purchased Transportation costs increased \$10,100,460 due to contract award of a new operating contract for operating services for the Arcadia Yard for two consecutive years (see Note 7) and an increase of 927,256 annual revenue miles. In addition, fuel costs increased \$800,122.

FOOTHILL TRANSIT

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Management's Discussion and Analysis

June 30, 2017

CAPITAL ASSETS

As of June 30, 2017, and 2016, Foothill Transit had \$210,916,174 and \$205,180,858 invested in capital assets (net of accumulated depreciation), respectively. This represents a 2.80% increase in fiscal year 2017 and a 0.92% increase in fiscal year 2016. These assets include land, facilities, transit buses, other operating equipment, vehicles, and furniture and fixtures identified below. Depreciation expense increased \$16,292 in fiscal year 2017 and \$718,375 in fiscal year 2016, which is attributable to the age of the bus fleet.

All assets have been purchased with federal, state, or local grants awarded to Foothill Transit. Significant capital projects with activity during fiscal years 2017 and 2016 include the following:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Land	\$ 10,132,713	\$ 10,132,713	\$ 10,132,713
Construction in progress	4,971,739	2,291,601	5,511,056
Facilities	61,892,443	64,049,612	61,649,693
Transit buses	129,029,023	122,044,022	116,054,463
Other operating equipment	4,623,422	6,290,451	9,573,167
Vehicles	196,068	295,006	341,462
Furniture and fixtures	70,766	77,453	54,916
	<u>\$ 210,916,174</u>	<u>\$ 205,180,858</u>	<u>\$ 203,317,470</u>

- Bus Fleet Replacement (CNG fueled and electric powered)
- City of Azusa Park and Ride Facilities
- Bus repowering and repainting

More detailed information about Foothill Transit's capital assets can be found in Note 6 in the accompanying notes to financial statements.

LONG TERM DEBT

As of June 30, 2017, 2016, and 2015, Foothill Transit had no long-term debt.

FOOTHILL TRANSIT

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Management's Discussion and Analysis

June 30, 2017

CAPITAL ASSETS

The budget for fiscal year 2017/2018 assumes economic conditions will remain fairly steady and anticipates modest growth for Los Angeles County. The U.S. GDP is expected to drop to a 2.1% GDP in 2018 according to the June 2017 forecast released at the 'Federal Open Market Committee' meeting. This forecast begins to take into account the impact of the current administration's policies.

The current California forecast calls for continued steady gains in employment through the middle of 2018. Foothill Transit's single largest revenue source, sales tax, representing more than 74 percent of the fiscal year revenue, is dependent upon consumer demand. This year an additional ½ cent sales tax for public transportation was approved by the voters and added to Foothill Transit's revenue budget. The main economic factors affecting Foothill Transit's financial capacity to deliver transportation programs and projects include the following:

- Fuel and operation cost
- Economic conditions influencing local sales tax revenue
- Capital grant revenue availability

These factors were considered when preparing the Foothill Transit fiscal year 2017/2018 budget. Foothill Transit completed a Comprehensive Operational Analysis (COA) to evaluate service levels and coverage, passenger surveys, and fare analysis in fiscal year 2016. The results of the COA are being used to plan service and achieve a balanced budget for future years. Foothill Transit also implemented a fare restructuring designed to improve service delivery and increase fare revenues slightly.

FURTHER INFORMATION

This report has been designed to provide a general overview of Foothill Transit's financial condition and related issues. For those with an interest in Foothill Transit's finances, inquiries should be directed to the Director of Finance and Treasurer, 100 South Vincent Avenue, Suite 200, West Covina, CA 91790.

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

Statements of Net Position

June 30, 2017 and 2016

Assets	2017	2016
Current assets:		
Cash and cash equivalents	\$ 19,831,177	\$ 35,775,577
Due from other governmental agencies	12,127,101	15,597,909
Receivables	1,239,061	2,112,303
Interest receivable	34,914	20,493
Prepaid items	1,047,156	1,108,936
Total current assets	<u>34,279,409</u>	<u>54,615,218</u>
Noncurrent assets:		
Cash and cash equivalents	49,634,081	49,092,169
Investments	27,239,000	14,488,000
Capital assets - nondepreciable	15,104,452	12,424,314
Capital assets - depreciable	393,674,127	379,411,909
Less accumulated depreciation and amortization	(197,862,405)	(186,655,365)
Total noncurrent assets	<u>287,789,255</u>	<u>268,761,027</u>
Total assets	<u>\$ 322,068,664</u>	<u>\$ 323,376,245</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 10,831,166	\$ 11,274,134
Noncurrent liabilities:		
Unearned revenue	64,246,754	73,964,274
Total liabilities	<u>75,077,920</u>	<u>85,238,408</u>
Net position:		
Net investment in capital assets	210,142,128	200,276,321
Unrestricted	36,848,616	37,861,516
Total net position	<u>246,990,744</u>	<u>238,137,837</u>
Total liabilities and net position	<u>\$ 322,068,664</u>	<u>\$ 323,376,245</u>

See notes to financial statements

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

Statements of Revenues, Expenses, and Changes in Net Position

Years ended June 30, 2017 and 2016

	2017	2016
Operating revenues:		
Farebox and bus pass	\$ 16,082,346	\$ 17,144,739
Special services	346,487	391,381
Dial-A-Ride	868,758	701,303
Other revenue	273,967	293,961
Total operating revenues	17,571,558	18,531,384
Operating expenses:		
Operating expenses before depreciation and amortization:		
Purchased Transportation	66,266,768	56,166,308
Fuel costs	6,185,549	5,385,427
Salary and Benefits	6,386,062	6,133,544
Special services	266,925	267,684
Dial-A-Ride	856,305	688,961
Professional services	3,464,219	3,722,103
Advertising	418,213	577,093
General and administrative	3,140,918	3,355,518
Operating expenses before depreciation	86,984,959	76,296,638
Depreciation expense	25,430,961	25,414,669
Total operating expenses	112,415,920	101,711,307
Operating loss	(94,844,362)	(83,179,923)
Operating Grants:		
Total operating grants	68,777,964	57,267,820
Non-operating revenues (expenses):		
Interest income	466,489	399,728
Property management income	47,892	78,977
Gain on disposal of assets	121,056	18,730
Excise tax refund	3,435,272	4,878,412
Total non-operating revenues (expenses)	4,070,709	5,375,847
Total operating grants and non-operating revenues (expenses)	72,848,673	62,643,667
Loss before capital contributions	(21,995,689)	(20,536,256)
Capital contributions		
Total capital grants	30,848,596	27,386,888
Change in net position	8,852,907	6,850,632
Net position at beginning of year	238,137,837	231,287,205
Net position at end of year	\$ 246,990,744	\$ 238,137,837

See notes to financial statements

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

Statements of Cash Flows

Years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Receipts from customers	\$ 18,434,830	\$ 18,711,456
Payments for transit operations	(66,224,722)	(56,337,543)
Payments for fuel costs	(6,649,550)	(5,302,426)
Payments to employees	(6,287,188)	(5,603,110)
Payments to other vendors	(4,187,276)	(9,915,746)
Net cash from operating activities	<u>(64,913,906)</u>	<u>(58,447,369)</u>
Cash flows from non-capital financing activities:		
Operating grants received	67,929,796	56,617,316
Receipts for excise tax credit	582,516	7,475,392
Net cash from non-capital financing activities	<u>68,512,312</u>	<u>64,092,708</u>
Cash flows from capital and related financing activities:		
Receipts from capital grants	28,453,228	16,079,828
Payments for capital assets	(35,296,767)	(23,859,116)
Proceeds from sale of capital assets	93,687	18,730
Proceeds from rental property	47,889	78,974
Net cash from capital and related financing activities	<u>(6,701,963)</u>	<u>(7,681,584)</u>
Cash flows from investing activities:		
Purchase of investments	(13,996,000)	(14,488,000)
Proceeds from maturing investments	1,245,000	6,490,000
Investment earnings	452,068	389,845
Net cash from investing activities	<u>(12,298,932)</u>	<u>(7,608,155)</u>
Net increase in cash and cash equivalents	<u>(15,402,489)</u>	<u>(9,644,400)</u>
Cash and cash equivalents at beginning of year	84,867,746	94,512,146
Cash and cash equivalents at end of year	<u>\$ 69,465,257</u>	<u>\$ 84,867,746</u>
Reconciliation of net operating expenses to net cash used in operating activities:		
Operating loss	\$ (94,844,362)	\$ (83,179,923)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	25,430,961	25,414,669
Changes in operating assets and liabilities:		
Decrease (increase) in operating receivables	863,272	180,070
Decrease (increase) in prepaid items	61,780	609,288
(Decrease) increase in operating accounts payable and accrued liabilities	3,574,443	(1,471,473)
Total adjustments	<u>29,930,456</u>	<u>24,732,554</u>
Net cash from operating activities	<u>\$ (64,913,906)</u>	<u>\$ (58,447,369)</u>
Non-cash investing and financing activities:		
Capital asset purchase in account payable	\$ 774,046	\$ 4,904,537
Capital grants included in due from other governmental agencies	\$ 3,241,204	\$ 10,450,274

See notes to financial statements

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

Notes to Financial Statements

June 30, 2017 and 2016

Note 1: Organization

Foothill Transit was established in 1988 as a governmental entity under a joint exercise of powers agreement and currently includes 22 cities in the San Gabriel Valley and Pomona Valleys and the County of Los Angeles. Foothill Transit's governing board membership includes one city council member and one alternate from each of the 22 cities in Foothill Transit's service area as well as three appointed representatives for the County of Los Angeles. A five-member Executive Board governs Foothill Transit. Four elected officials representing four clusters of cities, and a fifth member elected by the appointed Los Angeles County representatives, comprise Foothill Transit's Executive Board. Through its independent service contractors, Foothill Transit operates a fleet of 380 buses from its Arcadia and Pomona, California facilities. Foothill Transit has been authorized by the Regional Transportation Planning Agency, the Los Angeles County Metropolitan Transportation Authority (LACMTA), to plan, operate, and contract for cost-effective public transit services.

Foothill Transit is a joint powers authority managed by a staff of transportation professionals with purchased transportation services provided by independent contractors. Substantially all insurable risks associated with Foothill Transit's operations are covered through these contracts.

Note 2: Summary of Significant Accounting Policies

a. Basis of Presentation

The accounting policies of Foothill Transit conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. All of the activities are accounted for as an enterprise fund for financial reporting purposes. Enterprise funds are used to account for activities (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate or capital maintenance, public policy, management control, accountability, or other purposes.

Foothill Transit accounts for its activities using the economic resources measurement focus and the accrual basis of accounting. Under this method of accounting, revenues are recognized in the period in which they are earned, and expenses are recognized in the period incurred.

b. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

Notes to Financial Statements

June 30, 2017 and 2016

Note 2: Summary of Significant Accounting Policies (Continued)

c. Classification of Current and Noncurrent Assets and Liabilities

Foothill Transit considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the statement of net position date. All other assets and liabilities are noncurrent.

d. Cash and Cash Equivalents

For the statement of cash flows, Foothill Transit considers cash, demand deposits and investment pools to be cash and cash equivalents. All cash invested in the state investment pool Local Agency Investment Fund (LAIF), is reported at amortized cost. Cash may or may not be restricted as to use, depending upon the specific purposes for which such assets are held.

e. Investments

Foothill Transit reports investment securities and similar assets held for investment purposes at fair value.

f. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and are expensed as utilized or incurred.

g. Capital Assets

Capital assets which include property, buses, vehicles, furniture and fixtures, and equipment are defined by Foothill Transit as assets with an initial value exceeding \$500 and having an estimated useful life of more than one year. Capital assets are valued at historical cost. Donated assets are valued at acquisition value at the date of donation. Foothill Transit did not receive any donated capital assets during fiscal years 2017 and 2016.

Capital assets are depreciated over their estimated useful lives using the straight-line method. The following estimated useful lives are used for Foothill's capital assets:

Facility	20 to 31.5 years
Other improvements	3 to 7 years
Transit buses and rehabilitation costs	5 to 12 years
Other operating equipment	3 to 9 years
Vehicles	5 years
Furniture and fixtures	7 years

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

Notes to Financial Statements

June 30, 2017 and 2016

Note 2: Summary of Significant Accounting Policies (Continued)

i. Compensated Absences

All eligible employees, full and part-time, accrue paid time off (PTO) in accordance with the California Paid Sick Leave requirements. Part-time employees earn one hour of PTO for each 30 hours worked. Full-time employees earn PTO each pay period; the number of hours accrued are according to each employee's years of service. Unused PTO is available to be carried forward or cashed out annually according to the guidelines, and is paid out upon separation.

j. Unearned Revenue

Unearned revenue is composed entirely of TDA, Proposition 1B and LCTOP grant funds which Foothill Transit has received in advance for operations, capital acquisition, or construction but which have not been expended and, therefore, not earned at June 30, 2017 and 2016.

k. Net Position

Foothill Transit's net position is classified into the following categories:

1. Net Investment in Capital Assets

Capital assets, net of accumulated depreciation and outstanding principal balances of debt, plus retainages and accounts payable attributable to the acquisition, construction, or improvement of those assets.

2. Restricted

Net position that has external constraints placed on it by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through contribution provision of enabling legislation.

3. Unrestricted

Unrestricted net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets." Unlike the restricted net position, the Board has discretion in determining the use and establishing minimum/maximum balance requirements for the unrestricted cash and investment portion of net position. The Board may at any time change or eliminate amounts established for these purposes. Foothill Transit had unrestricted Board designated net position of \$36,848,616 and \$37,861,516 as of June 30, 2017 and 2016, representing amounts that are designated for future capital projects.

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

Notes to Financial Statements

June 30, 2017 and 2016

Note 2: Summary of Significant Accounting Policies (Continued)

I. Net Position Flow Assumption

Sometimes Foothill Transit will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is Foothill Transit’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

m. Operating and Non-operating Grant Revenues and Expenses

Foothill Transit distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with Foothill Transit’s principal ongoing operations. The principal operating revenues are passenger fares charged for transportation services, which are recognized at the time services are performed and revenues pass through fare systems. Operating expenses include the cost of transportation services, maintenance of capital assets and facilities, administrative expenses, and depreciation reported on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Operating assistance grants are included as non-operating revenues in the year in which a related reimbursable expense is incurred or in unearned revenue for use in a subsequent fiscal year.

Foothill Transit’s policy is to report revenue from capital grants separately after non-operating revenues as the related expenses are incurred. Assets acquired with capital grant funds are included in capital assets. Capital grant monies received prior to an expense being incurred are recorded as unearned revenue.

n. Grants and Subsidies

Grant and subsidy revenues are recorded when earned. Grant sources currently include Los Angeles County Propositions A, C and Measure R, which are local sales tax initiatives passed by the voters of Los Angeles County and then granted out to Foothill Transit, State Local Transportation Funds (LTF) described below and Federal Transit Administration (FTA) capital assistance.

Foothill Transit receives grant funds from these various County, State, and Federal entities. Funds received from such entities are subject to certain required terms and conditions of the underlying grant agreements and are subject to audit by the grantor agencies. Amounts received under such grants and contractual agreements are subject to change based upon the results of such audits.

Transportation Development Act (TDA), including Low-Carbon Transit Operations Program (LCTOP), and State Transit Assistance (STA) funds are received for both operating and capital

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

Notes to Financial Statements

June 30, 2017 and 2016

Note 2: Summary of Significant Accounting Policies (Continued)

expenses. These funds are derived from the State Local Transportation Funds (LTF) and are allocated to Foothill Transit using the regionally adopted Formula Allocation Procedures. These funds can be used for capital and operating purposes.

o. Non-Exchange Transactions

Foothill Transit recognizes all capital grants as capital contributions in the statements of revenues, expenses, and changes in net position.

p. Reclassifications

Certain amounts in the 2016 financial statements have been reclassified to conform to the 2017 presentation. These reclassifications had no impact on net position or change in net position.

Note 3: Cash, Cash Equivalents and Investments

Cash and investments at June 30, 2017 and 2016 were reported in the accompanying financial statements as follows:

	2017	2016
Cash and cash equivalents, current	\$ 19,831,177	\$ 35,775,577
Cash and cash equivalents, noncurrent	49,634,081	49,092,169
Investments	27,239,000	14,488,000
Total	\$ 96,704,258	\$ 99,355,746

Deposits:

At June 30, 2017, the carrying amount of Foothill Transit's deposits was \$69,465,258 and the bank balance was \$69,891,757. The difference of \$426,499 represents outstanding checks and other reconciling items. At June 30, 2016, the carrying amount of Foothill Transit's deposits was \$84,867,746 and the bank balance was \$86,230,884. The difference of \$1,363,138 represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure an Entity's deposits by pledging government securities with a value of 110% of an Entity's deposits. California law also allows financial institutions to secure the Entity's deposits by pledging first trust deed mortgage notes having a value of 150% of the Entity's total deposits.

The Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California, Department of Banking.

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

Notes to Financial Statements

June 30, 2017 and 2016

Note 3: Cash, Cash Equivalents and Investments (Continued)

Deposits (Continued):

The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency.

Investments:

As a public agency, Foothill Transit's investment practices are prescribed by various provisions of the California Government Code and the Act, as well as by administrative policies. Foothill Transit's statement of investment policy is approved by the Board and describes the Treasurer's investment authority, practices, and limitations. The basic investment policy objectives, in order of importance, are safety of principal, liquidity, and return on investment.

Under provision of Foothill Transit's investment policy, and in accordance with the California Government Code, the following investments are authorized:

- Checking Account Demand Deposits
- Passbook Savings Account Demand Deposits
- Money Market Mutual Funds
- Local Agency Investment Fund (LAIF) Demand Deposits
- Obligations of the U.S. Government, its agencies, and instrumentalities Federal Agency obligations
- Municipal Securities (California cities and local agencies) rated "A" or better by Moody's or S&P
- Certificates of deposit
- Negotiable Certificates of Deposits, federally insured with the issuer
- Banker's Acceptances, issued by domestic or foreign banks, which are eligible for purchases by the Federal Reserve System
- Repurchase Agreements used solely for short-term investments not to exceed 30 days
- Bonds issued by any city, county, or local agency in California, or by the State of California

Investments Authorized by Debt Agreements:

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or Foothill Transit's investment policy.

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

Notes to Financial Statements

June 30, 2017 and 2016

Note 3: Cash, Cash Equivalents and Investments (Continued)

Investments in State Investment Pool:

Foothill Transit 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. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The value of the position in the investment pool is the same as the value of the pool shares and is reported at amortized cost. LAIF is principally invested in obligations of federal government agencies, U.S. Treasury securities, certificates of deposit, and commercial paper. LAIF's fund manager considers the credit risk as minimal. LAIF is protected against fraudulent acts by the state's self-insurance program. At June 30, 2017 and 2016, Foothill Transit maintained \$15,161,229 and \$15,063,136 of cash equivalents in LAIF, respectively.

Credit Risk:

Foothill Transit's investment policy limits investments in municipal securities, negotiable certificates of deposits, and banker's acceptances to those rated "A" or better and repurchase agreements and bonds to those rated in the highest category by Moody's or S&P. As of June 30, 2017 and 2016, Foothill Transit's investments did not include these types of investments. Foothill Transit's investments in U.S. Government agencies were rated AAA by Moody's as of June 30, 2017 and 2016. Foothill Transit's investments in certificates of deposit were not rated as of June 30, 2017 and 2016. As of June 30, 2017 and 2016, Foothill Transit's investment in LAIF has not been rated by a nationally recognized statistical rating organization.

Custodial Credit Risk:

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2017 and 2016, none of Foothill Transit's deposits or investments were exposed to custodial credit risk.

Concentration Risk:

Concentration risk is the risk associated with the magnitude of investment in any one issuer. As of June 30, 2017, more than five percent of Foothill Transit's investments were in Federal Home Loan Mortgage Corporation and Federal Home Loan Banks, totaling \$19,000,000 and \$5,000,000, respectively. As of June 30, 2016, more than five percent of Foothill Transit's investments were in Federal Home Loan Mortgage Corporation and Federal Home Loan Banks, totaling \$6,000,000 and \$5,000,000, respectively.

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

Notes to Financial Statements

June 30, 2017 and 2016

Note 3: Cash, Cash Equivalents and Investments (Continued)

Interest Rate Risk:

As a means of limiting its exposure to fair value losses arising from rising interest rates, Foothill Transit's investment policy limits the authority's portfolio to maturities of less than five years. Foothill Transit has elected to use the segmented time distribution method of disclosure for its interest rate risk.

Foothill Transit categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure 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.

As of June 30, 2017 and 2016, Foothill Transit held negotiable certificates of deposit of \$3,239,000 and \$3,488,000 respectively, and government agency obligations of \$24,000,000 and \$11,000,000, respectively, all of which are based on quoted market prices of similar securities with similar due dates using the market approach (Level 2 inputs).

Foothill Transit has the following investments at fair value and remaining maturities as of June 30, 2017:

Remaining Investment Maturities:

Investment Type:	2017			2016		
	Fair Value	Less Than 1 Year	1 to 5 Years	Fair Value	Less Than 1 Year	1 to 5 Years
Certificates of Deposit	\$ 3,239,000	\$ 1,744,000	\$ 1,495,000	\$ 3,488,000	\$ 1,245,000	\$ 2,243,000
Government Agency Obligations	24,000,000	-	24,000,000	11,000,000	-	11,000,000
Total	\$ 27,239,000	\$ 1,744,000	\$ 25,495,000	\$ 14,488,000	\$ 1,245,000	\$13,243,000

FOOTHILL TRANSIT
(A JOINT POWERS AUTHORITY)

Notes to Financial Statements
June 30, 2017 and 2016

Note 4: Revenue and Receivables from Other Governmental Agencies

For the years ending June 30, 2017 and 2016, operating grants earned from other governmental agencies consisted of the following:

Operating grants:

	<u>2017</u>	<u>2016</u>
State and local grants		
Transportation Development Act	\$26,880,092	\$21,361,427
Proposition A Formula Subsidy	16,081,241	14,284,762
Measure R	10,411,724	9,775,690
Proposition A Bus Service Continuation Program	4,558,875	4,485,319
CRD Subsidy	3,100,000	-
Proposition C Base Restructuring	1,963,620	1,927,953
State Transit Assistance	1,841,803	3,377,606
Proposition A Exchange	1,781,155	-
Proposition C 5% Transit Security	918,025	836,183
Proposition C BSIP – Overcrowding Relief	914,207	897,602
Proposition C Transit Service Expansion – Line 690	<u>327,222</u>	<u>321,278</u>
Total operating grants	<u>\$68,777,964</u>	<u>\$57,267,820</u>

For the year ending June 30, 2017 and June 30, 2016, capital grants earned from other governmental agencies consisted of the following:

Capital grants:

	<u>2017</u>	<u>2016</u>
State and local grants		
Proposition C - MOSIP	\$ 7,271,943	\$ 2,652,026
Proposition 1B	3,218,781	11,493,800
Transportation Development Act	2,645,459	1,931,806
CalTrans-LCTOP	167,914	-
Proposition C - Call for Projects	50,919	-
Measure R-Clean Fuel & Facilities	27,368	-
Cal Air Resource Board	-	105,000
Total state and local capital grants	<u>13,382,384</u>	<u>16,182,632</u>
Federal grants		
FTA Section 5307	17,297,660	11,204,256
FTA Section 5309	168,552	-
Total federal capital grants	<u>17,466,212</u>	<u>11,204,256</u>
Total capital grants	<u>\$30,848,596</u>	<u>\$27,386,888</u>

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

Notes to Financial Statements

June 30, 2017 and 2016

Note 4: Revenue and Receivables from Other Governmental Agencies (Continued)

For the years ending June 30, 2017 and 2016, operating grants earned from other governmental agencies consisted of the following:

	2017	2016
State and local agencies		
CRD Subsidy - LA Metro	\$ 3,100,000	\$ 1,600,000
Proposition C MOSIP - Local	2,911,479	1,010,039
Transportation Development Act - State	1,911,734	1,795,664
State Transit Assistance - State	920,902	1,688,804
Proposition C Call For Projects - Local	118,688	116,142
Pass Sales - LA Metro	65,541	56,310
Proposition 1B - State	42,485	9,324,093
Measure R - Clean Fuel & Facilities - Local	27,368	-
Pass Sales - Metrolink	7,596	6,857
Federal agencies		
Excise Tax Credit - IRS	2,852,756	-
Section 5309 Capital Grant - FTA	168,552	-
Total Due from Governmental Agencies	\$ 12,127,101	\$ 15,597,909

Note 5: Receivables

At June 30, 2017 and 2016, receivables consist of the following and are expected to be collected within one year:

	2017	2016
Trade Receivables (Pass Sales)	\$ 712,449	\$ 1,615,598
TAP Sales	406,112	402,413
Merchant Services	43,266	46,222
Miscellaneous	77,234	48,070
	\$ 1,239,061	\$ 2,112,303

Receivables are recorded when earned based on operating revenue recognition. Management believes that no provision for an allowance was necessary at June 30, 2017 and 2016.

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

Notes to Financial Statements

June 30, 2017 and 2016

Note 6: Capital Assets

Changes in the capital assets by category for the years ended June 30, 2017 and 2016 are as follows:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017
Capital assets not being depreciated				
Land	\$ 10,132,713	\$ -	\$ -	\$ 10,132,713
Construction in progress	2,291,601	2,680,138	-	4,971,739
Total capital assets not being depreciated	<u>12,424,314</u>	<u>2,680,138</u>	<u>-</u>	<u>15,104,452</u>
Other capital assets				
Facility	106,403,238	3,327,954	-	109,731,192
Transit buses	227,313,618	24,298,498	(14,021,912)	237,590,204
Other operating equipment	43,792,876	783,502	-	44,576,378
Vehicles	1,084,481	71,718	(210,961)	945,238
Furniture and fixtures	817,696	13,419	-	831,115
Total other capital assets at historical cost	<u>379,411,909</u>	<u>28,495,091</u>	<u>(14,232,873)</u>	<u>393,674,127</u>
Accumulated depreciation				
Facility	(42,353,626)	(5,485,123)	-	(47,838,749)
Transit buses	(105,269,596)	(17,313,497)	14,021,912	(108,561,181)
Other operating equipment	(37,502,425)	(2,450,531)	-	(39,952,956)
Vehicles	(789,475)	(161,704)	202,009	(749,170)
Furniture and fixtures	(740,243)	(20,106)	-	(760,349)
Total accumulated depreciation and amortization	<u>(186,655,365)</u>	<u>(25,430,961)</u>	<u>14,223,921</u>	<u>(197,862,405)</u>
Other capital assets, net	<u>192,756,544</u>	<u>3,064,130</u>	<u>(8,952)</u>	<u>195,811,722</u>
Total capital asset, net	<u>\$ 205,180,858</u>	<u>5,744,268</u>	<u>(8,952)</u>	<u>\$ 210,916,174</u>

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

Notes to Financial Statements

June 30, 2017 and 2016

Note 6: Capital Assets (Continued)

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016
Capital assets not being depreciated				
Land	\$ 10,132,713	\$ -	\$ -	\$ 10,132,713
Construction in progress	5,511,056	-	(3,219,455)	2,291,601
Total capital assets not being depreciated	<u>15,643,769</u>	<u>-</u>	<u>(3,219,455)</u>	<u>12,424,314</u>
Other capital assets				
Facility	99,910,299	6,492,939	-	106,403,238
Transit buses	203,769,502	23,544,116	-	227,313,618
Other operating equipment	43,483,690	309,186	-	43,792,876
Vehicles	1,035,854	113,654	(65,027)	1,084,481
Furniture and fixtures	780,080	37,616	-	817,696
Total other capital assets at historical cost	<u>348,979,425</u>	<u>30,497,511</u>	<u>(65,027)</u>	<u>379,411,909</u>
Accumulated depreciation				
Facility	(38,260,606)	(4,093,020)	-	(42,353,626)
Transit buses	(87,715,039)	(17,554,557)	-	(105,269,596)
Other operating equipment	(33,910,523)	(3,591,902)	-	(37,502,425)
Vehicles	(694,392)	(160,110)	65,027	(789,475)
Furniture and fixtures	(725,164)	(15,079)	-	(740,243)
Total accumulated depreciation and amortization	<u>(161,305,724)</u>	<u>(25,414,668)</u>	<u>65,027</u>	<u>(186,655,365)</u>
Other capital assets, net	<u>187,673,701</u>	<u>5,082,843</u>	<u>-</u>	<u>192,756,544</u>
Total capital asset, net	<u>\$ 203,317,470</u>	<u>\$ 5,082,843</u>	<u>\$(3,219,455)</u>	<u>\$ 205,180,858</u>

Note 7: Purchased Transportation

In June 2016, Foothill Transit opted not to exercise the remaining two two-year options with First Transit for the operating services at the Pomona Facility. Thus, the service agreement expired on June 30, 2017. In March 2017, Keolis was awarded a four-year contract with one four-year option commencing on July 1, 2017 for the operating services at the Pomona Facility.

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

Notes to Financial Statements

June 30, 2017 and 2016

Note 7: Purchased Transportation (Continued)

The operating contract with First Transit at Pomona compensated the contractor based on contractually determined rates for bus revenue miles. First Transit also received a fixed fee for indirect overhead, eliminating rate differentials for decreases or increases in bus revenue miles. The mileage rates are subject to adjustment in June of each year based on changes in the CPI for the year ending the previous May. The Pomona service expense was \$26,710,162 and \$26,146,820 for the years ended June 30, 2017 and 2016, respectively.

In May 2016, TransDev was awarded a four-year contract with one four-year option for the operating services at the Arcadia Facility effective July 2016.

The operating contract with TransDev at the Arcadia facility compensates the contractor on a fixed monthly fee and an agreed rate per revenue mile and rate per revenue hour based on actual miles operated. Foothill Transit's related expense for service at the Arcadia Facility was \$39,556,606 and \$30,019,488 for the years ended June 30, 2017 and 2016, respectively.

On a combined basis, the contractors provided performance bonds totaling approximately \$10.5 million for the protection of Foothill Transit.

Note 8: Commitments and Contingencies

a. Operating Lease Commitments

Foothill Transit leases certain facilities under long-term lease agreements. Foothill Transit leases space for a Transit Store in the Puente Hills Mall. This lease was executed on July 5, 2013, and expires on August 31, 2023, with renewable options for ten years. Monthly rent includes a base amount of \$2,674 plus additional charges for marketing, taxes and insurance. Currently, the additional charges total \$4,603 for a total monthly rent of \$7,277. Rent expense for the years ended June 30, 2017 and 2016, was \$98,602 and \$98,749.

b. Capital Commitments

Foothill Transit has a commitment to purchase 13 new Electric buses for a total cost of \$11,292,000, including sales taxes, design and build services for City of Covina Transit Center and Park and Ride for \$13,484,000, and bus on-board computer equipment for \$10,020,000.

c. Legal Matters

In the ordinary course of business, Foothill Transit is subject to certain lawsuits and other potential legal actions. In the opinion of management, such matters will not have a material effect on the financial statements of Foothill Transit.

FOOTHILL TRANSIT

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Notes to Financial Statements

June 30, 2017 and 2016

Note 9: Operating Lease Income

Foothill Transit is the lessor in several non-cancellable operating leases for surplus office space in the administrative offices building. Two of the administrative offices building's six floors are leased. The first floor is leased to Chase Bank and the fourth floor is leased to three different entities. The leases expire at various dates between August 2018 and April 2027. The historical cost of the two leased floors approximates \$5,982,412, representing one third of the building cost. At June 30, 2017 and 2016 the carrying value of the leased space was \$3,710,079 and \$3,918,250 net of accumulated depreciation of \$2,272,333 and \$2,064,162 respectively.

The future minimum lease rentals in the aggregate for each of the five succeeding fiscal years are:

Year Ending June 30	Lease Revenue
2018	\$ 417,457
2019	396,811
2020	398,420
2021	400,694
2022	403,036
Total	\$ 2,016,418

Note 10: Risk Management

Foothill Transit carries commercial insurance to protect against potential losses, including coverage for the following: commercial general liability, excess liability, public officials and employee liability, computer equipment (including media and data protection), commercial property (including personal property and business income), and pollution liability (including loss remediation or legal expense coverage).

Foothill Transit also requires its contract transit operators to provide, as a contract requirement, insurance coverage naming Foothill Transit as an additional insured on their commercial general liability, automobile liability, excess liability, and workers compensation policies.

There were no reductions in coverage or claims in excess of coverage during the fiscal years ended June 30, 2017, 2016, and 2015, nor were there any claims payments made during the year or claims payable at the end of the year.

Note 11: Defined Contribution Retirement Plan

Effective July 1, 2014, Foothill Transit adopted the ICMA Retirement Corporation Governmental Money Purchase Plan and Trust ("the 401(a) Plan") and the ICMA Retirement Corporation Governmental 457 Deferred Compensation Plan and Trust ("the 457 Plan"), for all full-time employees of Foothill Transit. Benefit and contribution terms for the plans are established and may be amended by the Board of Directors; however, the plan is administered by a third party, ICMA Retirement Corporation. Foothill Transit contributes 8% of the employee's salary to the 401(a) Plan with no matching requirements, plus an additional dollar for dollar employer match of up to 4% more. Foothill Transit contributed \$540,943 and \$491,447 to the 401(a) Plan during fiscal year 2017 and 2016, respectively.

FOOTHILL TRANSIT

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Notes to Financial Statements

June 30, 2017 and 2016

Note 11: Defined Contribution Retirement Plan (Continued)

Participants are 100% vested immediately. Employees are permitted to make contributions to the 457 plan, up to applicable Internal Revenue Code limits. There are no employer contributions to the 457 Plan. As of June 30, 2017 and 2016, the balance invested in both plans by both employees and Foothill Transit totaled \$3,385,612 and \$1,800,028 respectively. There was no liability outstanding for either plan as of June 30, 2017 or 2016.

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**STATISTICAL
SECTION**

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FOOTHILL TRANSIT
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STATISTICAL SECTION

This part of Foothill Transit’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the agency’s overall financial health.

CONTENTS	Page Number
Financial Trends	31
These schedules contain trend information to help the reader understand how the agency’s financial performance and well-being have changed over time.	
Revenue Capacity	37
These schedules contain information to help the reader assess the agency’s most significant local revenue sources and taxes.	
Debt Capacity	40
These schedules present information to help the reader assess the affordability of the agency’s current levels of outstanding debt and the agency’s ability to issue additional debt in the future.	
Demographic and Economic Information	41
These schedules offer demographic and economic indicators to help the reader understand the environment within which the agency’s financial activities take place.	
Operating Information	43
These schedules contain service and infrastructure data to help the reader understand how the information in the agency’s financial report relates to the services the agency provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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FOOTHILL TRANSIT

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FINANCIAL TRENDS NET POSITION

Last Ten Fiscal Years

Fiscal Year	Net Investment in Capital Assets	Unrestricted	Total Net Position
2008	154,957,324	25,035,711	179,993,035
2009	166,570,890	24,794,654	191,365,544
2010	153,466,484	24,673,168	178,139,652
2011	152,768,075	24,550,008	177,318,083
2012	152,006,110	24,751,704	176,757,814
2013	148,897,686	25,382,942	174,280,628
2014	184,208,626	23,779,619	207,988,245
2015	201,831,874	29,455,331	231,287,205
2016	200,276,321	37,861,516	238,137,837
2017	210,142,128	36,848,616	246,990,744

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(A JOINT POWERS AUTHORITY)

FINANCIAL TRENDS CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Operating Expense	Operating Income (Loss)	Nonoperating Revenues/ Expenses	Income/(Loss) Before Contributions	Capital Contributions	Change in Net Position
2008	18,170,179	84,949,972	(66,779,793)	50,739,546	(16,040,247)	6,605,753	(9,434,494)
2009	18,291,655	84,782,327	(66,490,672)	49,642,554	(16,848,118)	28,220,627	11,372,509
2010	18,186,656	85,141,072	(66,954,416)	45,444,021	(21,510,395)	8,284,503	(13,225,892)
2011	18,507,098	77,336,333	(58,829,235)	41,320,176	(17,509,059)	16,687,490	(821,569)
2012	19,585,484	80,246,868	(60,661,384)	42,831,809	(17,829,575)	17,269,306	(560,269)
2013	19,550,489	82,534,239	(62,983,750)	44,012,132	(18,971,618)	16,494,432	(2,477,186)
2014	19,907,140	88,037,934	(68,130,794)	45,949,812	(22,180,982)	55,888,599	33,707,617
2015	20,070,304	96,020,737	(75,950,433)	56,182,234	(19,768,196)	43,067,156	23,298,960
2016	18,531,384	101,711,307	(83,179,923)	62,643,667	(20,536,256)	27,386,888	6,850,632
2017	17,571,558	112,415,920	(94,844,362)	72,848,673	(21,995,689)	30,848,596	8,852,907

Source: Foothill Transit Finance Department

FOOTHILL TRANSIT

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FINANCIAL TRENDS OPERATING REVENUE BY SOURCE

Last Ten Fiscal Years

Fiscal Year	Farebox and Bus Pass Revenue	Special Services	Dial-A-Ride	Liquidated Damages	Other Revenue	Total
2008	16,503,879	862,745	542,873	235,350	25,332	18,170,179
2009	16,811,793	612,964	583,902	204,050	78,946	18,291,655
2010	16,454,980	744,039	594,913	251,950	140,774	18,186,656
2011	17,238,311	386,031	667,633	124,200	90,923	18,507,098
2012	18,496,259	204,227	729,537	97,100	58,361	19,585,484
2013	18,441,434	254,517	714,543	33,000	106,995	19,550,489
2014	18,845,702	259,313	699,493	-	102,632	19,907,140
2015	18,890,298	337,229	693,605	26,550	122,622	20,070,304
2016	17,144,739	391,381	701,303	77,111	216,850	18,531,384
2017	16,082,346	346,487	868,758	133,800	140,167	17,571,558

Source: Foothill Transit Finance Department

FOOTHILL TRANSIT

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FINANCIAL TRENDS NON-OPERATING REVENUES AND EXPENSES

Last Ten Fiscal Years

Fiscal Year	Operating Grants	Interest	Gain (Loss) on Disposal of Assets	Other Revenues (Expenses)	Property Management Revenue (Expense)	Total Other Revenue
2008	49,553,761	939,589	(20,191)	(35,491)	301,878	50,739,546
2009	48,801,545	454,230	70,373	(41,694)	358,100	49,642,554
2010	45,830,120	54,695	(746,515)	(47,137)	352,858	45,444,021
2011	41,388,504	36,145	105,429	-	(209,902)	41,320,176
2012	43,206,876	75,137	3,154	(197,324)	(256,034)	42,831,809
2013	43,775,320	101,057	320,719	-	(184,964)	44,012,132
2014	45,821,966	113,695	155,520	-	(141,369)	45,949,812
2015	50,816,890	142,093	214,472	4,928,098 ¹	80,681	56,182,234
2016	57,267,820	399,728	18,730	4,878,412 ¹	78,977	62,643,667
2017	68,777,964	466,489	121,056	3,435,272 ¹	47,892	72,848,673

¹ Compressed Natural Gas (CNG) fuel tax refund

Source: Foothill Transit Finance Department

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

FINANCIAL TRENDS OPERATING EXPENSES

Last Ten Fiscal Years

Fiscal Year	Purchased Transportation	Fuel Cost	Salaries & Benefits	Special Services	Dial-A-Ride Expenditures	Professional Services	Advertising	General & Administrative	Depreciation Expense	Total
2008	46,832,993	11,016,127	6,290,700 ¹	513,214	531,911	1,043,942	396,868	2,340,172	15,984,045	84,949,972
2009	47,926,526	9,042,246	6,617,100 ¹	412,170	572,315	1,098,836	337,098	1,969,613	16,806,423	84,782,327
2010	45,777,304	7,300,610	6,870,100 ¹	440,220	583,545	912,625	259,169	2,455,503	20,541,996	85,141,072
2011	42,546,290	6,369,946	6,450,062 ¹	224,755	656,265	1,113,036	216,422	2,250,497	17,509,060	77,336,333
2012	44,700,314	5,899,524	7,293,707 ¹	131,384	718,033	1,264,497	318,188	2,288,971	17,632,250	80,246,868
2013	44,936,529	5,834,816	7,927,140 ¹	168,930	702,729	1,187,901	397,940	2,406,636	18,971,618	82,534,239
2014	47,199,412	5,944,334	5,282,937	144,953	687,442	3,561,061 ²	401,793	2,635,020	22,180,982	88,037,934
2015	52,737,534	5,223,294	5,463,016	233,241	681,421	3,717,814 ²	419,360	2,848,762	24,696,294	96,020,736
2016	56,166,308	5,385,427	6,133,544	267,684	688,961	3,722,103 ²	577,093	3,355,518	25,414,669	101,711,307
2017	66,266,768	6,185,549	6,386,062	266,925	856,305	3,464,219 ²	418,213	3,140,918	25,430,961	112,415,920

Source: Foothill Transit Finance Department

¹ Represents management expenses paid to private contractor for day-to-day administrative and operational functions

² Professional expenses including transit stores and facilities management

FOOTHILL TRANSIT

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FINANCIAL TRENDS CAPITAL ASSETS GRANT CONTRIBUTIONS

Last Ten Fiscal Years

Fiscal Year	Proposition "C"	Federal Transit Administration	State Transit Assistance ¹	Measure R	Transportation Development Act	Prop 1B/Homeland Sec/ CARB/LCTOP	Total
2008	626,354	2,082,899	44,645		3,136,855	715,000	6,605,753
2009	5,666,928	18,957,172	-		3,440,035	156,492	28,220,627
2010	1,319,670	6,453,233	-		337,734	173,866	8,284,503
2011	2,734,459	12,998,934	-		637,113	316,984	16,687,490
2012	5,970,133	10,618,400	-		113,824	566,949	17,269,306
2013	2,578,725	8,678,882	-		412,909	4,823,916	16,494,432
2014	9,609,877	44,339,636	-		1,078,143	860,943	55,888,599
2015	1,921,510	33,933,762	-		790,151	6,421,733	43,067,156
2016	2,652,026	11,029,256	-		1,931,806	11,773,800	27,386,888
2017	7,322,862	17,466,212		27,368	2,645,459	3,386,695	30,848,596

Source: Foothill Transit Finance Department

¹ Starting FY 2009, all State Transit Assistance (STA) were used for operating expenses

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

REVENUE CAPACITY

TAX REVENUES: FOOTHILL TRANSIT AND LOS ANGELES COUNTY

Last Ten Fiscal Years (In Thousands)

Fiscal Year	Foothill Transit ²							Los Angeles County ¹					
	TDA ³	STA ⁴	Prop "A" ⁵	Prop "C" ⁵	Measure "R" ⁵	Total	% of LA County	TDA ³	STA ⁴	Prop "A" ⁵	Prop "C" ⁵	Measure "R" ⁵	Total
2008	24,482	3,247	13,951	7,675	-	49,355	2.54%	377,268	80,204	743,829	743,986	-	1,945,287
2009	23,059	8,667	13,800	7,665	-	53,191	2.62%	366,790	225,465	719,109	719,309	-	2,030,673
2010	14,962	-	13,461	7,576	5,260	41,259	2.17%	280,300	-	605,884	606,135	411,953	1,904,272
2011	14,254	3,825	14,170	7,620	6,663	46,532	2.29%	297,280	62,806	557,825	525,786	589,852	2,033,549
2012	17,434	3,296	17,211	7,851	7,901	53,693	2.47%	323,557	64,853	584,632	564,068	638,260	2,175,370
2013	17,441	4,890	16,945	7,971	7,886	55,133	2.33%	323,625	123,231	634,154	639,043	644,738	2,364,791
2014	20,830	3,913	17,783	10,808	9,352	62,686	2.31%	380,801	115,609	725,902	743,472	749,228	2,715,012
2015	21,866	2,744	18,201	11,089	9,903	63,803	2.27%	398,212	93,259	757,434	780,796	782,800	2,812,501
2016	21,548	3,378	18,770	11,320	10,527	65,542	2.33%	387,834	107,481	766,981	770,535	776,551	2,809,382
2017	22,941	1,842	20,640	11,675	10,412	67,510	2.34%	406,281	58,942	800,299	804,880	811,065	2,881,467

Source: LA Metro funding allocations

- 1) Total LA County Transit Tax Revenues
- 2) Share of Tax Revenues Allocated to Foothill Transit through Formula Allocation Program
- 3) Transportation Development Act (TDA) 1/4% of statewide sales tax revenues allocated to Transportation
- 4) State Transit Assistance (STA) 50% of statewide gasoline taxes allocated to Public Transit
- 5) Los Angeles County sales tax measures, each 1/2% of all sales for a total of 1 1/2 % for all three

FOOTHILL TRANSIT
(A JOINT POWERS AUTHORITY)

**REVENUE CAPACITY
ANNUAL FAREBOX AND BUS PASS REVENUE**

Last Ten Fiscal Years

Fiscal Year	Cash	Passes	Stored Value	EZ Transit Passes	Other Revenue ¹	Total
2008	10,643,410	3,232,105	1,306,149	1,296,241	25,974	16,503,879
2009	10,831,738	3,085,010	1,404,858	1,462,852	27,335	16,811,793
2010	10,179,166	2,777,711	1,951,048	1,518,315	28,740	16,454,980
2011	10,965,031	3,230,792	1,836,503	1,172,952	33,033	17,238,311
2012	11,328,797	3,172,065	2,325,421	1,581,058	88,918	18,496,259
2013	10,885,442	3,178,410	2,335,453	1,456,385	585,744 ²	18,441,434
2014	10,039,652	4,112,118	2,673,097	1,387,708	633,127	18,845,702
2015	9,878,356	4,439,522	2,920,388	1,002,420	649,612	18,890,298
2016	8,988,245	3,717,431	3,112,977	726,594	599,492	17,144,739
2017	8,330,050	3,435,100	3,067,576	651,677	597,943	16,082,346

Source: Foothill Transit Finance Department

¹ Other Revenue includes Access dues, Metrolink transfers, and city subsidies.

² Increase in Other Revenue starting FY 2013 was due to new agreement with Access Services

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

REVENUE CAPACITY CASH FARES

Last Ten Fiscal Years

Fiscal Year	Local			SilverStreak (Local Plus)			Commuter Express ³		
	Adult	Senior/ Disabled ¹	Student ²	Adult	Senior/ Disabled ¹	Student ²	Adult	Senior/ Disabled ¹	Student ²
2008	1.00	0.50	1.00	2.50	1.25	2.50	4.40	4.40	4.40
2009	1.00	0.50	1.00	2.50	1.25	2.50	4.40	4.40	4.40
2010 ⁴	1.25	0.50	1.25	2.75	1.35	2.75	4.90	4.90	4.90
2011	1.25	0.50	1.25	2.75	1.35	2.75	4.90	4.90	4.90
2012	1.25	0.50	1.25	2.75	1.35	2.75	4.90	4.90	4.90
2013	1.25	0.50	1.25	2.45 ⁵	1.15 ⁵	1.15 ⁵	4.90	4.90	4.90
2014	1.25	0.50	1.25	2.45	1.15	1.15	4.90	4.90	4.90
2015	1.25	0.50	1.25	2.45	1.15	1.15	4.90	4.90	4.90
2016	1.25	0.50	1.25	2.45	1.15	1.15	4.90	4.90	4.90
2017	1.25	0.50	1.25	2.45	1.15	1.15	4.90	4.90	4.90

Source: Foothill Transit Finance Department

¹ Includes Medicare eligible customers

² Includes K-12 and college eligible customers

³ Commuter Express Service is only operated during peak service periods

⁴ Fare increase effective June 27, 2010

⁵ Silver2Silver Program fare adjustment October 2012

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

DEBT CAPACITY OUTSTANDING DEBT

Last Ten Fiscal Years

Fiscal Year	Capital Lease	Total Debt	Annual Passengers	Debt per Passenger
2008	1,600,000	1,600,000	14,561,890	0.11
2009	1,300,000	1,300,000	14,203,429	0.09
2010	1,000,000	1,000,000	14,272,436	0.07
2011	1,000,000	1,000,000	13,750,232	0.07
2012	1,000,000	1,000,000	13,860,335	0.07
2013	-	-	14,079,592	-
2014	-	-	14,522,170	-
2015	-	-	14,596,534	-
2016	-	-	13,584,135	-
2017	-	-	13,561,124	-

Source: Foothill Transit Finance Department

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

DEMOGRAPHIC AND ECONOMIC INFORMATION STATISTICS FOR LOS ANGELES COUNTY

Last Ten Fiscal Years

Fiscal Year	Unemployment Rate ¹	Population ² (000)	School Enrollment ³ '(000)	Personal Income ¹		Consumer Price Index ⁵	
				Total (000)	Per Capita	Value	% Change
2008	7.60%	10,341	1,649	567,707	44,462	225.0	5.40%
2009	11.60%	10,409	1,632	550,831	42,784	223.2	-2.60%
2010	12.50%	9,824	1,574	410,674	41,791	225.9	1.21%
2011	12.20%	9,860	1,590	420,913	42,564	231.9	2.90%
2012	10.90%	9,911	1,575	455,789	45,800	236.6	1.60%
2013	9.80%	10,013	1,785	466,099	46,530	239.2	1.23%
2014	8.20%	10,069	1,564	472,387	28,337	242.4	1.35%
2015	6.60%	10,170	1,539	544,325	53,521	244.6	0.91%
2016	5.20%	10,138	1,564	554,592 ⁴	54,530 ⁴	249.2	1.89%
2017 ⁶	5.20%	10,241	1,511	566,146 ⁴	55,667 ⁴	254.4	2.08%

Source: Foothill Transit Finance Department

¹ Employment Development Department

² State of California Department of Finance, based on prior calendar year

³ California Department of Education

⁴ Data not available, amounts increased by CPI

⁵ US Department of Labor Statistics

⁶ Current year information based in mid year estimates EDD

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

DEMOGRAPHIC AND ECONOMIC INFORMATION TEN PRINCIPAL EMPLOYERS LOS ANGELES COUNTY

2016 and 2014

Employer	2016			2014		
	Number of Employees	Percentage of Total	Rank	Number of Employees	Percentage of Total	Rank
County of Los Angeles	107,500	2.25%	1	96,500	2.09%	1
Los Angeles Unified School District	90,800	1.90%	2	59,600	1.29%	2
City of Los Angeles	49,500	1.04%	3	46,900	1.01%	3
University of California, Los Angeles	46,200	0.97%	4	44,000	0.95%	4
Federal Government	45,000	0.94%	5	43,400	0.94%	5
Kaiser Permanente	36,900	0.77%	6	36,000	0.78%	6
State of California	29,900	0.63%	7	29,200	0.63%	7
University of Southern California	18,900	0.40%	8	14,700	0.32%	11
Northrop Grumman Corp.	16,600	0.35%	9	17,000	0.37%	8
Target Corp	15,000	0.31%	10	15,000	0.32%	9
Providence Health & Services	13,000	0.27%	13	15,000	0.32%	10
All Other Employers	4,309,500	90.18%		4,208,900	90.98%	
Total	4,778,800	100.00%		4,626,200	100.00%	

Source: Los Angeles Almanac; California Employment Development Department

1) Most current information available

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

OPERATING INFORMATION OPERATING AND CAPITAL INDICATORS

Last Ten Fiscal Years

Fiscal Year	Buses	Maintenance Facilities	Routes	Vehicle Service Hours (000)	Cost/Vehicle Service Hr.	Boarding/Vehicle Service Hr	Passengers (000)	Farebox Recovery Ratio
2008	314	2	36	768	87.53	19.5	14,974	24.55%
2009	314	2	36	767	87.20	19.4	14,848	25.10%
2010	316	2	35	746	85.19	19.4	14,437	25.95%
2011	300	2	35	671	88.63	20.8	13,985	29.00%
2012	314	2	39	672	83.40	20.7	13,909	32.39%
2013	314	2	35	687	91.97	20.5	14,080	29.20%
2014	330	2	35	705	92.62	20.6	14,522	28.91%
2015	330	2	36	760	93.07	19.0	14,596	26.71%
2016	361	2	37	790	95.30	17.0	13,584	22.76%
2017	380	2	39	872	98.47	15.6	13,561	18.73%

Source: Foothill Transit Finance Department

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

OPERATING INFORMATION FULL-TIME EQUIVALENT BY FUNCTIONS

Last 4 Fiscal Years

Fiscal Year	Employees	Purchased Transportation			Total
	Administrative Office	Arcadia Facility	Pomona Facility	Transit Stores	FTE
2014	39	n/a	n/a	n/a	n/a
2015	43	n/a	n/a	n/a	n/a
2016	45	424	357	20	846
2017	52	490	360	23	926

Note: Prior to FY 2014, Foothill Transit contracted with a third party contractor to perform management services, thus there were no FTE data available in prior years. Starting in FY 2016, the agency began reporting to California State Controllers's Office.

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

OPERATING INFORMATION MISCELLANEOUS STATISTICS

Date Formed:	December 1988
Type of Organization:	Joint Powers Authority
Membership:	22 Los Angeles County Cities and County of Los Angeles
Number of Executive Board Members:	5
Number of Employees:	52
Type of Tax Support:	Proposition A ½ of 1% Sales tax Proposition C ½ of 1% Sales tax Measure R ½ of 1% Sales tax
Service Area:	San Gabriel & Pomona Valleys, Los Angeles County, CA
Contract services provided by:	TransDev Keolis Transit Services LLC
Number of Buses in Fleet:	
Compressed Natural Gas Powered	363
Electric Powered	17
Operational and Maintenance Facilities:	2
Sales Outlets (Transit Stores):	4
Bus Routes/Lines:	
Express	9
Local	30
Bus Stops	2,050
Annual Service Hours ¹	871,922
Annual Passengers ¹	13,561,124
Average Weekday Boardings ¹	45,620

Source: Foothill Transit Finance Department

1) Fiscal year 2016-2017

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COMPLIANCE REPORTS

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FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Transportation</u>			
Direct Programs			
Federal Transit Administration:			
Federal Transit Cluster:			
Section 5309 - Capital Investment Grant	20.500	CA-04-0093	\$ 168,552
Section 5307 - Formula Grant	20.507	CA-2016-054	16,743,270
Section 5307 - Formula Grant	20.507	CA-90-Z226	554,390
			<u>17,297,660</u>
Total Federal Transit Cluster			<u>17,466,212</u>
Total U.S. Department of Transportation			<u>\$ 17,466,212</u>

Note a: Refer to Note 1 to the schedule of expenditures of federal awards for a description of significant accounting policies used in preparing this schedule.

Note b: Total amount provided to sub recipients during the year was \$0.

FOOTHILL TRANSIT

(A JOINT POWERS AUTHORITY)

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Foothill Transit, for the year ended June 30, 2017. 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 Foothill Transit, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Foothill Transit.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Foothill Transit has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 2: Federal Transit Cluster

These programs were established to assist public transportation corporations with planning, capital, and operating assistance. The programs are reimbursable grants based on an approved application and expenses incurred.

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

To the Board of Directors
Foothill Transit (A Joint Powers Authority)
West Covina, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Foothill Transit as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Foothill Transit's basic financial statements, and have issued our report thereon dated October 16, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Foothill Transit's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Foothill Transit's internal control. Accordingly, we do not express an opinion on the effectiveness of Foothill Transit'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 Foothill Transit's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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.

Crowe Horwath LLP

Crowe Horwath LLP

Los Angeles, California
October 16, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

To the Board of Directors
Foothill Transit (A Joint Powers Authority)
West Covina, California

Report on Compliance for Each Major Federal Program

We have audited Foothill Transit's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Foothill Transit's major federal programs for the year ended June 30, 2017. Foothill Transit's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Foothill Transit's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Foothill Transit's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Foothill Transit's compliance.

Opinion on Each Major Federal Program

In our opinion, Foothill Transit 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, 2017.

Report on Internal Control Over Compliance

Management of Foothill Transit is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Foothill Transit's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Foothill Transit's internal control over compliance.

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

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

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

Crowe Horwath LLP

Crowe Horwath LLP

Los Angeles, California

October 16, 2017

FOOTHILL TRANSIT
(A JOINT POWERS AUTHORITY)

Schedule of Findings and Questioned Costs
June 30, 2017

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No
Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards:

Internal Control over major federal programs:
Material weakness(es) identified? _____ Yes X No
Significant deficiency(ies) identified? _____ Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major federal programs:

CFDA 20.507 / 20.500 Federal Transit Cluster

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

Auditee qualified as low-risk auditee? X Yes _____ No

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None



FOOTHILL TRANSIT
(A JOINT POWERS AUTHORITY)

Summary Schedule of Prior Year Findings
June 30, 2017

There were no findings or questioned costs in the prior year.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE TRANSPORTATION DEVELOPMENT ACT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

To the Board of Directors
Foothill Transit (A Joint Powers Authority)
West Covina, California

Report on Compliance with Transportation Development Act

We have audited Foothill Transit's compliance with the types of compliance requirements described in the Transportation Development Act (TDA) Conformance Auditing Guide, the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Guidelines, and the Low Carbon Transit Operations Program (LCTOP) Final Guidelines published by the State of California Department of Transportation (collectively, "Transportation Development Act"), that could have a direct and material effect on Foothill Transit's compliance with the Transportation Development Act for the year ended June 30, 2017.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the Transportation Development Act.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Foothill Transit's Transportation Development Act program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Transportation Development Act. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Transportation Development Act program occurred. An audit includes examining, on a test basis, evidence about Foothill Transit's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Transportation Development Act program. However, our audit does not provide a legal determination of Foothill Transit's compliance.

Opinion on the Transportation Development Act Program

In our opinion, Foothill Transit complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Transportation Development Act program for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Foothill Transit is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Foothill Transit's internal control over compliance with the types of requirements that could have a direct and material effect on the Transportation Development Act program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the Transportation Development Act program and to test and report on internal control over compliance in accordance with the Transportation Development Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Foothill Transit's internal control over compliance.

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

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

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

Crowe Horwath LLP
Crowe Horwath LLP

Los Angeles, California
October 16, 2017

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE
PROPOSITION A AND PROPOSITION C DISCRETIONARY PROGRAMS, AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

To the Board of Directors
Foothill Transit (A Joint Powers Authority)
West Covina, California

Report on Compliance with Proposition A and Proposition C Discretionary Programs

We have audited Foothill Transit's compliance with the types of compliance requirements described in the Proposition A and Proposition C Local Return Guidelines and the Memorandums of Understanding for Proposition A 40% Discretionary Grant Funds and Proposition C 40% Discretionary Funds approved by Los Angeles County Metropolitan Transportation Authority (LACMTA) (collectively "Proposition A and Proposition C Discretionary Programs"), that could have a direct and material effect on Foothill Transit's compliance with the Proposition A and Proposition C Discretionary Programs for the year ended June 30, 2017.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to Proposition A and Proposition C Discretionary Programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Foothill Transit's Proposition A and Proposition C Discretionary Programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Proposition A and Proposition C Discretionary Programs. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Proposition A and Proposition C Discretionary Programs occurred. An audit includes examining, on a test basis, evidence about Foothill Transit's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Proposition A and Proposition C Discretionary Programs. However, our audit does not provide a legal determination of Foothill Transit's compliance.

Opinion on the Proposition A and Proposition C Discretionary Programs

In our opinion, Foothill Transit complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Proposition A and Proposition C Discretionary Programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Foothill Transit is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Foothill Transit's internal control over compliance with the types of requirements that could have a direct and material effect on the Proposition A and Proposition C Discretionary Programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the Proposition A and Proposition C Discretionary Programs and to test and report on internal control over compliance in accordance with the Proposition A and Proposition C Discretionary Programs, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Foothill Transit's internal control over compliance.

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

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

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

Crowe Horwath LLP

Crowe Horwath LLP

Los Angeles, California
October 16, 2017

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE MEASURE R PROGRAM AND
REPORT AND ON INTERNAL CONTROL OVER COMPLIANCE**

To the Board of Directors
Foothill Transit (A Joint Powers Authority)
West Covina, California

Report on Compliance with Measure R Program

We have audited Foothill Transit's compliance with the types of compliance requirements described in Measure R Local Return Guidelines issued by Los Angeles County Metropolitan Transportation Authority (LACMTA) and the Memorandum of Understanding Article 4 – Audit and Reporting Requirements between LACMTA and Foothill Transit (collectively "Measure R Program"), that could have a direct and material effect on Foothill Transit's compliance with the Measure R Program for the year ended June 30, 2017.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the Measure R Program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Foothill Transit's Measure R Program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Measure R Program. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Measure R Program occurred. An audit includes examining, on a test basis, evidence about Foothill Transit's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Measure R Program. However, our audit does not provide a legal determination of Foothill Transit's compliance.

Opinion on the Measure R Program

In our opinion, Foothill Transit complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Measure R Program for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Foothill Transit is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Foothill Transit's internal control over compliance with the types of requirements that could have a direct and material effect on the Measure R Program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the Measure R Program and to test and report on internal control over compliance in accordance with the Measure R Program, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Foothill Transit's internal control over compliance.

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

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

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

Crowe Horwath LLP
Crowe Horwath LLP

Los Angeles, California
October 16, 2017

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October 27, 2017

To: Executive Board

Subject: **Foothill Transit Class Pass Update**

Recommendation

Receive and file the Foothill Transit Class Pass Update.

Background

In 2014 Foothill Transit's Executive Board directed staff to pursue expanding the student rider program to colleges throughout the San Gabriel and Pomona Valleys. Since then the Foothill Transit Class Pass Program has implemented programs at three local college campuses. The Class Pass program has contributed increased student ridership, high student participation, and enthusiastic college students and staff.

Foothill Transit currently has Class Pass programs at Mount San Antonio College (Mt. SAC), University of La Verne, and Citrus College. All of these colleges began with a Foothill Transit funded pilot program which led to adoption of the Class Pass through a student vote or school board approval. The two student referenda votes passed with an average of 76 percent of students approving of the program and assessing themselves a fee to fund the program.

In March 2014 the Executive Board approved a Class Pass subsidy rate of \$0.60 per boarding for all Class Pass campuses. In the recent fare restructuring this subsidy rate was increased to \$0.75 per boarding. Staff is working with each campus individually to assist them in planning for the increase in fees, by fall 2018 all Class Pass campuses will be reimbursing Foothill Transit \$0.75 per boarding.

The Class Pass Programs that began in 2014 at Mt. SAC and the University of La Verne have proven to be very successful. With the expiration of the 3 semester pilot program, both schools opted to continue with the fee based Class Pass program.

Recently, the University of La Verne completed the construction a large campus parking structure and since it opened Class Pass ridership has declined. Campus parking is free to students, which encourages students to drive their cars rather than taking the bus.



Citrus College is the newest Class Pass campus, the two semester Pilot program ended in spring 2017. During the pilot, Foothill Transit offered local and Silver Streak service at no cost for two semesters beginning fall 2016. The pilot allowed Foothill Transit to gather accurate ridership data to project the cost to the college to continue the program beyond the pilot phase. During the second semester of the pilot, Foothill Transit representatives discussed the projected cost of the program with the college’s administrators and students voted on a student fee structure that would fund the program going forward. In May 2017, Citrus College students voted to approve the fee structure with 81 percent of students supporting the program and fees. This semester, fall 2017, Foothill Transit began to collect the subsidy from Citrus College.

Below is a chart with the ridership for the three Class Pass Campuses. Decrease in ridership can be seen, which reflects ridership declines we have seen throughout Foothill Transit service.

Boardings	University of La Verne	Mt. SAC	Citrus College
March – April 2016	4,702	158,142	N/A
March – April 2017	3,564	139,461	42,135

Marketing for the Class Pass at each campus has been a large part of the program planning. Having direct contact with students gives us the opportunity to hear directly from students what is going well and what can be improved on. Foothill Transit staff participates in campus events at the beginning of the semester and throughout the school year. This level of interaction helps Foothill Transit to continue to be responsive to our customers needs and reaches students that may not have been aware of the Class Pass.

Expanding the Class Pass program to other San Gabriel Valley colleges and universities is also continuing. Staff is currently planning on a spring 2018 launch of a Class Pass Pilot at the Claremont Colleges. This program will include all seven Universities that make up the Claremont Colleges, as well as faculty and staff. The pilot program will consist of a two semester program that will be free of charge to Claremont. During the fall semester of 2018 a continuation of the Class Pass will be discussed going forward. Logistically,



this program is more difficult because of the seven separate Universities, but staff and campus administrators are meeting regularly to work through all the details. The campus is excited about the opportunity to provide the pilot to their students.

Foothill Transit has also had conversations with Cal Poly Pomona through a committee that President Coley created to research and discuss the possible launching of the Class Pass program. President Coley instructed the Dean of the College of Environmental Design to put together a group on campus that would research the feasibility of piloting the Class Pass. Staff is scheduled to attend a meeting of this committee in early November to answer their questions and talk about the possibility of launching a Class Pass Pilot program at Cal Poly Pomona.

Budget Impact

There is no budget impact from the recommended action.

Sincerely,

Katie Gagnon
Budget and Grants Manager

Doran J. Barnes
Executive Director



October 27, 2017

To: Executive Board

Subject: **Double-Decker Electric Bus Purchase**

Recommendation

Authorize the Executive Director to negotiate final terms and conditions and enter into a contract with Alexander Dennis in the amount of \$3,360,000 plus applicable sales tax for the purchase of two 40-foot Alexander Dennis electric double-decker buses.

Analysis

During the week of October 3-7, 2016, Foothill Transit demonstrated an Alexander Dennis double-decker bus to: 1) assess bus performance on the Silver Streak route; 2) solicit feedback from customers, coach operators, and mechanics; and 3) identify any issues that might impact dwell time.

The Silver Streak line was selected because it is among Foothill Transit's highest ridership lines and it provides limited-stop service. During the demonstration period the bus ride was free and Foothill Transit staff served as onboard ambassadors to distribute surveys to customers and respond to their questions. The bus transported 726 passengers and logged approximately 450 miles during the demonstration period. Although the bus used in the demonstration was powered by a clean diesel engine, Foothill Transit's plan is to procure an extended range, battery-electric powered double-decker bus.

In August 2016, Foothill Transit was awarded a \$1.458 million grant through the FY 2016 Metro ExpressLanes Net Toll Revenue Reinvestment Grant Program. These funds plus other local funds will be used to procure two Alexander Dennis all-electric double-decker buses on our Silver Streak service, which operates on the ExpressLanes corridor.

Passenger Survey Results

As part of the demonstration, 431 surveys that queried riders on their opinion of the bus were collected. The survey asked customers to provide feedback on their overall impressions of the vehicle, and how they would rate specific characteristics from 1 (poor) to 5 (excellent).



The overall response to this double-decker demo was overwhelmingly positive. Over 93 percent of respondents said they would like to see Foothill Transit use double deckers in the future.

Deploying two Alexander Dennis electric double-decker buses along the I-10 corridor will be transformative for Los Angeles and for the United States. No other transit agency in the country utilizes this technology on fixed-route, commuter, or limited-stop service. Additionally, this project fulfills the goals set forth by the State of California and regional planning bodies to improve transit and address sustainability. The utilization of electric buses and high-capacity buses will allow Foothill Transit to increase ridership capacity while reducing greenhouse gas (GHG) emissions. As with our entire electric bus program, we continue to learn from each expansion, and we fully expect that the deployment of these vehicles will continue this experience as we will, once again, be first in the nation to deploy this particular type of electric transit bus.

The two pilot buses will be built at Alexander Dennis' manufacturing plant in Nappanee, Indiana and will achieve 70 percent Buy America content. In addition, they will be built to the same standards at the Altoona tested prototype to provide continuity for any additional orders that may be placed.

Budget Impact

The FY2016/2017 Metro ExpressLanes Net Toll Revenue Reinvestment Grant and other local funds are included in the approved FY2017/2018 Business Plan and Budget.

Sincerely,



Roland M. Cordero
Director of Maintenance & Vehicle Technology



Doran J. Barnes
Executive Director



October 27, 2017

To: Executive Board

Subject: **Foothill Transit EXIS Table Top Exercise Overview**

Recommendation

Receive and file the Foothill Transit EXIS Table Top Exercise Overview.

Analysis

On September 13, Foothill Transit hosted a security preparedness table top exercise. The exercise was facilitated by the Transportation Security Administration (TSA) and focused on prevention, protection, and response. TSA was created in 2001 to strengthen the security of the nation's transportation systems and ensure the freedom of movement, which includes aviation and surface transportation.

The Exercise Information System (EXIS) tool was recently created by TSA. EXIS is a web based exercise tool that helps design, develop, and document transportation exercises through a flexible framework. Some of the features of EXIS include transportation-specific objectives, a comprehensive inventory of scenarios, templates for documenting the exercise process, and information sharing capability.

The primary objectives of the table top exercise were to validate processes and procedures already in place and to identify areas for improvement. In addition to Foothill Transit administration staff, Keolis staff, Transdev staff, and the West Covina Police and Fire Departments also participated in the exercise. Throughout the course of the exercise, there were five core capabilities being tested using various scenarios. These capabilities included intelligence and information sharing, planning, public information and warning, protection, and operational coordination.

The discussion-based exercise helped participants gain key insights into each other's roles and responsibilities during emergency situations. This provides a good opportunity to improve coordination and collaboration efforts with regards to preparedness and response to a potential security threat or incident. Further, our team identified areas in which to strengthen security preparedness with additional training opportunities and exercises.



Initial response from the TSA team who were onsite to present the scenarios and observe and report on our level of preparedness indicated that Foothill Transit staff, contractors, and local first responders demonstrated very effective coordination and communication. The TSA will be providing a follow up report on the table top exercise, and their observations and recommendations will be used to enhance our ongoing safety efforts.

Budget Impact

The cost of the table top exercise was borne by the TSA as part of the Intermodal Security Training and Exercise Program.

Sincerely,

Ali Showkatian
Safety Compliance Manager

Doran J. Barnes
Executive Director



October 27, 2017

To: Executive Board

Subject: **Contract Award - CNG Bus Procurement**

Item will be provided under separate cover.



October 27, 2017

To: Executive Board

Subject: **Contract Award - Pomona Operations and Maintenance Facility Renovations**

Recommendation

Authorize the Executive Director to enter into Agreement No. 16-054 with IPI Construction in the amount of \$255,047 for construction activities related to the facility renovations at the Pomona Operations & Maintenance Facility.

Analysis

On February 24, 2017 the Executive Board authorized the issuance of IFB No. 16-054 for construction activities related to the facility renovations at the Pomona Operations and Maintenance Facility.

On October 3, 2017 a Job Walk and Pre-Bid conference were conducted and five potential bidders attended. Bids were received on October 17, 2017. The lowest responsive and responsible bidder was IPI Construction. IPI Construction is a local full-service general contractor specializing in new commercial construction and renovations projects. IPI has recently completed several interior renovation projects for the federal government's General Services Administration (GSA) local office, as well as other local government agencies.

Some elements of the Pomona Operations and Maintenance Facility renovations include:

- New workspace configuration at dispatch office to accommodate new CAD/AVL equipment
- Exterior and interior livery update to match Foothill Transit's brand
- New paint in administrative offices and hallways
- New carpeting in administrative offices and select conference rooms
- Surface preparation and painting of maintenance building interior walls, ducts and conduits
- Concrete slab repairs at bus yard



Foothill Transit

Executive Board Meeting

Executive Board Meeting - 10/27/17
Contract Award - Pomona Operations and Maintenance
Facility Renovations
Page 2

Budget Impact

Funding is included in Foothill Transit's approved Fiscal Year 2017-2018 budget for facility maintenance and upgrades.

Sincerely,

A handwritten signature in blue ink, appearing to read "VS".

Vincent Saucedo
Construction Project Manager

A handwritten signature in blue ink, appearing to read "Dor".

Doran J. Barnes
Executive Director



October 27, 2017

To: Executive Board

Subject: **Fiscal Year 2017-2018 First Quarter Performance Indicators Report**

Recommendation

Receive and file the FY2017-2018 First Quarter Performance Indicators Report.

Analysis

This report provides an analysis of Foothill Transit's performance indicators for the First Quarter of Fiscal Year 2017-2018. Foothill Transit monitors a number of factors in evaluating the service provided to the public. There are key performance indicators that record the bus system safety, courtesy, and reliability standards, along with industry-standard measurements which are monitored to assess transit operations.

In the First Quarter, Foothill Transit achieved two out of eight key performance indicator goals. The performance indicator targets met for the quarter are: average miles between service interruptions and average cost per vehicle service hour.

Further detail on each performance measure including a description and analysis to account for the variances between reporting periods follows in this section of the item. Foothill Transit's performance indicators are summarized below:

- **Boardings** – Total boardings recorded by the farebox in the First Quarter was 3,093,076 – which is 12 percent lower than during the same period last fiscal year.
- **Fare Revenue** – Total fare revenue in the First Quarter was \$3.77 million. The average fare was \$1.23 per boarding.
- **Operating Expenses** – Operating expenses incurred this quarter totaled \$23.4 million, resulting in an average cost per service hour of \$108.13.
- **Accidents** – The system averaged 0.93 preventable accidents per 100,000 miles in the First Quarter.
- **Customer Complaints** – Foothill Transit received 32.3 complaints per 100,000 boardings in the First Quarter. This is 50 percent higher than last fiscal year.



- **Schedule Adherence** – In The First Quarter, Foothill Transit recorded 81.6 percent on-time performance. This is a two percent decrease from last fiscal year.

Analysis

In order to accomplish its mission, Foothill Transit has the following goals:

- Goal 1:** Operate a safe transit system.
- Goal 2:** Provide outstanding customer service.
- Goal 3:** Operate an effective transit system.
- Goal 4:** Operate an efficient transit system.

These goals provide a framework for performance indicators to quantify and measure how well Foothill Transit is performing. Performance indicators are derived from data collected from a variety of sources including the fareboxes on buses, the SMARTBus CAD/AVL system, reports from the operations contractors, and financial performance data.

Overall System Performance

Foothill Transit's overall system performance is based on several key indicators. These include total ridership, fare revenues, vehicle service hours, and total operating expenses.

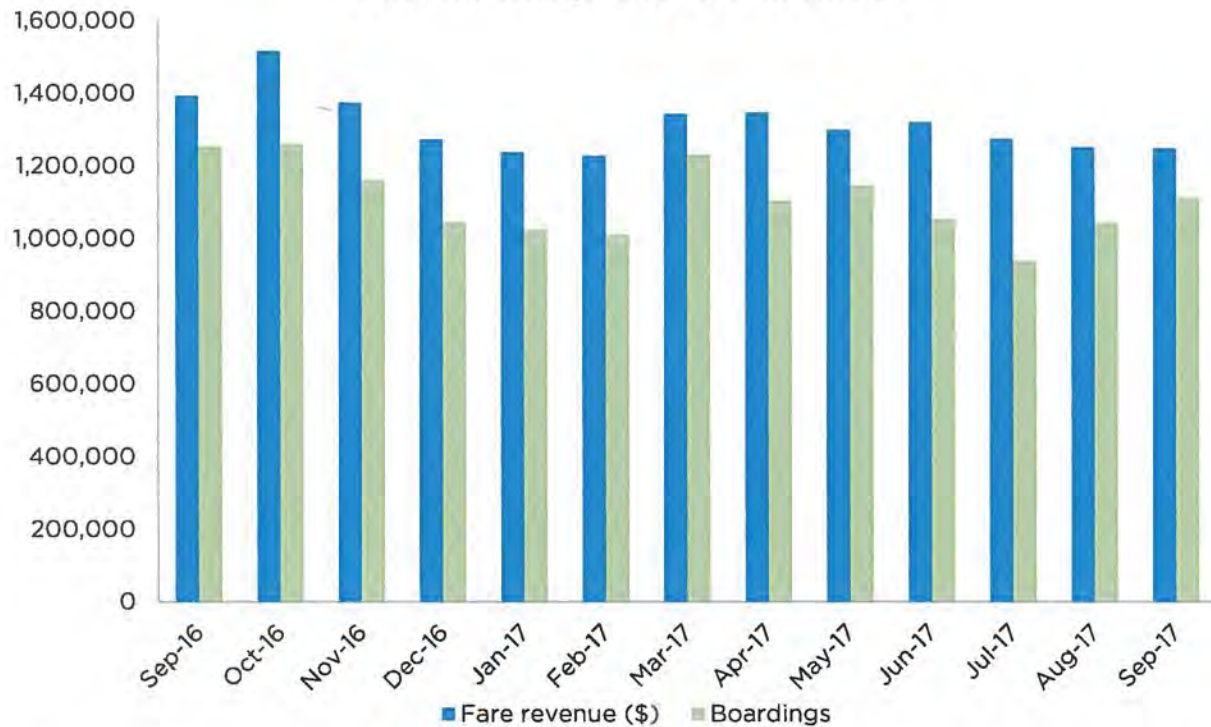
Total Boardings and Total Fare Revenues

In the First Quarter of FY2017-2018, there were 3,093,076 boardings on Foothill Transit buses. When compared with the previous fiscal year, ridership decreased by 12 percent. This year to year variance is due to a confluence of factors, not the least of which may be rising housing prices in the San Gabriel and Pomona Valleys, which is pricing out many transit riders, thus leading to demographic changes within Foothill Transit's service area. Foothill Transit is participating in a regional study along with the other transit operators in L.A. County to identify causes and solutions to the ridership declines being experienced countywide and nationwide. Staff will continue to monitor ridership in the coming months for any impacts as a result of the fare restructuring and service enhancements that will go into effect in October, as well as the passage of Senate Bill 1, which will increase gas taxes and vehicle fees.

Due to the decline in ridership, total fare revenue in the First Quarter fell by nine percent from the same period last year, to \$3.77 million.



Total Boardings and Fare Revenues



Vehicle Service Hours and Operating Expenditure

Foothill Transit operated 216,417 service hours in the first quarter of FY17-18, which represents a two percent decrease compared to the same period last fiscal year.

In the First Quarter, Foothill Transit incurred \$23.4 million in operating expenses, which is six percent higher compared to the previous fiscal year. Variance between the First Quarter of FY16-17 and the First Quarter of FY17-18 expenses is due to higher costs associated with the new Pomona operations and maintenance contract, which went into effect in July of this year.

Goal 1: Operate a Safe Transit System

Foothill Transit's primary goal is to operate a safe transit system. Foothill Transit monitors system safety by tracking the number of preventable accidents incurred for every 100,000 miles of vehicle operation.

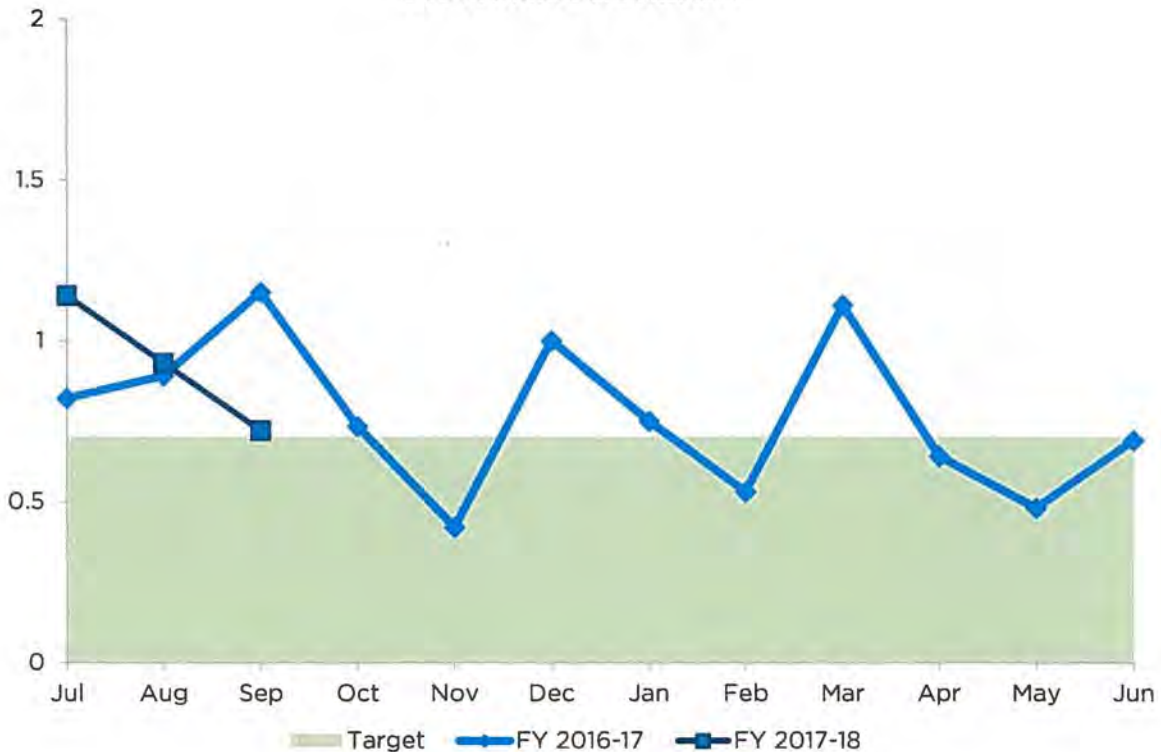


Preventable Accidents per 100,000 Miles

In FY2017-2018, Foothill Transit has adopted the standard of 0.70 or fewer preventable accidents per 100,000 mile. There were 0.93 preventable accidents per 100,000 miles in the First Quarter, which is a five percent decrease compared to the same period last fiscal year. The Quarter began with 1.14 preventable accidents per 100,000 miles, however, accidents steadily declined by 37 percent from July to September, with 0.72 preventable accidents per 100,000 miles in September. Preventable accidents in the First Quarter resulted primarily from coaches making contact with fixed objects (41 percent) and sideswipes (30 percent).

Keolis' and Transdev's safety committees, which are comprised of operators and administrative staff members meet on a monthly basis to go over trends, hazardous locations, facility improvements and other safety related matters. The committees then propose an action plan, which is subsequently reviewed and approved by the General Manager prior to implementation.

Preventable Accidents





Goal 2: Provide Outstanding Customer Service

Foothill Transit measures this goal by monitoring the following categories: schedule adherence, average miles between service interruptions, and complaints per 100,000 boardings for customers calling the customer service line.

Schedule Adherence

Foothill Transit measures its schedule adherence using the industry standard metric of on-time performance (OTP). OTP is calculated by evaluating a vehicle's adherence to time points in the planned schedule. A trip is considered on-time if it departed the time point no more than five minutes late and not early. Foothill Transit has adopted a goal of 83 percent or higher OTP for this fiscal year. In the First Quarter, Foothill Transit averaged 81.6 percent OTP for the entire system, which doesn't meet the target and is two percent lower than the previous fiscal year. Quality Assurance staff continue to monitor the SMARTBus system in real-time to ensure that the bus service runs in accordance with the schedule. Staff continue to work closely with the contractors to identify areas for improvement.

Schedule Adherence



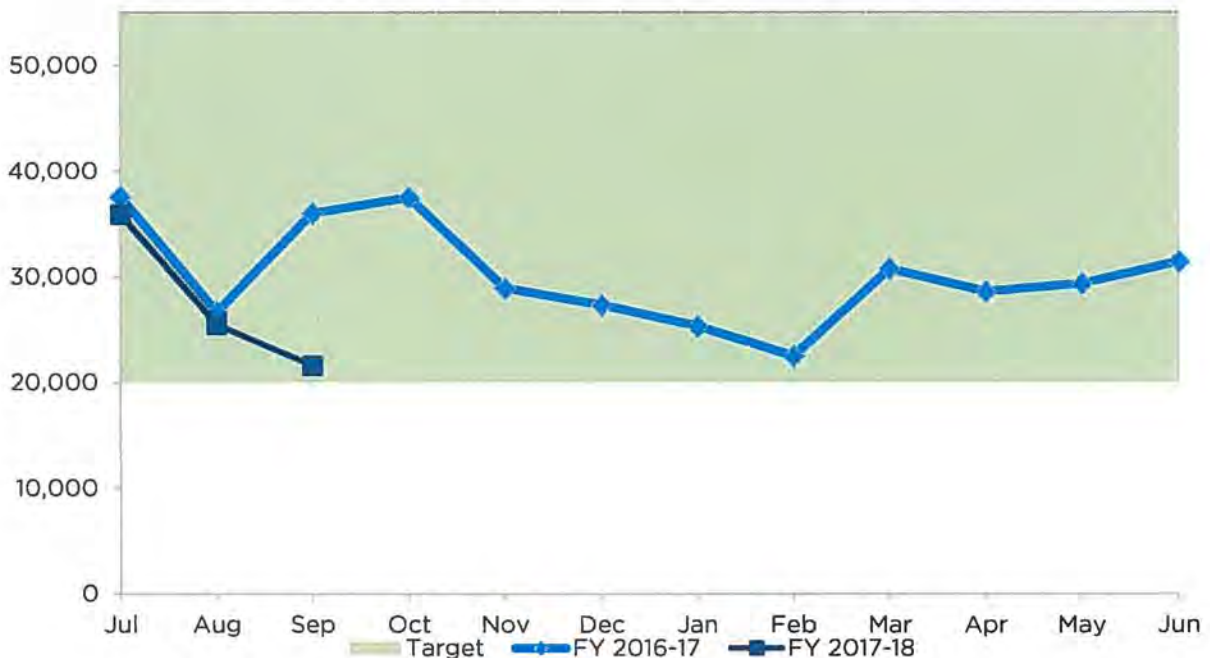


Average Miles between Service Interruptions

Average miles between service interruptions is a maintenance performance indicator that measures the miles between mechanical roadcalls of a vehicle used during revenue service resulting in a service delay of more than five minutes. In the First Quarter, Foothill Transit averaged 27,663 miles between service interruptions as reported by the operations contractors. Foothill Transit exceeded the maintenance reliability goal of at least 20,000 miles between service interruptions and the metric is 17 percent lower compared to the same period last fiscal year.

As older bus models have been retired and replaced by newer buses, the average age of the fleet has decreased, resulting in an improvement in mechanical reliability. Furthermore, the 1600-series buses, which are used on the Silver Streak Service, are currently undergoing a heavy maintenance campaign that includes a refurbishing of the interior space, technology updates, a repainting with Foothill Transit's new livery, and an engine rebuild, thus further increasing reliability and decreasing the frequency of mechanical breakdowns that would result in customer delays. Careful monitoring of roadcalls by Foothill Transit staff have helped to identify trends in types of mechanical failures and these are being used to advise targeted bus maintenance efforts.

Average Miles between Service Interruptions





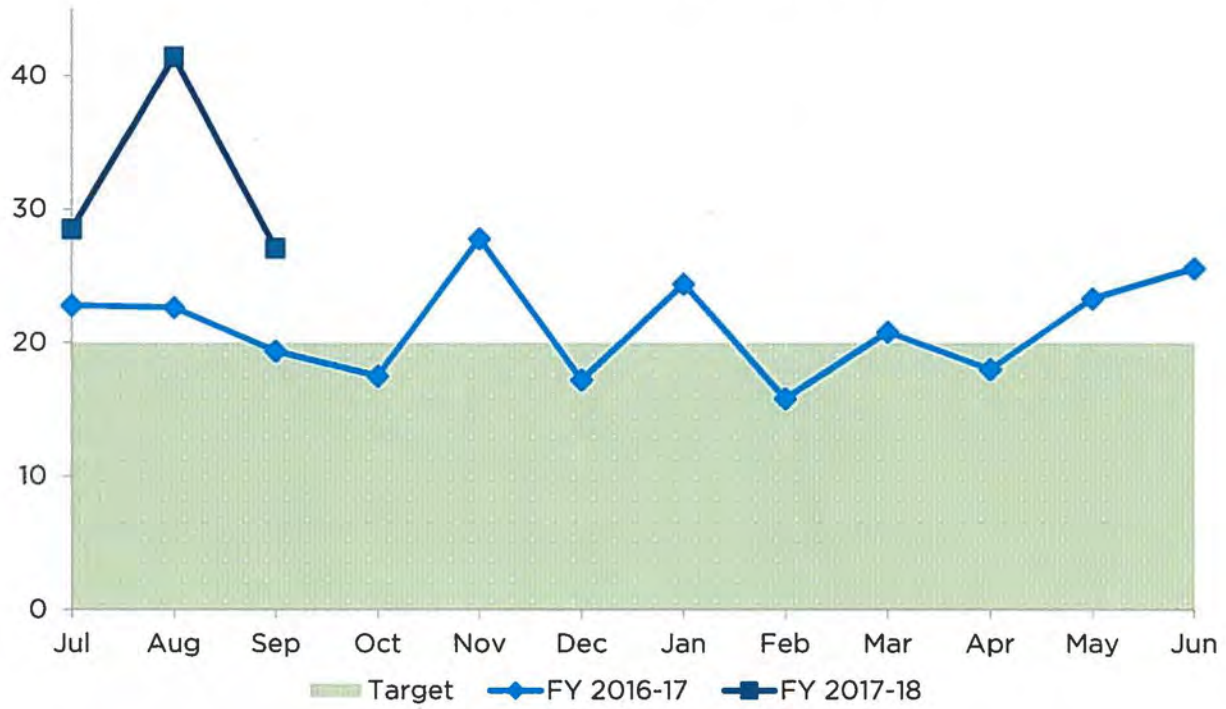
Complaints per 100,000 Boardings

Customer complaints are counts of incidents where a customer reports dissatisfaction with the service. All customer complaints received by Foothill Transit are subject to an investigative process which ensures all customers receive a response and allows Foothill Transit to determine if a complaint is valid. Investigations include contacting the customer and reviewing the SMARTBus system, dispatch logs, on-board videos, and/or verbal communication with the coach operator.

In the First Quarter, Foothill Transit received 32.3 complaints per 100,000 boardings, which represents a 50 percent increase compared to the previous fiscal year. This increase is due to a large spike in schedule adherence comments associated with the unanticipated closure of our stop at Figueroa and 9th in early August, which significantly impacted the delivery of express service in Downtown Los Angeles. Due to the closure, operators were forced to utilize a different layover area to stage their buses, which required longer deadhead travel time, thus causing service delays. These delays were compounded by the increase in traffic as a result of the street closure. However, Foothill Transit has secured dedicated layover space at L.A. Metro's Terminal 25, and as a result schedule adherence has since stabilized. In addition, schedule information has been posted at Figueroa and 7th, the new starting point of our eastbound commuter service as well as online and via E-Alerts advising customers of the revised scheduled departure times. We are hopeful that the rash of schedule-related complaints will decrease as the predictability of service delivery downtown continues to improve.



Complaints per 100,000 Boardings





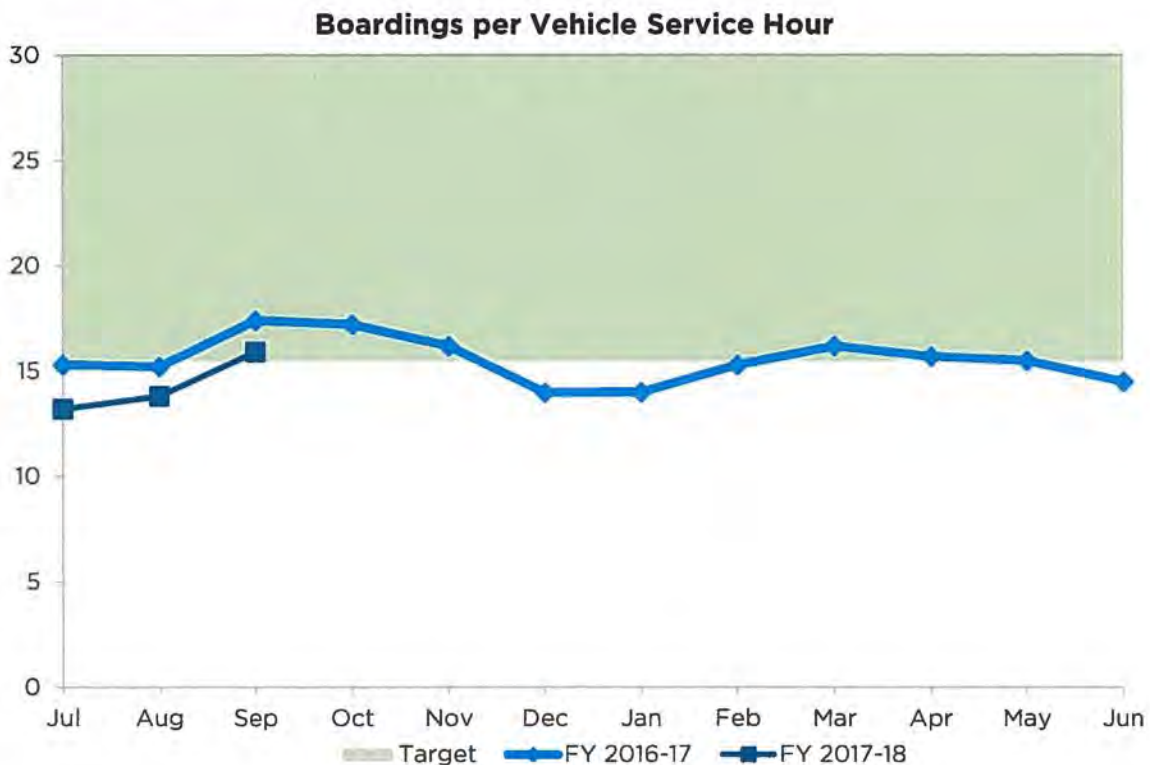
Goal 3: Operate an Effective Transit System

Foothill Transit measures service effectiveness by monitoring boardings per vehicle service hour and average weekday boardings.

Boardings per Vehicle Service Hour

Boardings per vehicle service hour is the total number of boardings divided by the total number of service hours in a given period. In Quarter One, there were 14.3 boardings per vehicle service hour, which doesn't meet the performance target of 15.5 or more boardings per service hour. This is an 11 percent decline compared to the same period the previous year. This variance is due to the decrease in ridership experienced in the First Quarter.

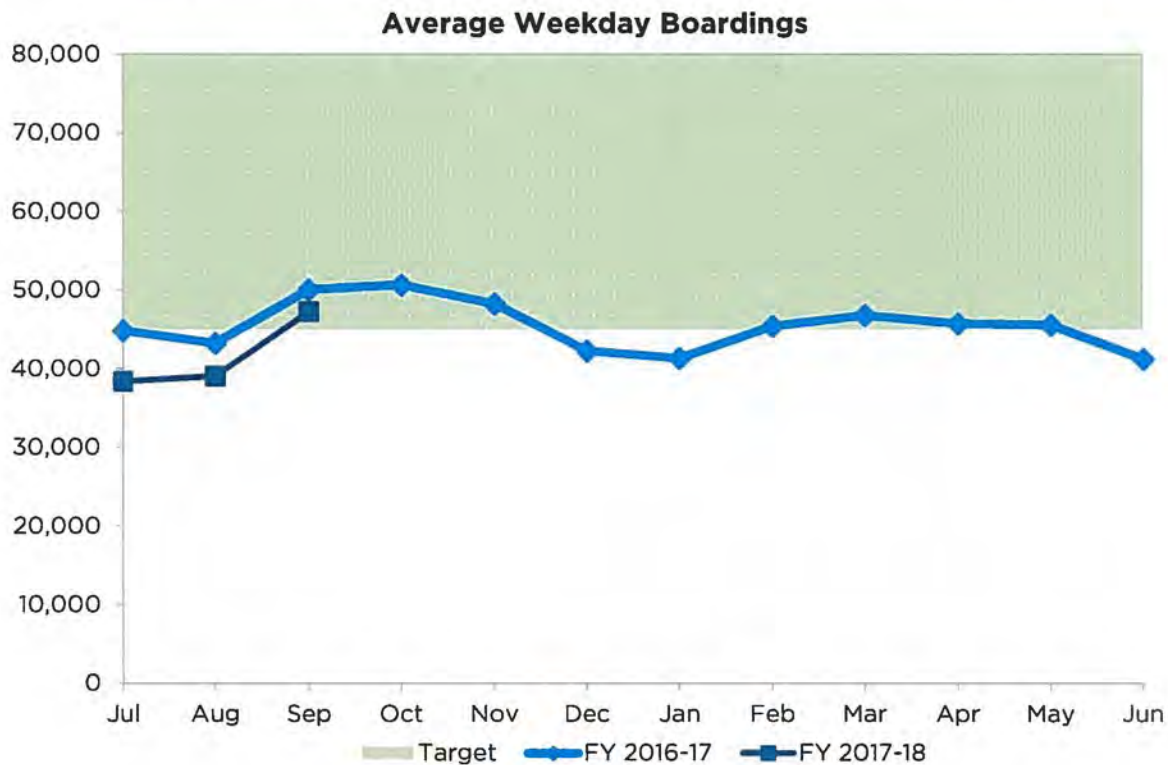
Foothill Transit continues to encourage increased ridership by targeting specific demographics of customers through the Class Pass program and marketing towards schools, religious groups, and senior citizens. Improved data analysis allows Foothill Transit staff to better understand travel demand throughout the service area, therefore assisting them in better planning routes and schedules.





Average Weekday Boardings

The number of average weekday boardings is calculated by dividing the total number of weekday boardings by the number of days with weekday service in a given period. The FY2017-2018 performance target for this metric is to achieve at least 45,034 average weekday boardings. There were 41,550 average weekday boardings during the First Quarter, which is an 11 percent decrease from the same period the previous year and doesn't meet the target. This decrease mirrors the overall drop in boardings for the Quarter.





Goal 4: Operate an Efficient Transit System

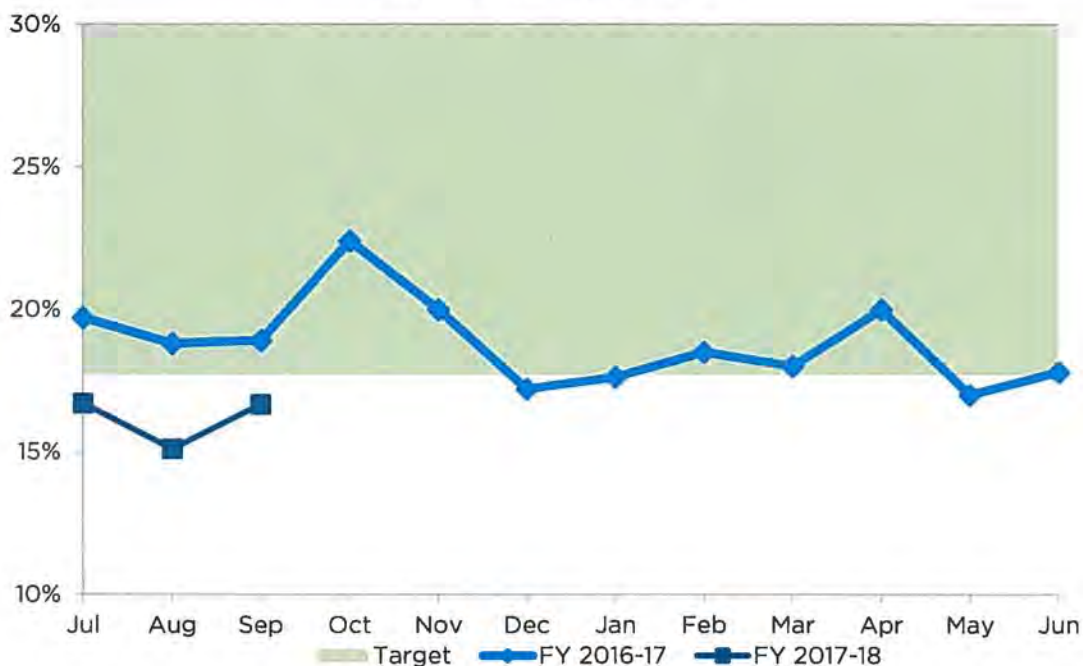
Foothill Transit measures its overall efficient use of available resources by monitoring the average cost per vehicle service hour and farebox recovery ratio.

Farebox Recovery Ratio

Farebox recovery ratio is a measure of the proportion of operating costs recovered by passenger fares. The farebox recovery ratio is calculated by dividing total fare revenue by total operating expense. In the First Quarter, the Farebox Recovery Ratio was 16.1 percent, which doesn't meet the target of 17.7 percent, and is 15 percent lower than the First Quarter of last fiscal year. This variance is due to the aforementioned drop in ridership, as well as an increase in operating expenses due to higher costs associated with the newly procured Pomona operations and maintenance contract, which went into effect in July of this year.

The Transportation Development Act (TDA) stipulates that a minimum ratio of 20 percent of a transit agency's cost of providing service must be met using local funds in order for the transit agency to receive the state sales tax available for public transit purposes. To date, Foothill Transit has met that threshold by applying its farebox revenues.

Farebox Recovery Ratio

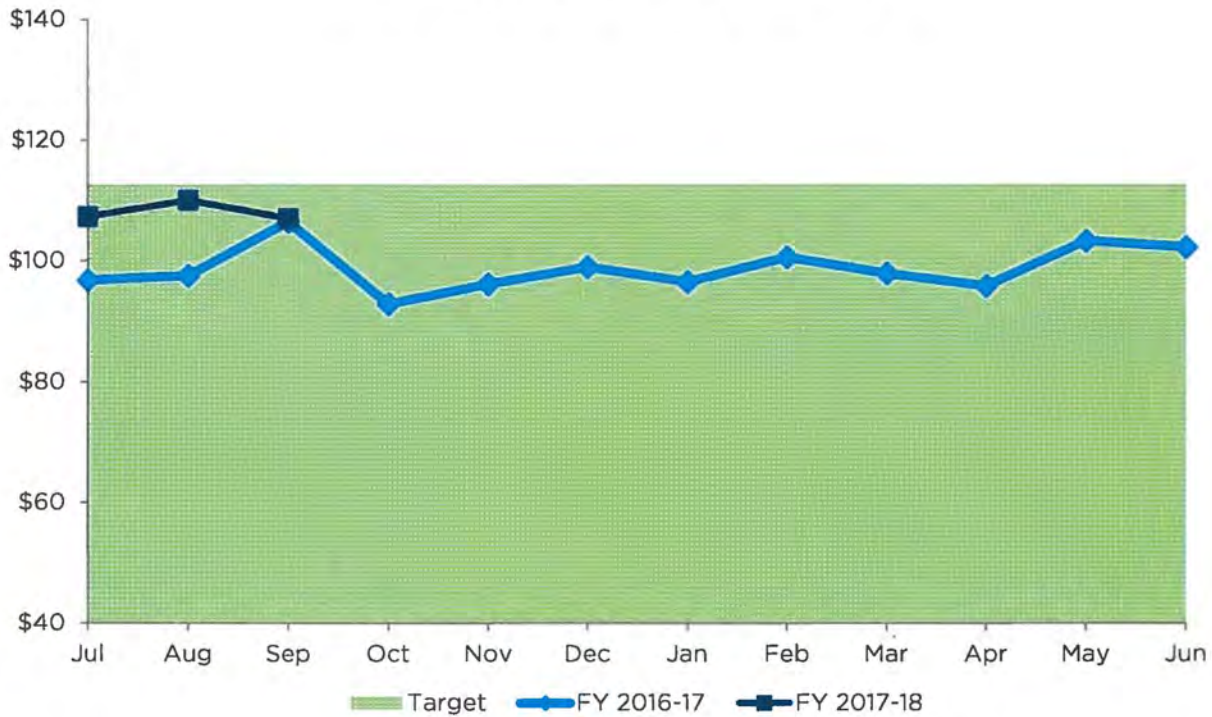




Average Cost per Vehicle Service Hour

Average cost per vehicle service hour is an industry standard utilized to measure the cost efficiency of transit service. It is derived by dividing operating expenses by vehicle service hours. Foothill Transit's average cost per vehicle service hour in the First Quarter was \$108.13, which meets the fiscal year target of less than \$112.63, and is eight percent higher than the previous fiscal year. This variance is due to the increase in operating expenses associated with higher costs of the newly procured Pomona operations and maintenance contract.

Average Cost per Vehicle Service Hour



Sincerely,

Mike Tobin
Quality Assurance Analyst

Doran J. Barnes
Executive Director

**Foothill Transit
Key Performance Indicators
Quarter One**

Goal	Performance Indicator	Q1 FY2017-2018	Met Target?	Q1 FY2016-2017	% Improvement Over Same Month Last Year	FY 2017-2018 YTD	Met Target?	FY 2016-2017 YTD	% Improvement YTD	Performance Target
Overall System Performance	Total Boardings	3,093,076	-	3,522,152	(12%)	3,093,076	-	3,522,152	(12%)	
	Vehicle Service Hours	216,423	-	219,945	(2%)	216,423	-	219,945	(2%)	
	Total Fare Revenue	\$3,773,834	-	\$4,142,715	(9%)	\$3,773,834	-	\$4,142,715	(9%)	
	Total Operating Expense	\$23,401,746	-	\$22,037,672	6%	\$23,401,746	-	\$22,037,672	6%	
Safety	Preventable Accidents per 100,000 Miles	0.93	No	0.95	(2%)	0.93	No	0.95	(2%)	≤ 0.70
Customer Service	Schedule Adherence	81.6%	No	83.1%	(2%)	81.6%	No	83.1%	(2%)	≥ 83%
	Miles Between Mechanical Service Interruptions	27,664	Yes	33,417	(17%)	27,664	Yes	33,417	(17%)	≥ 20,000
	Complaints per 100,000 Boardings	32.31	No	21.5	50%	32.3	No	21.5	50%	≤ 20.00
Effectiveness	Boardings per Vehicle Service Hour	14.3	No	16.0	(11%)	14.3	No	16.03	(11%)	≥ 15.5
	Average Weekday Boardings	41,550	No	46,759	(11%)	41,550	No	46,759	(11%)	≥ 45,034
Efficiency	Farebox Recovery Ratio	16.13%	No	18.9%	(15%)	16.13%	No	18.89%	(15%)	≥ 17.7%
	Average Cost per Vehicle Service Hour	\$108.13	Yes	\$100.09	8%	\$108.13	Yes	\$100.09	8%	≤ \$112.63

Red = did not meet target

**Foothill Transit
Operations Report
Quarter One**

Goal	Performance Indicator	Q1 FY2017-2018	Q1 FY2016-2017	% Improvement Over Same Month Last Year	FY 2017-2018 YTD	FY 2016-2017 YTD	% Improvement YTD
Operations	Average fare per boarding	\$1.23	\$1.19	3%	\$1.23	\$1.19	3%
	Average cost per boarding	\$7.60	\$6.22	22%	\$7.60	\$6.22	22%
	Average subsidy per boarding	\$6.38	\$4.73	35%	\$6.38	\$4.73	35%
	Total vehicle miles	4,286,492	4,515,385	(5%)	4,286,492	4,515,385	(5%)
	Vehicle service miles	3,109,809	3,185,249	(2%)	3,109,809	3,185,249	(2%)
	Total vehicle hours	266,931	291,072	(8%)	266,931	291,072	(8%)
	In-service speed (mph)	14.4	14.5	(1%)	14.37	14.5	(1%)
	Boardings per vehicle service mile	1.00	1.11	(10%)	1.00	1.11	(10%)