

COUNTY OF ALPINE
ALPINE TRANSIT SERVICES

Annual Financial Statements
For the Year Ended June 30, 2018

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statement of Net Position	3
Statement of Revenues, Expenses and Changes in Net Position.....	4
Statement of Cash Flows	5
Notes to the Basic Financial Statements.....	6-11
Other Reports:	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12-13
Independent Auditor's Report on Compliance Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with the Statutes, Rules and Regulations of the California Transportation Development Act, the Allocation Instructions and Resolutions of the Local Transportation Commission and the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) Guidelines	14-15



INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
of the County of Alpine
Markleeville, California

We have audited the accompanying financial statements of Alpine Transit Services of the County of Alpine, as of and for the years ended June 30, 2018 and 2017, and the related notes to the 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Alpine Transit Services' 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 Alpine Transit Services' 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 Alpine Transit Services of the County of Alpine, as of June 30, 2018 and 2017, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

677 Scott Avenue
Clovis, CA 93612

tel 559.299.9540

fax 559.299.2344

Emphasis of Matter

As discussed in Note 1-A, the financial statements present only Alpine Transit Services and do not purport to, and do not present fairly the financial position of the County of Alpine, as of June 30, 2018 and 2017, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis and budgetary comparison schedules that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2019, on our consideration of Alpine Transit Services' 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 Alpine Transit Services' internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
March 29, 2019

COUNTY OF ALPINE**ALPINE TRANSIT SERVICES**

Statement of Net Position

June 30, 2018

(With Comparative Information as of June 30, 2017)

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets:		
Cash and investments	\$ 2,246	\$ -
Accounts receivable	12	-
Interest receivable	49	(36)
Due from other funds	36,382	74,673
Due from other governments	46,604	39,926
Total Current Assets	<u>85,293</u>	<u>114,563</u>
Noncurrent Assets:		
Equipment, net of accumulated depreciation	<u>57,013</u>	<u>58,502</u>
Total Assets	<u>142,306</u>	<u>173,065</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension contributions subsequent to measurement date	6,334	4,861
Pension related deferred outflows of resources	<u>13,251</u>	<u>7,984</u>
Total deferred outflows of resources	<u>19,585</u>	<u>12,845</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	192	1,912
Accrued Salaries and benefits	1,115	1,294
Due to other funds	-	14,864
Unearned revenues	96,166	119,048
Total Current Liabilities	<u>97,473</u>	<u>137,118</u>
Noncurrent Liabilities:		
Net pension liability	<u>62,660</u>	<u>46,133</u>
Total Liabilities	<u>160,133</u>	<u>183,251</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related deferred inflows of resources	<u>3,586</u>	<u>2,097</u>
Total Deferred Inflows of Resources	<u>3,586</u>	<u>3,626</u>
NET POSITION		
Net investment in capital assets	57,013	58,502
Unrestricted	(58,841)	(59,469)
Total Net Position (Deficit)	<u>\$ (1,828)</u>	<u>\$ (967)</u>

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

COUNTY OF ALPINE
ALPINE TRANSIT SERVICES

Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2018

(With Comparative Information for the Year Ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
OPERATING REVENUES		
Passenger fares	\$ 5,370	\$ 6,405
OPERATING EXPENSES		
Salaries and benefits	64,451	50,540
Administrative	20,623	24,433
Fuel and vehicle maintenance	7,976	7,598
Insurance	6,288	646
Depreciation	<u>13,146</u>	<u>16,784</u>
Total Operating Expenses	<u>112,484</u>	<u>100,001</u>
Net Operating Income (Loss)	<u>(107,114)</u>	<u>(93,596)</u>
NON-OPERATING REVENUES (EXPENSES)		
Federal transit administration grant	43,060	35,348
Local Transportation Fund allocation	62,882	41,478
Interest	<u>311</u>	<u>(72)</u>
Total Nonoperating Revenues (Expenses)	<u>106,253</u>	<u>76,754</u>
Income (Loss) Before Contributions	(861)	(16,842)
CAPITAL CONTRIBUTIONS		
Federal transit administration capital grant	-	-
Prop 1B proceeds	-	-
State transit assistance funds	<u>-</u>	<u>-</u>
Total Capital Contributions	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	(861)	(16,842)
Net Position (Deficit), Beginning of Year, as Restated	<u>(967)</u>	<u>15,875</u>
NET POSITION (DEFICIT), END OF YEAR	<u>\$ (1,828)</u>	<u>\$ (967)</u>

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

COUNTY OF ALPINE

ALPINE TRANSIT SERVICES

Statement of Cash Flows

For the Year Ended June 30, 2018

(With Comparative Information for the Year Ended June 30, 2017)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 28,785	\$ 6,405
Payments to employees	(54,883)	(44,321)
Payments to suppliers	(36,607)	(32,319)
Net Cash Used by Operating Activities	(62,705)	(70,235)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest allocations from pooled investments	(139)	(18)
Net Cash Provided by Investing Activities	(139)	(18)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Operating grants and other support	76,747	29,868
Net Cash Provided by Non-Capital Financing Activities	76,747	29,868
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital contribution	-	-
Acquisition of capital assets	(11,657)	(1)
Net Cash Used in Capital and Related Financing Activities	(11,657)	(1)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALANTS	2,246	(40,386)
Cash and Cash Equivalents, Beginning of the Year	-	40,386
Cash and Cash Equivalents, End of the Year	\$ 2,246	\$ -
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating loss	\$ (107,114)	\$ (93,596)
Adjustments to reconcile net loss to net cash provided (used) by operating		
Depreciation	13,146	16,784
Change in assets and liabilities:		
Accounts receivable	(12)	0
Intrafund receivable	23,427	-
Deferred Outflows	(6,740)	(2,499)
Accounts payable	(1,720)	358
Accrued salaries and benefits	(179)	675
Intrafund payables	-	-
Deferred Inflows	(40)	(632)
Net Pension Liability	16,527	8,675
Net Cash Used by Operating Activities	\$ (62,705)	\$ (70,235)

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

COUNTY OF ALPINE
ALPINE TRANSIT SERVICES
Notes to the Basic Financial Statements
June 30, 2018

Note 1: **Summary of Significant Accounting Policies**

The financial statements of the Alpine Transit Services Fund (Fund) are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to governmental agencies. The Fund applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. Reporting Entity

The Fund receives allocations from the Alpine County Local Transportation Commission (Commission) to operate and provide public transit services to Alpine County (County). The Fund is an enterprise fund of the County and is included in their annual report.

The financial statements of the Fund are intended to present the financial position, results of operations and cash flows of only the portion of the funds of the County that is attributable to Transportation Development Act Funds allocated for transit purposes and is not intended to present fairly the financial position and results of operations of the County in conformity with accounting principles generally accepted in the United States of America.

B. Basis of Presentation

The Fund's resources are allocated to and accounted for in these financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used to account for operations 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 where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the Fund gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements and donations. On an accrual basis, revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

An enterprise fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Fund's principal ongoing operations. The principal operating revenues of the Fund are charges to passengers for public transit services. Operating expenses for the Fund include the cost of

COUNTY OF ALPINE
ALPINE TRANSIT SERVICES
Notes to the Basic Financial Statements
June 30, 2018

transit services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Cash in County Treasury

Cash is held by the Fund with the County in an investment pool in order to facilitate the management of cash. On a quarterly basis, the County Treasurer allocates interest to the various funds based upon the average monthly cash balances. Information regarding categorization of investments, risk and fair value reporting can be found in the County's financial statements. The Alpine County Treasury Oversight committee oversees the Treasurer's investment policies and practices.

The Fund adheres to the County's deposit and investment policy that addresses specific types of risk.

Required risk disclosures for the Fund's investment in the County's Investment Pool at June 30, 2018 and 2017, were as follows:

	<u>2018</u>	<u>2017</u>
Credit risk	Not rated	Not rated
Custodial risk	Not applicable	Not applicable
Concentration of credit risk	Not applicable	Not applicable
Interest rate risk (average maturity)	273.6 days	273.6 days

Investments held in the County's investment pool are available on demand and are stated at cost plus accrued interest, which approximates fair value.

E. Cash and Cash Equivalents

For the purpose of the statement of cash flows, all cash and investments with original maturities of three months or less and the Fund's investment in the County's investment pool are considered to be cash equivalents.

F. Capital Assets

Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The Fund defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives. The estimated useful lives of the assets are as follows:

Structure and Improvements	15 - 40 Years
Transit Vehicles and Equipment	7-10 Years

COUNTY OF ALPINE
ALPINE TRANSIT SERVICES
Notes to the Basic Financial Statements
June 30, 2018

G. Net Position

The financial statements utilize a net position presentation. Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources and is displayed in two components:

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt, if any, that are attributable to the acquisition, construction or improvement of these assets reduces the balance in this category.
- *Unrestricted Net Position* – This category represents net position of the Fund not restricted for any project or other purposes.

Sometimes the Fund will expend outlays for a particular purpose from both restricted and unrestricted resources. To determine 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. The Fund considers restricted net position to have been depleted before unrestricted net position is applied.

H. Use of Estimates

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

Note 2: Capital Assets

A summary of changes in capital assets during the year ended June 30, 2018, is as follows:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
Building & Improvements	\$ -	\$ 11,657	\$ -	\$ 11,657
Vehicles and equipment	143,959	-	-	143,959
Accumulated depreciation	(85,457)	(13,146)	-	(98,603)
	<u>\$ 58,502</u>	<u>\$ (1,489)</u>	<u>\$ -</u>	<u>\$ 57,013</u>

COUNTY OF ALPINE
ALPINE TRANSIT SERVICES
Notes to the Basic Financial Statements
June 30, 2018

Note 3: Long-term Liabilities

The following is a summary of long-term liabilities activity for the fiscal year ended June 30, 2018:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018	Amounts Due Within One Year
Net Pension Liability	\$ 46,133	\$ 21,388	\$ (4,861)	\$ 62,660	\$ -
	<u>\$ 46,133</u>	<u>\$ 21,388</u>	<u>\$ (4,861)</u>	<u>\$ 62,660</u>	<u>\$ -</u>

Payments toward the net pension liability are liquidated by annual required contributions generally based on a percentage of salaries which are paid to CalPERS.

Note 4: Fare Revenue Ratio

The Commission allocated funds for transit services within Alpine County. The County is required by the Transportation Development Act to maintain a minimum fare revenue ratio to operating expense of at least 10 percent. On May 4, 2010, the Commission adopted a resolution setting the minimum farebox ratio requirement to 1 percent as allowed by the Transportation Development Act, Section 6633(b) of the California Code of Regulations.

The calculation of the fare revenue ratios for 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Fare revenues	<u>\$ 5,370</u>	<u>\$ 6,405</u>
Operating expenses	\$ 112,484	\$ 100,001
Less: depreciation	<u>(13,146)</u>	<u>(16,784)</u>
Net operating expenses	<u>\$ 99,338</u>	<u>\$ 83,217</u>
Fare revenue ratio	<u>5.41%</u>	<u>7.70%</u>

COUNTY OF ALPINE
 ALPINE TRANSIT SERVICES
 Notes to the Basic Financial Statements
 June 30, 2018

Note 5: Unearned Revenues

A schedule of changes in unearned revenue for the year ended June 30, 2018 is as follows:

	LTF	STA	PTMISEA	TOTAL
Balance, Beginning of Year	\$ 65,814	\$ 38,234	\$ 15,000	\$ 119,048
Allocations	40,000	-	-	40,000
Return of funding	-	-	-	-
Adjustment for prior year expenses	-	-	-	-
Maximum eligibility	(62,882)	-	-	(62,882)
Balance, End of Year	\$ 42,932	\$ 38,234	\$ 15,000	\$ 96,166

Local Transportation Fund Maximum Eligibility

Allocations received from the Commission are recognized as revenues based on a formula provided in California Public Utilities Code of Regulations, Section 6634 which, in general, provides that no transit operator or claimant shall be eligible to receive funds that exceed its operating costs less certain adjustments. Allocations received in excess of this are subject to repayment to the Local Transportation Fund and are deferred and reported as unearned at June 30. It is the policy of the Commission to require carry-over of excess funding to a subsequent year to offset future transit expenses. At June 30, 2018, the Fund had deferred LTF allocations for operating purposes determined as follows:

Maximum amount allowed:	
Operating expenses	\$ 124,142
Adjustments:	
Depreciation	(13,146)
Farebox revenues	(5,370)
FTA operating assistance	(43,060)
Interest revenues	316
Maximum amount allowed	\$ 62,882

Note 6: Insurance and Risk of Loss

The Fund is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Fund is insured against these types of losses through various commercial insurance policies and participates in the County's self-insured risk pool.

COUNTY OF ALPINE
ALPINE TRANSIT SERVICES
Notes to the Basic Financial Statements
June 30, 2018

Note 7: **Fund Employees Retirement Plan (Defined Benefit Plan)**

The Fund is included in the County's reporting entity and as such the Fund's employees are covered under the retirement plan of the County of Alpine.

The County of Alpine contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. PERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by statute. Copies of PERS annual financial report may be obtained from their executive office – Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.

Required disclosure information regarding employees' retirement plan can be found in the County's audited financial statements which may be obtained by contacting the County Finance Office at P.O. Box 266, Markleeville, CA 96120, or by calling 530-694-2284. Audited financial statements are also available at <http://www.alpinecountyca.gov/DocumentCenter/Index/66>.

OTHER REPORTS



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 Supervisors
of the County of Alpine
Markleeville, 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 Alpine Transit Services of the County of Alpine, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Alpine Transit Services' basic financial statements, and have issued our report thereon dated March 29, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Alpine Transit Services' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alpine Transit Services' internal control. Accordingly, we do not express an opinion on the effectiveness of Alpine Transit Services' 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 Alpine Transit Services' 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.

677 Scott Avenue
Clovis, CA 93612
tel 559.299.9540
fax 559.299.2344

Compliance and Other Matters

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

Purpose of this Report

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

Price Pange & Company

Clovis, California
March 29, 2019



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
PUBLIC TRANSPORTATION MODERNIZATION IMPROVEMENT
AND SERVICE ENHANCEMENT ACCOUNT FUND

To the Board of Supervisors
of the County of Alpine
Madera, California

Compliance

We have audited Alpine Transit Services of the County of Alpine compliance with *Section 6666 of the Rules and Regulations of the California Administrative Code* in the Transportation Development Act Statutes and Administrative Code for 1987 (the Act) and the allocation instructions and resolutions of the Commission applicable to the Commission's Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) for the year ended June 30, 2018.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of the Commission's management.

Auditor's Responsibility

Our responsibility is to express an opinion on the Commission's compliance based on our audit.

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 *Section 6666 of the Rules and Regulations of the California Administrative Code* in the Transportation Development Act Statutes and Administrative Code for 1987 (the Act) and the allocation instructions and resolutions of the Commission. Those standards and *Section 6666 of the Rules and Regulations of the California Administrative Code* in the Transportation Development Act Statutes and Administrative Code for 1987 (the Act) and the allocation instructions and resolutions require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the PTMISEA occurred. An audit includes examining, on a test basis, evidence about the Commission'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. Our audit does not provide a legal determination of the Commission's compliance with those requirements.

Opinion

In our opinion, Alpine Transit Services of the County of Alpine complied, in all material respects, with the compliance requirements referred to above that are applicable to the PTMISEA for the year ended June 30, 2018.

Other Matters

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on *Section 6666 of the Rules and Regulations of the California Administrative Code* in the Transportation Development Act Statutes and Administrative Code for 1987 (the Act) and the allocation instructions and resolutions of the Commission. Accordingly, this report is not suitable for any other purpose.

Price Page & Company

Clovis, California
March 29, 2019