



Mountain Rides Transportation Authority

PUBLIC NOTICE

Agenda for Regular Meeting of the Board of Directors

Wednesday, December 18, 2019, 12:30pm

Ketchum City Hall Council Chambers, 480 East Ave. N., Ketchum, ID 83340

***Members:** Chair Kristin Derrig (Ketchum), Vice-Chair Grant Gager (Ketchum), Kathleen Kristenson (Blaine County), Tom Blanchard (Bellevue), Jim Finch (Hailey), Rick Webking (Sun Valley), Peter Hendricks (Sun Valley) and Melody Mattson (at-large)*

1. **Call to Order**
2. **Comments from the Chair, Members and Staff**
3. **Public comment re: items not on the Agenda (and questions from the press)**
4. **Presentation:** Workman & Co. CPAs, FY2019 Audited Financial Statements (p.2-35)
5. **Action item:** Approve/receive/file FY2019 Audited Financial Statements as prepared by Workman & Co. CPAs (p.36)
6. **Action item:** Consent Agenda (p.37)
 - a. Approve: Minutes of Regular Board Meeting, November 20, 2019 (p.38-40)
 - b. Receive/file: Performance Dashboard Report for Nov 2019 (p.41-44)
 - c. Receive/file: Planning & Marketing Committee, Dec 4, 2019, Minutes (p.45)
 - d. Receive/file: Finance & Performance Committee, Dec 4, 2019, Minutes (p.46-47)
 - e. Receive/file: Reports from Director, Community Development; Director, Transit Operations; Director, Finance & Administration; Executive Director (p.48-51)
7. **Action item:** Award Fuel Purchase Contract (Term: Jan 1, 2020 - Dec 31, 2022) (p.52-56)
8. **Action item:** Approve Tire Purchase Quote (p.57-59)
9. **Action item:** Approve Revised FY2020 Capital Budget (p.60-61)
10. **Action item:** Approve Issuance of Purchase Order for Three (3) Heavy-duty Buses (p.62)
11. **Action item:** Elect and Seat Board of Directors' Officers for Calendar Year 2020 (p.63)
12. **Adjourn**

NOTE: Public information on agenda items is available from the Mountain Rides' office at 800 1st Ave. North, Ketchum, or 208-788-7433. Any person needing special accommodation to attend the above noticed meeting should contact Mountain Rides two days prior to the meeting at 208-788-7433.

**MOUNTAIN RIDES
TRANSPORTATION AUTHORITY**

Financial Statements

Year Ended September 30, 2019

MOUNTAIN RIDES TRANSPORTATION AUTHORITY
Financial Statements
For the year ended September 30, 2019

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WORKMAN & COMPANY

Office of
Accounting

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INDEPENDENT AUDITOR'S REPORT

November 18, 2019

Board of Directors
Mountain Rides Transportation Authority
Ketchum, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mountain Rides Transportation Authority, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Mountain Rides Transportation Authority'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 opinions 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 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mountain Rides Transportation Authority, as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report Continued—

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–8 and 19–21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mountain Rides Transportation Authority's basic financial statements. The combining and individual nonmajor fund financial statements 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 presented for purposes of additional analysis 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*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019, on our consideration of the Mountain Rides Transportation Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the Mountain Rides Transportation Authority's internal control over financial reporting and compliance.

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED SEPTEMBER 30, 2019**

This discussion and analysis is intended to provide an overview of Mountain Rides Transportation Authority's financial activities for the fiscal year ended September 30, 2019 (FY2019). Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the Independent Auditor's Report and the Basic Financial Statements that accompany this MD&A.

FINANCIAL HIGHLIGHTS

1. In FY2019, Mountain Rides, as a provider of public transportation services in Blaine County, continued to receive, as a sub-recipient of the Idaho Transportation Department (ITD), significant funding from the Federal Transit Administration (FTA) to underwrite the operation of public transportation services in a rural area (5311 Rural Transportation Grant Funding). In FY2019, Mountain Rides' received \$1,268,065 in regular, anticipated and budgeted 5311 funds plus \$275,000 in additional, unbudgeted one-time 5311 funds.
2. With a two-year funding cycle that commenced October 1, 2018 in effect, Mountain Rides anticipates receiving, as a sub-recipient of the ITD, 5311 federal funding in FY2020 of \$1,268,065, equal to that received in FY2019.
3. In FY2019, Local Funding, from local tax receipts, provided by the cities of Ketchum, Hailey, Sun Valley, Bellevue and Blaine County, increased by four percent (+4%) over FY2018 levels. Mountain Rides relies on Local Funding to help underwrite operations and maintain service levels and to provide the local match required for receipt of federal funding (all federal transit funding programs require that local entities share in the cost of operating and maintaining transit systems). In FY2019, Local Funding was allocated to operating needs and capital needs at a ratio of 80% to operations and 20% to capital accounts.
4. The downtown Ketchum transportation center, a major capital facility project that Mountain Rides has been pursuing in recent years, has been canceled in FY2019.
5. Capital equipment vehicle replacements and refurbishments continued in FY2019, per Mountain Rides' adopted five-year Capital Improvement Plan. Mountain Rides acquired four (4) new vanpool vans funded through the FTA's 5339 funding program.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of two parts: management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 9 and 10) provide information about the activities of Mountain Rides as a whole and present a longer-term view of its finances. Fund financial statements start on page 11. These statements indicate how capital programs and services were financed in the short term as well as what remains for future spending.

FINANCIAL ANALYSIS

Government-wide Financial Statements

Mountain Rides' analysis of its operations as a whole begins on page 9. The Statement of Net Position and the Statement of Activities report information about Mountain Rides' activities and include all assets and liabilities using the modified accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report Mountain Rides' net position and changes in them. Net Position – the difference between assets and liabilities – is one way to measure Mountain Rides' financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether financial health is improving or deteriorating. Other nonfinancial factors, however, such as changes in revenue sources and the overall condition of MR's fleet, aid in assessing overall health. The Net (Expense) Revenue and Changes in Net Position column on the Statement of Activities (on page 10) helps determine whether there are more or fewer financial resources that can be spent in the near future to finance Mountain Rides' programs. Mountain Rides' financial resources for FY2019 were higher (an increase of \$ 307,962) over the prior year. This accumulation of funding was done purposefully in anticipation of future diesel and electric bus purchases.

Fund Financial Statements

The fund financial statements begin on page 11. The Balance Sheets – Governmental funds provides information about Mountain Rides consolidated position, including its Operations Fund and all Capital funds. The Statement of Revenues, Expenditures, and Changes in Fund Balance provides information on the activities of each category of Mountain Rides Funds; its operational activities in General Operations, Capital activities in Capital Projects and its Workforce Housing activities in Work Force Housing. All of Mountain Rides' basic services are reported in General Operations Fund. All funds are reported using an accounting method called modified accrual accounting. This method measures cash and all other financial assets that can be readily converted to cash.

Mountain Rides position as a whole

From FY2018 to FY2019, Mountain Rides' combined net position (Total Assets less Total Liabilities) increased by \$307,962, from \$6,212,706 in FY2018 to \$6,520,668 in FY2019, with a substantial increase in Total Assets offset slightly by a small increase in Total Liabilities. (See Table 1 below.) The increase in Total Assets is primarily the result of an unbudgeted one-time receipt of 5311 funds of \$275,000. Unrestricted net position – the part of net position available to finance day-to-day operations without constraints – rose from \$916,669 at the end of FY2018 to \$1,482,044 at the end of 2019, an increase of 61.7%. A share of this unrestricted net position will be carried over into FY2020 to support operations and capital needs, while an additional portion will be held on-hand as contingency funds to support cash flow needs triggered by delays in receiving federal or local funding, as well as those instigated as a result of unforeseen emergencies. Mountain Rides does not currently have any amount of restricted net position.

The contingency fund in FY2019 remained at ten percent (10%) of annual operating expenses. Mountain Rides intends to increase its capital fund balances in subsequent years in order to ensure adequate levels of local matching funds for underwriting future capital projects, including vehicle replacements and additions, facility maintenance, and bus stop improvements.

**Table 1: Condensed Statement of Net Position - Compared
As of September 30, 2019 and 2018**

	<u>FY 2019</u>	<u>FY 2018</u>
Current Assets:		
Cash and Deposits	\$ 1,190,631	\$ 920,815
Receivables	356,493	29,596
Inventories	81,633	84,008
Total Current Assets	<u>1,628,757</u>	<u>1,034,419</u>
Capital Assets:		
Capital Assets (Net of Depreciation)	<u>5,038,624</u>	<u>5,296,037</u>
Total Assets	\$ <u><u>6,667,381</u></u>	\$ <u><u>6,330,456</u></u>
Current Liabilities	\$ 100,779	\$ 69,228
Long-term liabilities	<u>45,934</u>	<u>48,522</u>
Total Liabilities	<u>146,713</u>	<u>117,750</u>
Net assets:		
Invested in capital assets		
net of related debt	5,038,624	5,296,037
Restricted	-	-
Unrestricted	<u>1,482,044</u>	<u>916,669</u>
Total Net Position	\$ <u><u>6,520,668</u></u>	\$ <u><u>6,212,706</u></u>

Year-over-year, Mountain Rides' Total Revenues increased by five percent (5%), attributable mainly to increased funding from the Cities of Ketchum, Sun Valley, Hailey, and Bellevue, Blaine County and other local funding increased by four percent (+4%) in FY2019 over FY2018. Resulting largely from a year-over-year decrease in Capital Expenditures, Total Expenditures, the total cost of all programs and services, decreased by six percent (-6%) in FY2019 versus FY2018. (See Table 2.)

**Table 2: Statement of Revenues, Expenses,
and Changes in Fund Balance - Compared
For the Fiscal Years Ended September 30, 2019 and 2018**

	FY 2019	FY 2018
Revenues:		
Federal Funding	\$ 1,779,774	\$ 1,648,227
Local Funding	1,437,982	1,385,100
Fare Revenues	387,729	392,889
Charter Bus and Bike Share Revenues	28,574	24,043
Workforce Housing Revenues	29,150	30,925
Advertising	76,150	71,375
Interest from Investments	19,107	9,453
Other Revenues	19,992	31,936
Totals	<u>3,778,458</u>	<u>3,593,948</u>
Expenditures:		
Wages	2,114,663	1,965,963
Fuel	249,202	268,198
Repairs and Maintenance	232,799	212,441
Utilities	25,848	24,907
Contracted Services	32,968	45,668
Marketing and Promotion	36,744	42,899
Insurance	117,725	122,776
Capital Expenditures	293,197	603,539
Supplies	20,125	19,968
Traveling and Training	27,986	33,829
Business Expenses	14,663	6,491
Printing and Reproduction	12,861	15,139
Communication Expense	34,515	39,264
Totals	<u>3,213,296</u>	<u>3,401,082</u>
Excess (Deficiency)	\$ <u>565,162</u>	\$ <u>192,866</u>

General Fund Budgetary Highlights

Mountain rides was awarded one-time 5311 funding of \$275,000 in FY2019 that was not budgeted.

The actual excess of revenues over expenses exceeded the budget by \$333,970; overtime management, tight expense control, and additional revenue being the primary contributors. This excess will be used to underwrite future operations and capital projects.

Capital Funds Budgetary Highlights

Mountain Rides contracted with an Alternative Fuel Technology Consultant to assess different fuel options and to make implementation recommendations. See table 3 Construction in Progress.

Workforce Housing Fund Budgetary Highlights

Mountain Rides maintains five (5) workforce housing units; all were fully occupied for FY2019.

CAPITAL ASSET AND DEBT ADMINISTRATION**Capital Assets**

At the end of FY2019 Mountain Rides had \$5,038,624 invested in a broad range of capital assets, including its Ketchum and South Valley buildings, various bus shelters, vehicles, tools, and equipment. This amount represents a net decrease of \$257,413, or 5 percent, as compared to last year. Disposal of Buses, Vans and Equipment accounted for the majority of the changes. (See Table 3)

Table 3: Capital Assets for all Funds

	<u>FY 2019</u>	<u>FY 2018</u>
Governmental Activities:		
Land	\$ 210,000	\$ 210,000
Construction in Progress	17,614	
Depreciable Capital Assets:		
Buildings and Improvements	4,294,628	4,294,628
Buses and Vehicles	4,946,861	4,880,043
Equipment	145,882	80,737
Totals	<u>9,614,985</u>	<u>9,465,408</u>
Less: Accumulated Depreciation		
Buildings and Improvements	1,249,710	1,130,504
Buses and Vehicles	3,259,026	2,992,067
Equipment	67,625	46,800
Totals	<u>4,576,361</u>	<u>4,169,371</u>
Net Capital Assets	\$ <u>5,038,624</u>	\$ <u>5,296,037</u>

Mountain Rides FY2019 capital budget included \$998,818 for capital projects, principally for the Ketchum Transportation Center project (\$595,625), which was canceled, and for vehicles, equipment, and facility upgrades. Funding for these projects is in place and consists of federal funds, Mountain Rides' cash reserves, and local funds.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND FARES

Mountain Rides board of directors considered many factors when setting the FY2020 budget. With the confirmation of federal funding for operations locked in through FY2020, MRTA is able to maintain service levels. MRTA intends to expand only service that is sustainable, as increasing and then decreasing service leads to reduced ridership as a result of inconsistency and confusion surrounding schedules.

Local funding will see no increase in FY2020 over FY2019. For FY2020, to maintain service levels, MRTA allocated a greater percentage of local funding to operations, with a concomitant decrease in the percentage of local funding allocated to capital equipment funds. The one-time windfall of 5311 funds received in FY2019 will be carried forward to FY2020 and applied to offset the decrease in local capital funding. Mountain Rides will continue to pursue all possible funding opportunities for capital needs and will tailor its capital improvement plan to potential sources of funds.

When setting fares for the Valley Route, Hailey Route and Vanpool Routes, Mountain Rides is keenly aware of the potential negative impacts of fare increases on existing ridership. As a result, Mountain Rides has held its fares steady in recent years and, as of FY2020, eliminated fares on the Hailey Route. Mountain Rides has seen a shift in the type of bus passes purchased. More people are purchasing longer term passes, such as a monthly pass, and riding more frequently. As a result, fare revenue decreased in FY2019 over FY2018 but ridership has increased. This is a positive trend that is expected to continue into 2020. The discussion about whether routes that are currently free should have a fare charged continues to come up and is anticipated to be a discussion topic for future budgets. Dependent on changes in fuel prices, Mountain Rides may need to evaluate additional changes to fares in the coming years.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide all Blaine County citizens and taxpayers, Mountain Rides' customers, and its financial partners with a general overview of its finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact Tucker Van Law, Finance and Administration Director at (208) 788-7433 or tucker@mountainrides.org.

MOUNTAIN RIDES TRANSPORTATION AUTHORITY
Statement of Net Position
at September 30, 2019

**Governmental
Activities**

ASSETS

Current Assets:

Cash and Deposits	\$ 1,190,631
Accounts Receivable	5,738
Federal Grants Receivable	350,755
Inventories	<u>81,633</u>

Total Current Assets \$ 1,628,757

Non-Current Assets:

Land	210,000
Buildings and Improvements	4,312,242
Vehicles and Equipment	<u>5,092,743</u>

Totals	9,614,985
Accumulated Deprecation	<u>(4,576,361)</u>

Total Non-Current Assets 5,038,624

Total Assets **\$ 6,667,381**

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 89,588
Other Accrued Liabilities	5,391
Deferred Revenues	<u>5,800</u>

Total Current Liabilities \$ 100,779

Long-term Liabilities:

Compensated Absences	<u>45,934</u>
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Total Liabilities **146,713**

NET POSITION

Invested in Capital Assets - net of related debt	5,038,624
Unrestricted	<u>1,482,044</u>

Total Net Position **\$ 6,520,668**

The accompanying notes are a part of these financial statements.

MOUNTAIN RIDES TRANSPORTATION AUTHORITY
Statement of Activities
For the Year Ended September 30, 2019

<u>Activities:</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Capital</u>	<u>Net (Expense) Revenues and</u>
		<u>Charges</u>	<u>Grants and</u>	<u>Changes in Net Position</u>
		<u>for</u>	<u>Contributions</u>	<u>Governmental</u>
		<u>Services</u>		<u>Activities</u>
Governmental:				
General Operations	\$ 3,458,908	\$ 492,453	\$ 1,584,620	\$ (1,381,835)
Special Services:				
Capital Projects			195,154	195,154
Work Force Housing	<u>11,588</u>	<u>29,150</u>		<u>17,562</u>
Total MRTA	\$ <u>3,470,496</u>	\$ <u>521,603</u>	\$ <u>1,779,774</u>	<u>(1,169,119)</u>

General Revenues:

Local Government Funding	1,437,982
Private Donations	2,350
Interest Income	19,107
Gain (Loss) on Disposition of Assets	15,690
Miscellaneous	<u>1,952</u>

Total general revenues and transfers 1,477,081

Changes in net assets 307,962

Net Position - Beginning 6,212,706

Net Position - Ending \$ 6,520,668

The accompanying notes are a part of these financial statements.

MOUNTAIN RIDES TRANSPORTATION AUTHORITY
Balance Sheet
Governmental Funds
for the year ended September 30, 2019

	<u>General Fund</u>	<u>Capital Reserve Fund</u>	<u>Work Force Housing Fund</u>	<u>Total</u>
ASSETS:				
Cash and Cash Deposits	\$ 777,013	\$ 398,206	\$ 15,412	\$ 1,190,631
Accounts Receivable	5,738			5,738
Federal Grants Receivable	291,601	59,154		350,755
Prepaid Expenses				0
Due From Other Funds				0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ 1,074,352	\$ 457,360	\$ 15,412	1,547,124
LIABILITIES:				
Accounts Payable	50,911	38,289	388	89,588
Accrued Payroll Expenses	5,391			5,391
Tenant Deposits			5,800	5,800
Due To Other Funds	0			0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	56,302	38,289	6,188	100,779
FUND BALANCE:				
Non-spendable				0
Restricted				0
Committed		419,071		419,071
Assigned	304,656		9,224	313,880
Unassigned	713,394			713,394
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	1,018,050	419,071	9,224	1,446,345
Total Liabilities and Fund Balance	\$ 1,074,352	\$ 457,360	\$ 15,412	\$ 1,547,124

Amounts reported for governmental activities in the Statement of Net Position (page 9)
are different because:

Governmental fund capital assets are not financial resources and therefore are not reported in the funds. The cost of assets is \$ 9,614,985 and the accumulated depreciation is \$ 4,576,361	5,038,624
Inventory	81,633
Compensated absences	(45,934)
Net Position of Governmental Funds	\$ 6,520,668

The accompanying notes are a part of these financial statements.

MOUNTAIN RIDES TRANSPORTATION AUTHORITY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
for the year ended September 30, 2019

	<u>General Fund</u>	<u>Capital Reserve Fund</u>	<u>Work Force Housing Fund</u>	<u>Totals</u>
REVENUE:				
Federal Funding	\$ 1,584,620	\$ 195,154	\$	\$ 1,779,774
Local Funding	1,154,246	283,736		1,437,982
Fare Revenues	387,729			387,729
Charter Bus and Bike Share Revenue	28,574			28,574
Workforce Housing Revenue			29,150	29,150
Advertising	76,150			76,150
Interest Income	12,109	6,778	220	19,107
Proceeds on Sale of Assets		15,690		15,690
Other Revenues	3,630		672	4,302
	<u>3,247,058</u>	<u>501,358</u>	<u>30,042</u>	<u>3,778,458</u>
Total Revenue				
EXPENDITURES:				
Wages and Benefits	2,114,663			2,114,663
Fuel	249,202			249,202
Repairs and Maintenance	226,745		6,054	232,799
Utilities	20,314		5,534	25,848
Contracted Services	32,968			32,968
Marketing and Promotion	36,744			36,744
Insurance	117,725			117,725
Capital Expenditures	4,577	288,620		293,197
Supplies	20,125			20,125
Travel and Training	27,986			27,986
Business Expenses	14,663			14,663
Printing and Reproduction	12,861			12,861
Communication Expense	34,515			34,515
	<u>2,913,088</u>	<u>288,620</u>	<u>11,588</u>	<u>3,213,296</u>
Total Expenditures				
EXCESS REVENUE (EXPENDITURES)	333,970	212,738	18,454	565,162
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	15,000			15,000
Operating transfers (to) other funds			(15,000)	(15,000)
	<u>348,970</u>	<u>212,738</u>	<u>3,454</u>	<u>565,162</u>
NET CHANGE IN FUND BALANCES				
FUND BALANCE - BEGINNING	669,080	206,333	5,770	881,183
	<u>669,080</u>	<u>206,333</u>	<u>5,770</u>	<u>881,183</u>
FUND BALANCE - ENDING	\$ 1,018,050	\$ 419,071	\$ 9,224	\$ 1,446,345
	<u>\$ 1,018,050</u>	<u>\$ 419,071</u>	<u>\$ 9,224</u>	<u>\$ 1,446,345</u>

The accompanying notes are a part of these financial statements.

MOUNTAIN RIDES TRANSPORTATION AUTHORITY
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
for the year ended September 30, 2019

Net Change in Fund Balance - Total Governmental Funds (Page 12)	\$ 565,162
<p>Governmental funds report capital outlays as current year expenditures. In the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount of current capital outlay for new fixed assets.</p>	
This is the amount of current year depreciation.	(511,844)
This is the amount of new assets acquired in the Government Funds.	254,431
This is the amount of gain (loss) on disposal of Governmental Fund assets.	15,690
This is the amount of proceeds from the sale of assets included in the change in the Net Change in Fund Balance	(15,690)
Change in inventory is not included in the governmental fund statements	(2,375)
<p>Liability for personal leave days are not recorded in Governmental Funds.</p>	
This is the decrease in compensated leave during the year	2,588
Change in Net Position of Governmental Activities (Page 10)	\$ <u>307,962</u>

The accompanying notes are a part of these financial statements.

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Introduction

The Mountain Rides Transportation Authority (MRTA) is a local government entity created by a joint powers agreement between Blaine County and the Cities of Ketchum, Sun Valley, Hailey, and Bellevue – as prescribed under Idaho code. MRTA was formerly known as the Ketchum-Sun Valley Public Transit Authority. MRTA serves transportation needs in the Wood River Valley, extending along the valley corridor from Ketchum/Sun Valley on the north to Bellevue on the south.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

Scope of Entity

The Authority's financial statements include the accounts of all operations under the oversight authority of the Board. Oversight responsibility is derived from the governmental unit's authority and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Based on the foregoing criteria, no component units are included in the Authority's financial statements.

Basis of Accounting/Measurement Focus

The accounts of MRTA are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures. MRTA has a general operating fund, a capital reserve fund, and a work force housing fund.

Government-wide Financial Statements:

The statement of net position and the statement of activities display information about the Authority as a whole. These statements include the financial activities of the Authority.

The statement of net position presents the financial condition of the governmental activities of the Authority at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each activity. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program. Revenues that are not classified as program revenues are presented as general revenues of the Authority. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Authority.

Fund Financial Statements:

Governmental funds are accounted for using the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. Under modified accrual basis of accounting, revenues are recognized when they become both measurable and available. Available for purposes of revenue recognition is defined as sixty days. Revenue sources susceptible to accrual include advertising, charter, state, federal and intergovernmental revenues. Expenditures are recognized when the related fund liability is incurred. Exceptions to this general rule include the accrual of payroll and related payroll liabilities.

The accounts of the Authority are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The Authority has adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" (GASB 54) which defines how fund balances of the governmental funds are presented in the financial statements. There are five classifications of fund balances as presented below:

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Note 1 – Continued

Non-spendable – These funds are not available for expenditures based on legal or contractual requirements. In this category, one would see inventory, long-term receivables, unless proceeds are restricted, committed, or assigned and legally or contractually required to be maintained intact (corpus or a permanent fund).

Restricted – These funds are governed by externally enforceable restrictions. In this category, one would see restricted purpose grant funds, debt service or capital projects.

Committed – Fund balances in this category are limited by the governments' highest level of decision making. Any changes of designation must be done in the same manner that it was implemented and should occur prior to end of the fiscal year, though the exact amount may be determined subsequently.

Assigned – These funds are intended to be used for specific purposes, intent is expressed by governing body or an official delegated by the governing body.

Unassigned – This classification is the default for all funds that do not fit into the other categories. This, however, should not be a negative number for the general fund. If it is, the assigned fund balance must be adjusted.

Order of Use of Fund Balance – The Authority's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statements of Net Position. The Authority has established a capitalization threshold of items costing in excess of \$5,000.

Depreciation of buildings, buses, and machinery and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and Improvements	20-40 Years
Buses	10-12 Years
Machinery and Equipment	5-15 Years

Restricted Net Assets

Restricted net assets are those for which a constraint has been imposed either externally or by law. MRTA recognized the use of restricted resources or expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net assets are used. MRTA did not have any restricted net assets as of the financial statement date.

Budgets and Budgetary Accounting

Annual appropriated budgets are adopted for each fund before October 1 of each year in accordance with Idaho code. The budgets are prepared in accordance with the modified accrual basis of accounting. Budgeted amounts shown are as originally adopted and as amended by MRTA.

Cash and Cash Equivalents

MRTA's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with maturities of less than 90 days.

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Note 1 - Continued

Investments

State statutes authorize MRTA to invest in obligations of U.S. Treasury, commercial paper, corporate bonds and repurchase agreements, and the Idaho State Treasurer Local Government Investment Pool. All investments of MRTA are placed in the State Investment Pool and stated at fair value as provided by the Pool.

Inventories

Inventory is valued at cost using the first in, first out method. Inventory consists of expendable supplies held for future consumption or capitalization. The cost is recorded as an expense as inventory items are consumed and is reflected in the government-wide financial statements only. Inventory items are reported as expenditures in the fund statements when purchased.

NOTE 2 – CASH AND CASH DEPOSITS

Cash and cash deposit balances at September 30, 2019:

	<u>Book Balance</u>	<u>Bank Balance</u>
Petty cash/undeposited funds	\$ 76	\$ 0
Mountain West Bank checking accounts (FDIC Insured)	241,685	322,072
State of Idaho Local Government Investment Pool	<u>948,870</u>	<u>948,870</u>
Total Cash/Cash Deposit	<u>\$ 1,190,631</u>	<u>\$ 1,270,942</u>

Investments in the Local Government Investment Pool are valued at fair value. The Local Government Investment Pool is managed by the State of Idaho Treasurer's office. The funds of the pool are invested in certificates of deposit, repurchase agreements, and U.S. government securities. The certificates of deposit are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping bank.

Risk Exposure

Interest Rate Risk – MRTA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – MRTA has no formal investment policy which would further limit its investment choices beyond those stated in the Idaho Code.

MRTA does not currently have any outside investments. Excess cash is deposited into the Idaho Local Government Investment Pool.

Concentration of Credit Risk – MRTA places no formal limits on the amount the Treasurer may invest in any one issuer.

Custodial Credit Risk, Deposits – Custodial credit risk is the risk that funds would be lost in the event of bank failure. MRTA does not have a formal deposit policy to limit custodial credit risk.

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019, is as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Land	\$ 210,000	\$	\$	\$ 210,000
Construction in Progress		17,614		17,614
<i>Capital Assets being depreciated:</i>				
Buildings and Improvements	4,294,628			4,294,628
Vehicles	4,880,043	171,672	(104,854)	4,946,861
Office Equipment	28,831			28,831
Other Machinery and Equipment	51,906	65,145		117,051
Total	<u>9,465,408</u>	<u>254,431</u>	<u>(104,854)</u>	<u>9,614,985</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(1,130,504)	(119,206)		(1,249,710)
Vehicles	(2,992,067)	(371,813)	104,854	(3,259,026)
Office Equipment	(15,361)	(1,916)		(17,277)
Other Machinery and Equipment	(31,439)	(18,909)		(50,348)
Total Accumulated Depreciation	<u>(4,169,371)</u>	<u>(511,844)</u>	<u>104,854</u>	<u>(4,576,361)</u>
Governmental capital assets, net	<u>\$ 5,296,037</u>	<u>\$ (257,413)</u>	<u>\$ 0</u>	<u>\$ 5,038,624</u>

NOTE 4 – ACCRUED COMPENSATED ABSENCES

This amount includes personal leave time earned by employees, but not used as of fiscal year end.

NOTE 5 – EMPLOYEE RETIREMENT PLAN

MRTA has a noncontributory defined contribution pension plan covering substantially all employees who have been employed for the lesser of twelve months or 1,000 hours. MRTA's contributions are made at the discretion of the board of directors. Vesting of accrued benefits occurs at the rate of 20% after two years of service, plus 20% for each year of service, thereafter. Contributions to the plan for the years ended September 30, 2019, 2018 and 2017 were \$123,236, \$107,426 and \$104,813, respectively.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

MRTA receives a significant portion of its support from the cities of Ketchum and Sun Valley. Should the cities decrease their share of participation, MRTA would be forced to find other sources of revenue or make a significant reduction in services.

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 7 – RISK MANAGEMENT

The Authority 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. During the fiscal year, the Authority contracted with Idaho County Risk Management Program (ICRMP) for property, crime and fleet insurance and the State Insurance Fund for workman's compensation. Under the terms of the ICRMP policy, the Authority's liability is limited to the amount of annual financial membership contributions, including a per occurrence deductible. There has been no significant reduction in insurance coverage in the current year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 8 – ENVIRONMENTAL FACTORS

MRTA owns land and facilities to provide repair and maintenance of their transportation equipment. These items carry a responsibility for environmental issues, which, if violated, would be a liability to MRTA. There has been no environmental study to determine the existence of any such liabilities.

NOTE 9 – SUBSEQUENT EVENTS

Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

**REQUIRED
SUPPLEMENTARY INFORMATION**

MOUNTAIN RIDES TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- General Fund
for the year ended September 30, 2019

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:				
Federal Funding	\$ 1,309,065	\$ 1,309,065	\$ 1,584,620	\$ 275,555
Local Funding	1,149,945	1,149,945	1,154,246	4,301
Fare Revenues	377,500	377,500	387,729	10,229
Charter Bus and Bike Share Revenue	16,000	16,000	28,574	12,574
Workforce Housing Revenue				0
Advertising	70,000	70,000	76,150	6,150
Interest Income	4,000	4,000	12,109	8,109
Proceeds on Sale of Assets				0
Other Revenues	<u>1,000</u>	<u>1,000</u>	<u>3,630</u>	<u>2,630</u>
Total Revenue	<u>2,927,510</u>	<u>2,927,510</u>	<u>3,247,058</u>	<u>319,548</u>
EXPENDITURES:				
Wages and Benefits	2,135,550	2,135,550	2,114,663	20,887
Fuel	300,000	300,000	249,202	50,798
Repairs and Maintenance	209,000	209,000	226,745	(17,745)
Utilities	22,000	22,000	20,314	1,686
Contracted Services	38,500	38,500	32,968	5,532
Marketing and Promotion	43,636	43,636	36,744	6,892
Insurance	118,274	118,274	117,725	549
Capital Expenditures	9,500	9,500	4,577	4,923
Supplies	21,800	21,800	20,125	1,675
Travel and Training	25,200	25,200	27,986	(2,786)
Business Expenses	6,450	6,450	14,663	(8,213)
Printing and Reproduction	13,500	13,500	12,861	639
Communications	<u>41,100</u>	<u>41,100</u>	<u>34,515</u>	<u>6,585</u>
Total Expenditures	<u>2,984,510</u>	<u>2,984,510</u>	<u>2,913,088</u>	<u>71,422</u>
EXCESS REVENUE (EXPENDITURES)	(57,000)	(57,000)	333,970	390,970
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	15,000	15,000	15,000	0
Operating transfers (to) other funds				0
NET CHANGE IN FUND BALANCES	(42,000)	(42,000)	348,970	390,970
FUND BALANCE - BEGINNING	<u>669,080</u>	<u>669,080</u>	<u>669,080</u>	<u>0</u>
FUND BALANCE - ENDING	<u>\$ 627,080</u>	<u>\$ 627,080</u>	<u>\$ 1,018,050</u>	<u>\$ 390,970</u>

MOUNTAIN RIDES TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- Capital Reserve Fund
for the year ended September 30, 2019

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:				
Federal Funding	\$ 784,500	\$ 784,500	\$ 195,154	\$ (589,346)
Local Funding	283,736	283,736	283,736	0
Fare Revenues				0
Charter Bus and Bike Share Revenue				0
Workforce Housing Revenue				0
Advertising				0
Interest Income	1,000	1,000	6,778	5,778
Proceeds on Sale of Assets	43,000	43,000	15,690	(27,310)
Other Revenues				0
	<u>1,112,236</u>	<u>1,112,236</u>	<u>501,358</u>	<u>(610,878)</u>
Total Revenue				
EXPENDITURES:				
Wages and Benefits				0
Fuel				0
Repairs and Maintenance				0
Utilities				0
Contracted Services				0
Marketing and Promotion				0
Insurance				0
Capital Expenditures	998,818	998,818	288,620	710,198
Supplies				0
Travel and Training				0
Printing and Reproduction				0
Miscellaneous				0
	<u>998,818</u>	<u>998,818</u>	<u>288,620</u>	<u>710,198</u>
Total Expenditures				
EXCESS REVENUE (EXPENDITURES)	113,418	113,418	212,738	99,320
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds				0
Operating transfers (to) other funds				0
	<u>113,418</u>	<u>113,418</u>	<u>212,738</u>	<u>99,320</u>
NET CHANGE IN FUND BALANCES				
FUND BALANCE - BEGINNING	206,333	206,333	206,333	0
FUND BALANCE - ENDING	<u>\$ 319,751</u>	<u>\$ 319,751</u>	<u>\$ 419,071</u>	<u>\$ 99,320</u>

MOUNTAIN RIDES TRANSPORTATION AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- Work Force Housing Fund
for the year ended September 30, 2019

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:				
Federal Funding	\$	\$	\$	\$ 0
Local Funding				0
Fare Revenues				0
Charter Bus and Bike Share Revenue				0
Workforce Housing Revenue	31,200	31,200	29,150	(2,050)
Advertising				0
Interest Income	25	25	220	195
Proceeds on Sale of Assets				0
Other Revenues	<u>700</u>	<u>700</u>	<u>672</u>	<u>(28)</u>
Total Revenue	<u>31,925</u>	<u>31,925</u>	<u>30,042</u>	<u>(1,883)</u>
EXPENDITURES:				
Wages and Benefits				0
Fuel				0
Repairs and Maintenance	11,000	11,000	6,054	4,946
Utilities	5,925	5,925	5,534	391
Contracted Services				0
Marketing and Promotion				0
Insurance				0
Capital Expenditures				0
Supplies				0
Travel and Training				0
Printing and Reproduction				0
Miscellaneous				0
Total Expenditures	<u>16,925</u>	<u>16,925</u>	<u>11,588</u>	<u>5,337</u>
EXCESS REVENUE (EXPENDITURES)	15,000	15,000	18,454	3,454
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds				0
Operating transfers (to) other funds	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	0	0	3,454	3,454
FUND BALANCE - BEGINNING	<u>5,770</u>	<u>5,770</u>	<u>5,770</u>	<u>0</u>
FUND BALANCE - ENDING	<u>\$ 5,770</u>	<u>\$ 5,770</u>	<u>\$ 9,224</u>	<u>\$ 3,454</u>

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY
BLAINE COUNTY, IDAHO**

**Schedule of Expenditures of Federal Awards
for the year ended September 30, 2019**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Expenditures During Audit Period</u>	<u>Totals</u>
<i>Highway Planning and Construction - Cluster</i>			
U.S. Department of Transportation:			
Highway Planning and Construction	20.205	\$ <u>21,824</u>	
Total			\$ 21,824
<i>Federal Transit - Cluster</i>			
U.S. Department of Transportation:			
Bus and Bus Facilities Formula and Discretionary Program	20.526	<u>195,154</u>	
Total			195,154
<i>Other Programs</i>			
U.S. Department of Transportation:			
Formula Grants for Rural Areas	20.509	1,562,796	
Total			<u>1,562,796</u>
Total All Programs			\$ <u><u>1,779,774</u></u>

**MOUNTAIN RIDES TRANSPORTATION AUTHORITY
BLAINE COUNTY, IDAHO**

**Schedule of Expenditures of Federal Awards
for the year ended September 30, 2019**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Mountain Rides Transportation Authority. 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, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Mountain Rides Transportation Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 - DE MINIMIS INDIRECT COST RATE

The Mountain Rides Transportation Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The examination of the records of the Mountain Rides Transportation Authority for the year ended September 30, 2018 revealed no areas of comments, findings or questioned costs.

SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS

The examination of the records of the Mountain Rides Transportation Authority for the year ended September 30, 2019 revealed no areas of comments, findings or questioned costs.

MOUNTAIN RIDES TRANSPORTATION AUTHORITY
Year Ended September 30, 2019
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section 1 – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ yes ☒ No

Significant deficiencies identified that are
not considered to be material weakness(es)

☐ yes ☒ None reported

Noncompliance material to financial statements
noted?

☐ yes ☒ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

☐ yes ☒ No

Significant deficiencies identified that are
not considered to be material weakness(es)

☐ yes ☒ None reported

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

Any audit findings disclosed that are required
to be reported in accordance with section
510(a) of Circular A-133?

☐ yes ☒ No

Identification of major programs:

Other Programs

Federal CFDA Number

U.S. Department of Transportation
Formula Grants for Rural Areas

20 509

Dollar threshold used to distinguish
between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ no

Section II – Financial Statement Findings

No significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements were reported.

Section III – Federal Award Findings and Questioned Costs

No significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements were reported.

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

November 18, 2019

Board of Directors
Mountain Rides Transportation Authority
Ketchum, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mountain Rides Transportation Authority (Authority), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 18, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Compliance and Other Matters

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

Report Continued—

Purpose of this Report

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

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

WORKMAN & COMPANY

Office of
Accounting

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

November 18, 2019

Board of Directors
Mountain Rides Transportation Authority
Ketchum, Idaho

Report on Compliance for Each Major Federal Program

We have audited the Mountain Rides Transportation Authority'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 the Mountain Rides Transportation Authority's major federal programs for the year ended September 30, 2019. Mountain Rides Transportation Authority'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 the Mountain Rides Transportation Authority'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 the Mountain Rides Transportation Authority'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 the Mountain Rides Transportation Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Mountain Rides Transportation Authority, 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 September 30, 2019.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control over Compliance

Management of the Mountain Rides Transportation Authority, 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 the Mountain Rides Transportation Authority'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 the Mountain Rides Transportation Authority'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.

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

WORKMAN & COMPANY

Office of
Accounting

2190 Village Park Avenue, Suite 300 • Twin Falls, ID 83301 • 208.733.1161 • Fax: 208.733.6100

November 18, 2019

Board of Directors
Mountain Rides Transportation Authority
Ketchum, Idaho

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mountain Rides Transportation Authority (Authority) for the year ended September 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2019. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Authority's financial statements was:

Management's estimate of the useful lives of fixed assets is based on historical data. We evaluated the key factors and assumptions used to develop the useful lives of fixed assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

During the course of our audit engagement, we did not propose any audit adjustments.

Continued—

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 18, 2019.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis (MD&A) and Budgetary Information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining statements, and individual fund statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of Mountain Rides Transportation Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Workman & Company

WORKMAN AND COMPANY

Certified Public Accountant
Twin Falls, Idaho

Mountain Rides Agenda Action Item Summary

Date:

12/18/2019

From:

Tucker Van Law

Action Item:

5. Approve receipt and filing of Mountain Rides FY2019 audited financial statements, as prepared by Workman & Company CPAs

Committee Review:

☒ Yes ☐ No

Committee
Purview:

Finance and Performance

Previously
discussed at board
level:

☒ Yes ☐ No

Recommended
Motion:

I move to approve the receipt and filing of the FY2019 audited financial statements, as presented [or with changes noted] and prepared by Workman & Company CPAs.

Fiscal Impact:

Excess operating funds for FY2019

Related Policy or
Procedural Impact:

Excess fund policy

Background:

Annually, Mountain Rides must complete an in-depth financial audit, per Government Auditing Standards that apply to Mountain Rides due to the amount of federal funding received. The audit reflects all financial activity for the period October 1st, 2018 through September 30, 2019. The audit did not find any weaknesses or deficiencies and is consider a "clean" audit, although the audit's purpose is not to uncover such issues.

Mountain Rides Consent Agenda Item Summary

Date:

December 18, 2019

From:

MRTA staff

Action Item:

6. Consent Agenda

Committee Review:

☒ Yes ☐ No

Committee
Purview:

Finance & Performance; Planning & Marketing

Previously
discussed at board
level:

☐ Yes ☒ No

Recommended
Motion:

I move to approve, receive, file, and adopt the Consent Agenda.

Fiscal Impact:

NA

Related Policy or
Procedural Impact:

NA

Background:

- a. Approve: Minutes: Board of Directors Meeting, November 20, 2019
- b. Receive/file: Performance Dashboard Report for Nov 2019
- c. Receive/file: Planning & Marketing Committee Meeting minutes, 12/4/2019
- f. Receive/file: Finance & Performance Committee Meeting minutes, 12/4/2019
- g. Receive/file: Reports from Director, Community Development; Director, Transit Operations; Director, Finance & Administration; Executive Director



RECORDED

**REGULAR MEETING MINUTES
MOUNTAIN RIDES TRANSPORTATION AUTHORITY
Wednesday, November 20, 2019, 12:30 p.m.
Ketchum City Hall Meeting Room, Ketchum, Idaho**

The Mountain Rides Transportation Authority's Board of Directors met in a Regular Meeting in the Ketchum City Hall Meeting Room, Ketchum, Idaho.

PRESENT: Chair Kristin Derrig (Ketchum), Vice-chair Grant Gager (Ketchum), Secretary Tory Canfield (at-large), Kathy Kristenson (Blaine County), Jim Finch (Hailey), Rick Webking (Sun Valley) and Tom Blanchard (Bellevue)

ABSENT: Peter Hendricks (Sun Valley)

ALSO PRESENT: Mountain Rides Executive Director, Wally Morgus
Mountain Rides Director, Finance & Administration, Tucker Van Law
Mountain Rides Director, Transit Operations
Mountain Rides Director, Community Development, Kim MacPherson
Mountain Rides Safe Routes to School Coordinator, Cecelia Osborn
Melody Mattson

1. CALL TO ORDER

Chair Kristin Derrig called to order the meeting of Wednesday, November 20, 2019 at 12:33pm. Tory Canfield called roll and determined that a quorum was present.

2. COMMENTS FROM THE CHAIR AND BOARD MEMBER THOUGHTS

Kristin Derrig is looking forward to the winter schedule starting on November 28th.

Tory Canfield wanted to thank you everyone (the board, drivers and staff) for all of their hard work to make Mountain Rides such a spectacular service to our community. She also said it's been an honor to serve with everyone on the board and today is her last meeting.

Wally Morgus also said thank you to Tory for her service to the community and Mountain Rides. He remarked about her keen sense of social justice and equity that she brought to the board in her role as director and about her commitment to her interest in the bicycle-pedestrian area. Her commitment manifested best when she picked up the ball for Bike/walk to School day in October and ran with it at the Community school and Hemingway Elementary. The board gave Tory three cheers, hip, hip hooray.

Grant Gager also thanked Tory for her service.

Grant Gager also thanked staff for their service and is anticipating a busy winter.

Wally Morgus said Mountain Rides is up 15% in the whole system.

Kristin Derrig said that slack seems to be shrinking.

3. PUBLIC COMMENT PERIOD FOR ITEMS NOT ON THE AGENDA (incl. questions from Press)

There was none.

- 4. Action item:** Seat Melody Mattson as Member, At-large on the MRTA Board of Directors
Tom Blanchard moved to seat Melody Mattson filling the At-large member seat for a term of 3 years on the MRTA Board of Directors. Wally Morgus introduced Melody Mattson to the Board of Directors. Melody Mattson said she was happy that the board considered her for the seat on the board. She went a year without a car, so she started riding the bus and rides the bus to work southbound to the Advocates Attic. **Grant Gager seconded. The motion passed.**

Tory Canfield left the meeting at 12:44pm, Melody Mattson became a board member

- 5. ACTION ITEM:** Approve Consent Calendar items
- Approve minutes: Regular board meeting, October 16, 2019
 - Receive/file: Performance Dashboard report for Oct 2019
 - Approve: Release of RFP for fuel purchasing
 - Receive/file: Financial Statements and Bills Paid reports for Sept 2019
 - Receive/file: Planning & Marketing Committee, Nov 6, 2019, Minutes
 - Receive/file: Finance & Performance Committee, Nov 6, 2019, Minutes
 - Receive/file: Reports from Director, Community Development; Director, Transit Operations; Director, Finance & Administration; Executive Director

Grant Gager moved to approve the Consent Agenda. Rick Webking asked about the dashboard benchmarks. Tucker Van Law said the benchmarks are a little out of date and need to be updated. Rick Webking suggested eliminating the benchmarks and compare year over year. Wally Morgus said these may be industry standards that Jason miller came up with, but we will change them going forward. Grant Gager was reminded that there was discussion of a new dashboard coming soon. **Tom Blanchard seconded. Jim Finch abstained. The motion passed.**

6. DISCUSSION ITEM:

Date, time, location for Board's 2020 Strategic Workshop

The date will be January 22nd, 2020 at the Community Library from 9am to 1pm.

Tom Blanchard asked about a topical list for brainstorming for the meeting.

Rick Webking suggested having a facilitator for the meeting.

Tom Blanchard suggested having the executive group get together to explore the process. The committee includes Tom Blanchard, Kathleen Kristenson, Tucker Van Law and Wally Morgus.

7. DISCUSSION ITEM:

Hopthru mobile ticketing App

Kim MacPherson gave the group an update to the Hopthru App. We would like to get the board an email so they can download the app.

Ben Varner said we have had over 350 people use the app to date since October 15th.

For help with the Hopthru app, we need rider to go through the Help section of the app.

Jim Finch asked about working with other partners in the community. Mountain Rides will pursue working with other organizations in the valley. Using the passes could be far reaching. We will not be getting rid of cash fares.

Grant Gager said they have great customer service.

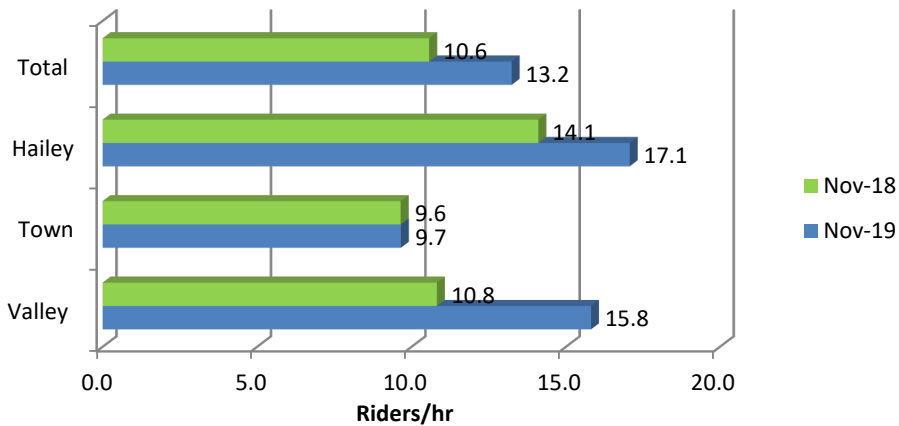
8. ADJOURNMENT

Melody Mattson moved to adjourn the meeting at 1:11pm. Kathleen Kristenson seconded. The motion carried unanimously.

Chair Kristin Derrig

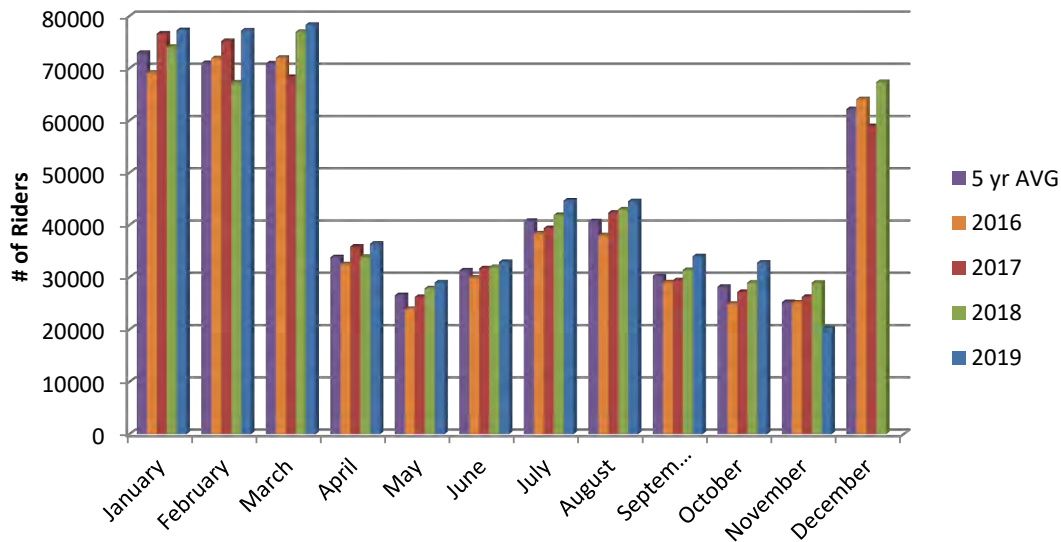
PERFORMANCE DASHBOARD - RIDERSHIP, NOVEMBER 2019

Ridership per hour



Definition: One way rides for the month divided by the number of bus revenue service hours for the month (aka productivity) - being higher than goal is good. 15 is reasonable goal for a resort-rural fixed route system.

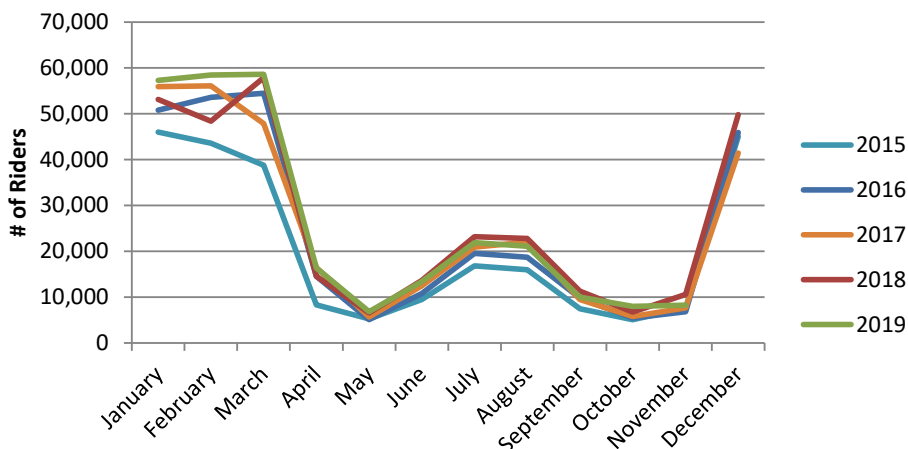
Total Ridership by Month



2019 YTD Ridership
519255
2018 YTD Ridership
489767
2017 YTD Ridership
478948
2016 YTD Ridership
454952
2015 YTD Ridership
431779

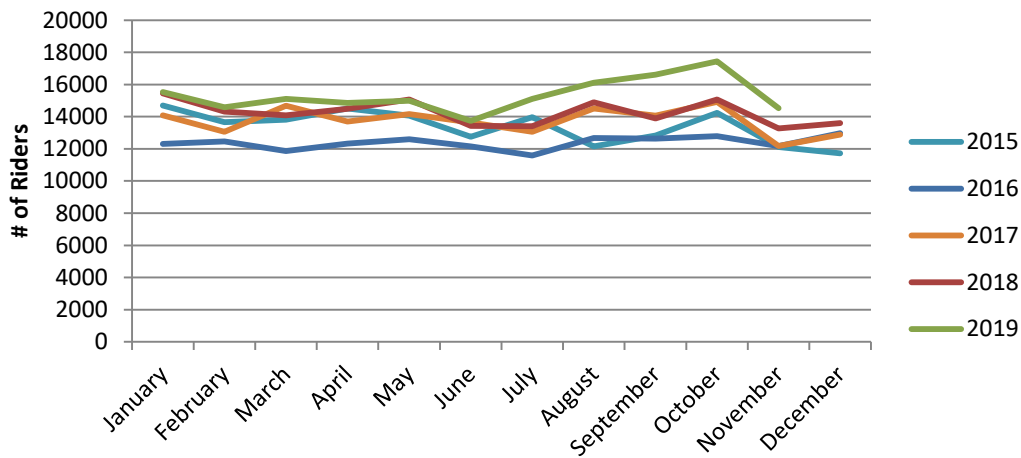
Definition: Monthly ridership compared with one year ago, two years ago and the 5 year average.

Town Routes

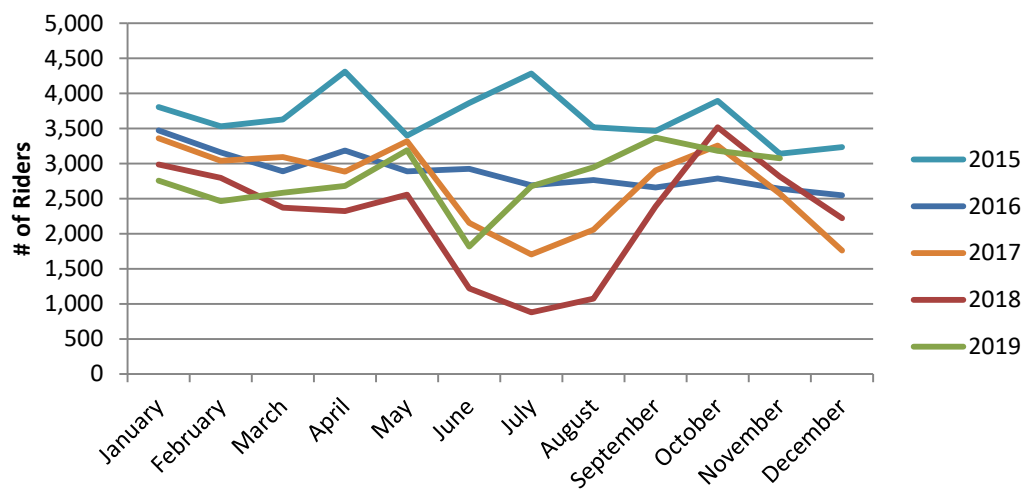


PERFORMANCE DASHBOARD - RIDERSHIP BY ROUTE, NOVEMBER 2019

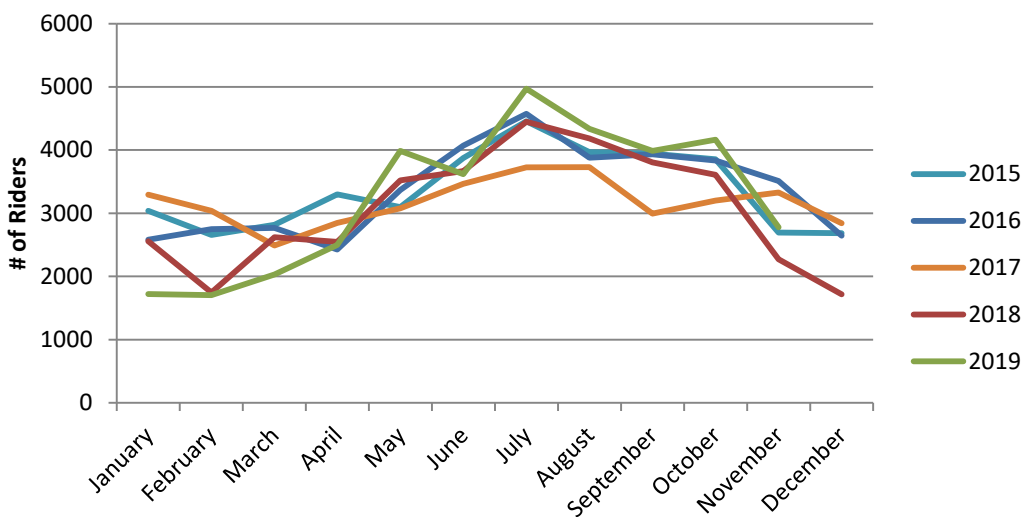
Valley Route



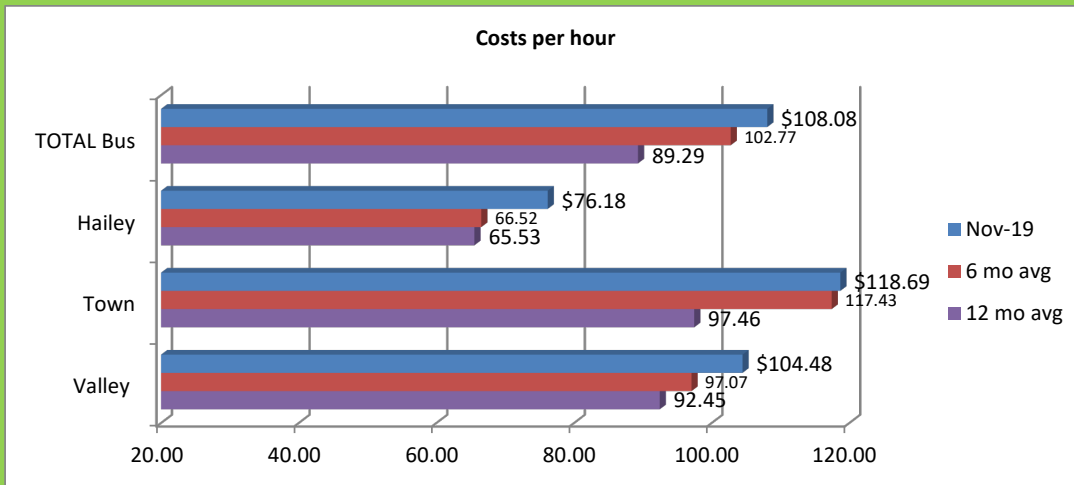
Hailey Route



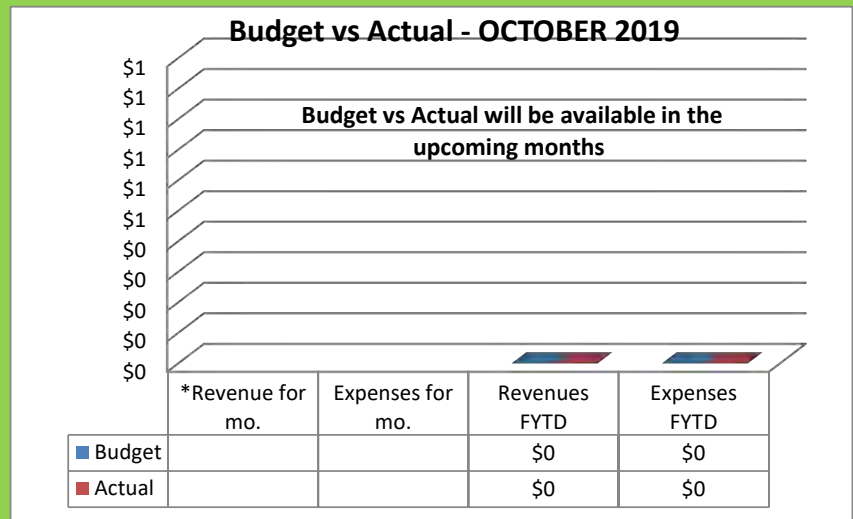
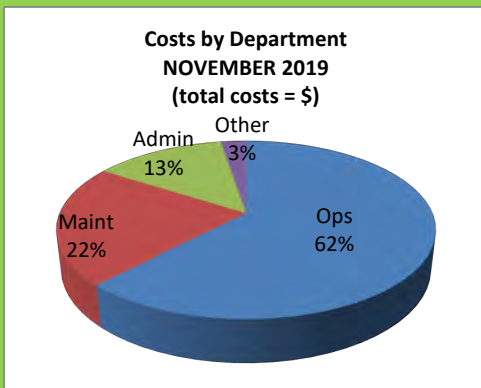
Vanpool



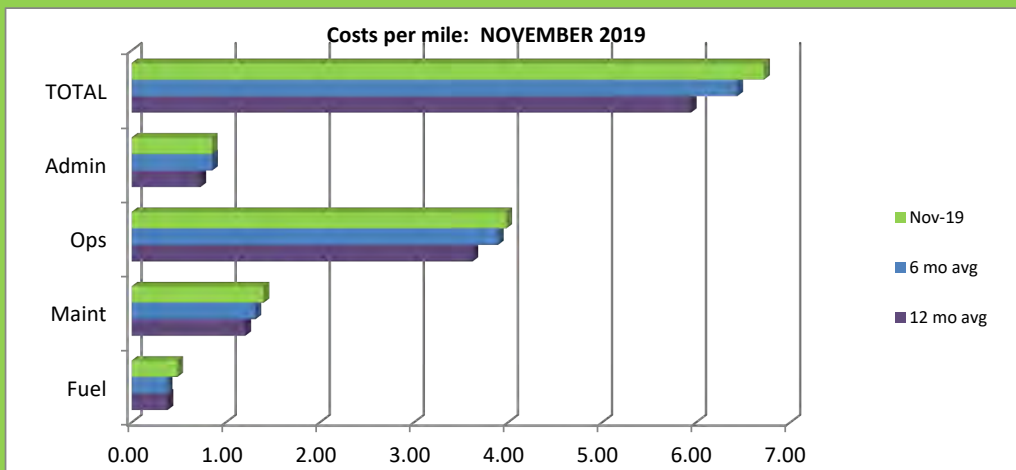
PERFORMANCE DASHBOARD - FINANCIAL, NOVEMBER 2019



Definition: Monthly costs divided by the number of bus revenue service hours operated for the month. Being lower than goal is good. Monthly numbers are compared to 6 and 12 month averages in order to give a longer time period for reference (monthly fluctuations can be great).



***Revenues reflect budgeted amounts**



Definition: Costs for services are taken in total for the month and then divided by the mileage operated for the month. Costs are also calculated for each department to show the contribution to costs per mile. The budget is established based on historical averages and what is reasonable on a statewide basis for a rural fixed route system.

PERFORMANCE DASHBOARD - SAFETY, NOVEMBER 2019



Definition: This is the rate at which these safety related items are happening at a rate that is consistent with industry

Safety	Sep-19	Oct-19	Nov-19
Incidents	1	0	0
Accidents	0	1	0
Road Calls	0	0	1

Incident is defined as an event that involved a minor collision, injury or altercation that may have caused physical damage or injury (less than \$200) to MRTA property or persons only. No outside parties involved.

Accident is defined as an event that caused damage to one or more MR vehicles or property in excess of \$200 OR damage to vehicles, property or persons unrelated to MRTA in any amount.

Road Call is defined as a vehicle that is taken out of revenue service because of a need for unscheduled maintenance.

**MAINTENANCE DAYS WITHOUT
A LOSS TIME ACCIDENT OR
INJURY: Current 200**

Includes November
Previous record 1996 days



Planning and Marketing Committee

Regular Monthly Meeting

Wednesday, December 4, 2019, 1:00pm

Sun Valley City Hall Council Chambers, 81 Elkhorn Rd., Sun Valley, ID 83353

MINUTES

In attendance: Peter Hendricks, Melody Mattson, Jim Finch, Kristin Derrig, Wally Morgus, Kim MacPherson and Cecelia Osborn

- 1) Call to Order
 - a. Kristin Derrig called the meeting to order at 1:05pm.
- 2) Comments from the Chair and Members
 - a. Kristin Derrig mentioned that she was happy to see the late night Blue Route back in service.
- 3) Discuss: 2019-2020 Winter Season Kick-off
 - a. Staff said the kick-off to the new season went well so far. Warm Springs will open on Dec 6th.
- 4) Discuss: January 2020 Strategic Planning Workshop
 - a. The group discussed details of the workshop. Location will be at the Community Library from 9a – 1p. Kat Vanden Heuvel will be the facilitator.
- 5) Discuss: Other items that may come before the Committee
 - a. There were none.
- 6) Adjournment at 2:30pm



Finance and Performance Committee

Minutes

Wednesday, December 4, 2019, 2:30pm

Sun Valley City Hall Council Chambers, 81 Elkhorn Road, Sun Valley, ID 83353

Present: Rick Webking, Kathleen Kristenson, Tom Blanchard, Wally Morgus, Ben Varner, and Tucker Van Law

- 1) Call to Order
- 2) Comments from the Chair and Members
 - a) Rick Webking informed the committee what he looks for when reviewing audited financial statements.
- 3) Presentation: FY2019 audited financial statements, Workman & Company, CPA
 - a) Brady Workman presented the audited financial statements. No findings were identified, and an unmodified report will be issued.
 - b) A discussion ensued about the minutes of the committee meetings and if they should be more detailed to reflect the questions discussed during the meetings.
 - c) Rick Webking asked staff to bring a fixed asset listing to a future committee meeting.
 - d) Rick Webking made a motion to recommend the board approve the audited financial statements subject to revision requested by the F&P Committee. Kathleen Kristenson seconded the motion and all members agreed.
- 4) Discuss: Purchase of Three (3) Heavy Duty Buses (Diesel)
 - a) Wally Morgus informed the committee of the decision to purchase 35-foot heavy duty buses instead of the 30 foot that was budgeted for. The reason being expected growth in ridership and standardization of the fleet.
 - b) Tucker Van Law informed the committee it would cost over \$60,000 in local funds to purchase 35-foot buses over the cost of the 30-foot buses and the Capital budget would need to be revised. Funding is available for the purchase due to the onetime 5311 funding that allows MRTA to use more local dollars for capital purchases. Tucker went on to say 30-foot buses could handle the projected ridership on the town routes and the capital expense for electrification of

the fleet is unknown. The advantage of the 35-foot bus is having a bus that can handle any route any time of the day.

- c) Tom Blanchard made a motion to recommend the board approve the purchase of 3 35-foot heavy duty buses and revise the Capital budget. Kathleen Kristenson seconded and all members approved.
- 5) Discuss: January 2020 Strategic Planning Workshop
 - a) There was none.
- 6) Discuss: Other items that may come before the Committee
 - a) The committee recommended bringing the election of Board Officers and Committee Chairs to the December Board meeting.
- 7) Adjourn

Mountain Rides Staff Report

<u>Date:</u>	<div>12/18/2019</div>
<u>Staff Member:</u>	<div>Kim MacPherson</div>
<u>Department:</u>	<div>Community Development</div>
<u>Department Highlights from the Previous Month:</u>	<div>I had written a grant application to the Limelight Ketchum Community Fund for bus pass scholarships and we received \$2500 this year. I'm very excited to be part of this great fund. I will be taking one of our senior drivers, Hortencia, to the luncheon with me.</div>
<u>Progress on projects/initiatives:</u>	<div></div>
<u>Challenges/ Opportunities:</u>	<div></div>

Mountain Rides Staff Report

Date: 12/18/2019

Staff Member: Ben Varner

Department: Operations, Maintenance and Facilities

Department Highlights from the Previous Month:

All of our new drivers passed their CDL tests on the first go around, have completed revenue training and are driving buses on their own. Congrats to all of them and many thanks to our trainers for doing a great job this fall.

Progress on projects/initiatives:

The kickoff to the winter season went well. Everyone in the entire organization did a great job to get everything in place.

Our bi-annual safety meetings were held at the end of November. We had great attendance and great feedback from all of the employees who attended.

Challenges/ Opportunities:

We are looking forward to serving all of the area's Christmas guests over the next few weeks.

Mountain Rides Staff Report

Date: 12/18/2019

Staff Member: Tucker Van Law

Department: Director, Finance & Administration

Department Highlights from the Previous Month: FY2019 financial audit is complete with no findings and an unmodified report will be issued.

Progress on projects/initiatives: Monthly breakout of the FY2020 budget and input into our accounting system has begun and will be complete for February's board meeting.

Historically cash flow is tight this time of year but with the additional \$275,000 of federal funds cash flow is good.

Challenges/ Opportunities:

Mountain Rides Staff Report

Date:

Dec 18, 2019

Staff Member:

Wally Morgus, Executive Director

Department:

Administration

Department Highlights
from
the Previous Month:

See Progress on Projects/Initiatives, below.

Progress
on projects/initiatives:

Facilitator for Jan 2020 Board Strategic Workshop hired and engaged.

Electric bus performance data for e-buses operating in similar climate and/or geography as Mountain Rides, collected and reviewed...to support Q1 2020 decision re: e-bus purchase.

Continuing discussions with stakeholders (Idaho transit agencies, CTAI) and facilitator (State Rep) re: taxing district (legislation) as vehicle for sustainable, consistent long-term funding.

Challenges/
Opportunities:

Bellevue land acquisition.

Fleet electrification.

FY21/FY22 grant(s) award(s).

Sustainable, consistent long-term funding.

Greater efficiencies, cost-effectiveness (and ridership) re: routing and service plan.

Actionable strategic plan.

Mountain Rides Agenda Action Item Summary

Date:

12/18/19

From:

Ben Varner

Action Item:

7. Award Fuel Purchase contract

Committee Review:

☒ Yes ☐ No

Committee
Purview:

F&P

Previously
discussed at board
level:

☒ Yes ☐ No

Recommended
Motion:

"I move to award MRTA's purchasing of fuels to United Oil and authorize the Executive Director to execute the purchasing contract."

Fiscal Impact:

FY 20 Budget and subsequent budgets

Related Policy or
Procedural Impact:

MRTA Procurement Policy

Background:

Per MRTA policy, anticipated purchases over \$50,000 must go through an RFP process.

In November, the Board approved the release of a fuel purchasing RFP.

United Oil was the lone respondent.

Staff recommends purchasing fuel from United Oil.

Bid Sheet (Bidders MUST provide bid for all locations)

Unleaded (Unleaded average equally weighted)

1. RACK AVG plus 7 cents per gallon in Ketchum, Idaho.
Pump Address: 258 Northwood Way Ketchum, Id.
2. RACK AVG plus 7 cents per gallon in Bellevue, Idaho.
Pump Address: 516 N Main St. Woodside 4170 Glenbrook Dr.
3. RACK AVG plus 7 cents per gallon in Shoshone, Idaho.
Pump Address: 103 N. Rail St. Shoshone, Id.
4. RACK AVG plus 7 cents per gallon in Twin Falls, Idaho.
Pump Address: 1992 E Kimberly Rd. T/F 440 3rd Ave South T/F

Diesel

1. RACK AVG plus 7 cents per gallon in Ketchum, Idaho.
Pump Address: 258 Northwood Way - Ketchum Id.
2. RACK AVG plus 7 cents per gallon in Bellevue, Idaho.
Pump Address: 516 N Main St. Woodside 4170 Glenbrook Dr.
3. Additional cost for winterized diesel (diesel fuel shall be mixed to prevent jelling or freezing of fuel during winter conditions, if additional cost applies) 3 cents per gallon

Requirements (Initial)

- ☒ Complete and sign Bid Sheet
- ☒ Fuels are available via a 24-hour card access system that allows each card to be assigned to a specific MRTA Vehicle and allows for identification of the MRTA vehicle number and allows for identification of users through user pins.
- ☒ All transactions including Vehicle #, Fuel Card ID #, Driver, Miles Driven (each vehicle), Gallons and Price Charged are available on a weekly basis for export via .csv file
- ☒ Contracting fuel company will provide OPIS reports to MRTA to support pricing via e-mail
- ☒ Signed and enclose applicable Federal Clauses
- ☒ Pumps are safely accessible for a 40-ft. bus

Bid Submitted by (Company Name): United Oil

Signature: [Signature]

Printed Name: Jim Jude

Title: Sales Manager

Contact Phone Number: 208- 731- 7762

AGREEMENT FOR PROVISION OF UNLEADED GASOLINE AND DIESEL FUELS

THIS AGREEMENT, made and entered into December ___, 2019, by and between Mountain Rides Transportation Authority, a Public Joint Powers Authority Agency (hereinafter referred to as “Mountain Rides”) and Franklin United, Inc., d.b.a. United Oil (hereinafter referred to as “United Oil”).

For and in consideration of the mutual promises and agreements set forth herein, Mountain Rides and United Oil mutually stipulate and agree to the following provisions:

- 1) Mountain Rides hereby agrees to purchase diesel fuel and unleaded gasoline (hereinafter collectively, “fuel”) for Mountain Rides motor vehicles from United Oil pursuant to the terms and provisions of this Agreement, and United Oil agrees to provide diesel fuel and unleaded gasoline for Mountain Rides motor vehicles pursuant to the terms, conditions, and requirements identified pursuant to the provisions of this Agreement.
- 2) United Oil hereby agrees to provide fuel in conformance with the “*Invitation for Bids Purchase of Fuels, Jan 1, 2020 – Dec 31, 2022*” (attached hereto as Exhibit A), and the Bid Response by *United Oil* (with attachments) (attached hereto as Exhibit B), both of which are hereby incorporated by reference as if set forth in full herein.
- 3) United shall provide fuel so that:
 - a) Fuel is available 24 hours a day, 365 days per year.
 - b) Pumps shall be readily accessible by large vehicles.
 - c) Diesel shall be available in Ketchum and Bellevue.
 - d) Unleaded shall be available in Ketchum, Hailey, Shoshone, and Twin Falls, Idaho.
 - e) All fuels shall be available via a card access system that allows 24-hour fueling and allows for identification of the MRTA vehicle number and identification of user through user PINs
- 4) United Oil shall be bound by, certify, and execute as appropriate, all Federal Clauses, attached hereto as Exhibit C.
- 5) United Oil agrees to maintain fueling sites and to provide a safe, dependable source of fuel to Mountain Rides Transportation Authority.
- 6) United Oil will account for each fuel purchase and provide Mountain Rides with a monthly billing accompanied by a copy of the prices corresponding to those purchases as documentation for conformity with this agreement.
- 7) United Oil agrees to provide Mountain Rides with a monthly fuel invoice based on individual vehicle fuel quantities used and usage rates.
- 8) United Oil agrees that there will be no additional charges for Personal Identification Number (PIN) numbers.

- 9) Mountain Rides will not be assessed any additional administrative, introductory, or maintenance charges. There will be no additional card charges, billing or card replacement fees charged to Mountain Rides.
- 10) All sites will be adequately lighted with provisions made in the form of steps or ladders to access tall or high equipment. Fueling center sites shall comply with America Disabilities Act (ADA) regulations.
- 11) Emergency provisions to supply fuel to Mountain Rides will be made by United Oil should one or all fueling sites become inoperative.
- 12) United Oil agrees to provide Mountain Rides with clean, moisture free fuel. Diesel fuel shall be mixed to prevent jelling or freezing of fuel during winter conditions. Octane levels of fuel will not fall below industry or trade standards.
- 13) Mountain Rides shall make a good faith effort to pay properly presented, correct, and accurate United Oil invoices within 30 days of receipt of invoice.
- 14) This Agreement may not be modified, altered, or changed except pursuant to a written agreement signed by the parties hereto. A waiver of any term or condition of this Agreement or of any breach of this Agreement shall not be deemed a waiver of any other term or condition of this Agreement or any part hereof or of any later breach of the Agreement. Any waiver must be in writing each time a waiver occurs.
- 15) United Oil hereby certifies that United Oil is covered by a Workers' Compensation insurance program with the State of Idaho, a private insurance carrier, or an approved self-insurance plan in accordance with Idaho State law and that Mountain Rides has no liability for United Oil's workers' compensation insurance or claims.
- 16) United Oil hereby certifies that it has and shall maintain during the time period of this Agreement, liability insurance in the minimum amount of \$750,000.00 per claimant and \$1,500,000.00 per occurrence that includes liability for accidents occurring during delivery or at the delivery site that are attributable to the United Oil or its agents' conduct.
- 17) This Agreement constitutes the entire understanding of the parties and is intended as a final expression of their agreement and a complete statement of the terms thereof. There are no promises, terms, conditions, or obligations, other than contained herein. This Agreement shall supersede all previous communications, representations, or agreements, either oral or written, between the parties.
- 18) United Oil and Mountain Rides shall both have the ability to terminate this agreement for cause or for non-compliance with any of the terms, conditions, and requirements contained herein. Such termination shall come only after first giving a verbal demand for compliance followed by a written demand. Termination shall be allowed on the tenth business day following receipt by either party of the other part's written demand.
- 19) This Agreement shall be in force and effect from January 1, 2020 through December 31, 2022 unless terminated in writing by mutual agreement of Mountain Rides and United Oil.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals on the day and year in this certificate first hereinabove written.

MOUNTAIN RIDES TRANSPORTATION
AUTHORITY

By: Wally Morgus
Its: Executive Director

FRANKLIN UNITED, INC., D.B.A. UNITED
OIL

By:
Its:

Mountain Rides Agenda Action Item Summary

Date:

12/18/19

From:

Ben Varner

Action Item:

8. Approve tire purchase quote for tire purchases for Jan 1, 2020- Dec. 31, 2020.

Committee Review:

☒ Yes ☐ No

Committee
Purview:

F&P

Previously
discussed at board
level:

☒ Yes ☐ No

Recommended
Motion:

"I move to approve Les Schwab's tire quote for tire purchases for calendar year 2020."

Fiscal Impact:

FY 20 Budget

Related Policy or
Procedural Impact:

MRTA Procurement Policy

Background:

Per MRTA Policy, anticipated purchases exceeding \$25,000 but under \$50,000 must be approved by the Board of Directors.

Staff sent out requests for bids to four regional tire suppliers. Les Schwab was the only respondent.

Staff recommends the Board accept Les Schwab's response.



Mountain Rides Transportation Authority
Solicitation of Bids – Tires and Tire Service
For purchases between Jan. 1, 2020 - Dec. 31, 2020

Please complete the following with current pricing for specific tire sizes.

Tire Size / Style Load rating must meet or exceed requirements for 15+ passengers	Est. Quantity (over 12 mos.)	Cost per tire, including mounting, balancing, siping, delivery to Mountain Rides' Ketchum, Idaho Facility
305/70/22.5 Steer	4	\$520 ³⁸ / \$1082 ³⁷
305/70/22.5 Traction	8	\$913 ⁸⁸
265/75-22.5 Traction Retread	25	\$222 ⁷⁸
265/75-22.5 Steer	6	\$420 ⁷⁷
285/70R-19.5 Steer	2	\$465 ⁰¹
285/70R-19.5 Retread	4	\$179 ⁹⁷
11R-22.5/16 Traction Retread	14	\$209 ⁸⁸
11R-22.5/16 Steer	4	\$302 ⁸⁴ / \$482 ⁵⁴
245/70R-19.5 Traction Retread	16	\$147 ⁶³
245/70R-19.5 Steer	4	\$246 ⁹⁴ / \$397 ¹⁷
215/85R-16 Traction	14	\$154 ⁰⁴ / \$178 ⁵²
215/85R-16 Steer	4	\$146 ⁰⁰ / \$176 ⁴⁷
LT 245 75 R16 E Summer Highway Tread	24	\$146 ⁶¹ / \$192 ⁶⁹
LT 245 75 R16 E Winter Tread with option to Stud	24	\$194 ⁸⁸ w/studs / \$170 ²⁰ wo studs
235/65 R16 E Summer Highway Tread	16	\$122 ¹⁹
235/65 R16 E Winter Tread with option to Stud	16	\$280 ⁹⁸ w/studs / \$256 ³⁷ wo studs
Cost for seasonal, off-wheel changeover (4 wheels, passenger van), per vehicle	40 (20 spring, 20 fall)	\$70 ⁰⁰
Cost for weekly service visit at 800 First Avenue North, Ketchum, ID	Once/week	Ø
Cost for emergency roadside service for buses in Blaine County (note per hour or per call)	Varies, expect fewer than 5/year	\$165 ⁰⁰ Per Hour

Questions: Ben Varner, Mountain Rides Transportation Authority, 208-788-7433, ext. 105

Protests: For pre-award protests, submittal must be made no less than five (5) days before the scheduled receipt of proposals. For post-award protests, submittal must be made not less than five (5) days after notification of the award. Protests must be made to the Executive Director and must reference this bid and state the specific reason(s) for the protest, along with a suggested remedy.

Responses due not later than **Noon, Dec. 13, 2019**, to:

Mountain Rides Transportation Authority

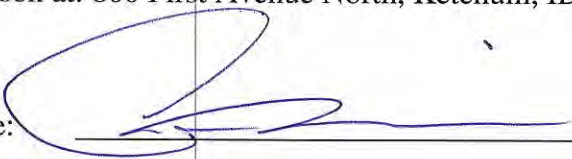
Attn: Ben Varner

PO Box 3091

Ketchum, ID 83340

Or via-email to ben@mountainrides.org

Or in person at: 800 First Avenue North, Ketchum, ID

Signature: 

Name:

CHAD MILLER

Title:

STORE MANAGER

Company:

LES SCHWAB TIRES

Date:

12/12/19

Mountain Rides Agenda Action Item Summary

Date:

12/18/2019

From:

Tucker Van Law

Action Item:

9. Approve and adopt Mountain Rides' revised FY2020 Capital Budget

Committee Review:

☒ Yes ☐ No

Committee
Purview:

Finance & Performance

Previously
discussed at board
level:

☐ Yes ☒ No

Recommended
Motion:

I move to approve and adopt the revised fiscal year 2020 Capital Budget for Mountain Rides Transportation Authority.

Fiscal Impact:

FY2020 Capital Budget

Related Policy or
Procedural Impact:

Per Idaho Code

Background:

The original FY2020 Capital budget had 3 30' foot buses included. Given expected growth in ridership and standardization of the fleet Mountain Rides is pursuing 35' foot buses.

Finance & Performance Committee, in its December 4th meeting, reviewed the revised budget and recommends approval and adoption by the Board or Directors.

Mountain Rides Transportation Authority
Capital Budget

	FY20 Budget	Revised FY20 Budget	\$ Change	% Change	Comments
Income					
41102 · Federal - 5339(b) Bus/Van/Refurt	\$ 1,484,000	\$ 1,484,000	\$ -	+ 0.0 %	3 vans;2 light duty;1 Med Duty;3 Heavy Duty
41102 · Federal - 5339(c) Low-No	-	-	\$ -	+ 0.0 %	
41103 · Federal - 5339(b) BusTech (Fares	-	-	-	+ 0.0 %	
41103 · Federal - 5339(b) BusTech (Radi	-	-	-	+ 0.0 %	
42XXX · ID-DEQ VW Mitigation	-	-	-	+ 0.0 %	
42301 · Fares - Vanpool	-	-	-	+ 0.0 %	
43000 · Local Funding	170,400	170,400	-	+ 0.0 %	
48000 · Use of Reserve Cash	29,828	134,828	105,000	+ 352.0 %	
49000 · Interest Earned	200	200	-	+ 0.0 %	
49800 · Excess Op. Reserves	194,572	194,572	-	+ 0.0 %	100k Fac; 94,572 Excess Ops
49900 · Misc Income - Asset Disposal	20,000	20,000	-	+ 0.0 %	3 van 5k, bus 27 5k
Total Income	\$ 1,899,000	\$ 2,004,000	\$ 105,000	+ 5.5 %	
Expenses					
68050 · Support Vehicles	\$ -	\$ -	\$ -	+ 0.0 %	Increase budget for 35 foot buses
68100 · Vans and Light Duty Buses	409,000	409,000	-	+ 0.0 %	3 vans;2 light duty;1 Med Duty;3 Heavy Duty
68200 · Buses: Mid- and Heavy-duty	1,470,000	1,575,000	105,000	+ 7.1 %	
68300 · Buses: Refurbished/Used	20,000	20,000	-	+ 0.0 %	
68X00 · Buses: Battery Electric	-	-	-	+ 0.0 %	
68500 · Technology (Farebox)	-	-	-	+ 0.0 %	
68Q00 · BEB Charging Infrastructure	-	-	-	+ 0.0 %	
54000 · Shop Equipment	-	-	-	+ 0.0 %	
Total Expense	\$ 1,899,000	\$ 2,004,000	\$ 105,000	+ 5.5 %	
Net Surplus (Deficit)	\$ -	\$ -	\$ -	+ 0.0 %	
Capital Fund					
Beginning Balance	\$ 164,000	\$ 164,000	\$ -	+ 0.0 %	
Transfer to Income (Use of Funds)	(29,828)	(134,828)	(105,000)	+ 352.0 %	
Net Surplus (Deficit)	-	-	-	+ 0.0 %	
Ending Balance	\$ 134,172	\$ 29,172	\$ (105,000)	- 78.3 %	

Local Funding (Capital)	FY19 (50% of Capital Funding)	FY19 (100% of Capital Funding)
Ketchum	\$ 66,570	\$ 75,000
Sun Valley	32,235	42,300
Hailey	7,875	9,800
Bellevue	565	800
Blaine County	14,674	18,500
Sun Valley Company	39,900	24,000
Total	\$ 161,819	\$ 170,400

Mountain Rides Agenda Action Item Summary

Date:

Dec 18, 2019

From:

Administration & Operations

Action Item:

10. Approve issuance of purchase order for three (3) diesel-powered heavy-duty transit buses.

Committee Review:

☒ Yes ☐ No

Committee
Purview:

Finance & Performance

Previously
discussed at board
level:

☒ Yes ☐ No

Recommended
Motion:

I move that the Board of Directors authorize and approve the issuance of a purchase order for three (3) diesel-powered, heavy-duty 35-foot transit buses.

Fiscal Impact:

~\$1.365M capital expenditure; Sources of funding: 5339b federal grant funding + capital funds on-hand

Related Policy or
Procedural Impact:

Procurement Policy

Background:

Respecting MRTA's capital plan, funding capability and service plan, we will issue a purchase order(s) for three (3) 35-foot heavy-duty diesel-powered buses to replace three (3) like buses, which have reached the ends of their useful lives, in our fleet.

100% of funding is in place via a mix of ~74% federal 5339b grant funds and 26% local match capital funds. The acquisitions are budgeted in MRTA's revised FY20 Capital Budget.

Given the issuance of the purchase order(s) on or before January 31, 2020, delivery of the buses should occur in the period from July to September 2020, within the bounds of FY2020, as budgeted.

We anticipate purchasing three (3) Xcelsior XE35 buses from New Flyer of America, Inc. ("New Flyer"), via the FTA-approved procurement contract between New Flyer and the State of Virginia ("Virginia Contract"). We have the ITD's approval to proceed using the Virginia Contract. We have contacted the Virginia Department of General Services - Division of Purchases and Supply, the agency managing the Virginia Contract, and received its go-ahead for procuring via the Virginia Contract.

The New Flyer Xcelsior XE35 bus is similar to our two most-recent heavy duty bus procurements (MRTA buses #201 and #202). Procurement of similar buses furthers MRTA's goal to standardize, thereby introducing efficiencies into, its fleet.

Mountain Rides Agenda Action Item Summary

Date:

Dec 18, 2019

From:

Board of Directors

Action Item:

11. Elect and Seat Board of Directors' Officers for Calendar Year 2020.

Committee Review:

☒ Yes ☐ No

Committee
Purview:

F&P + P&M

Previously
discussed at board
level:

☐ Yes ☒ No

Recommended
Motion:

I move to elect and seat, effective January 1, 2020, for a term ending December 31, 2020, Tom Blanchard, Kathy Kristenson, Grant Gager, and Tucker Van Law as Chair, Vice-Chair, Secretary, and Treasurer, respectively, of the Board of Directors of Mountain Rides Transportation Authority.

Fiscal Impact:

N/A

Related Policy or
Procedural Impact:

MRTA By-laws

Background:

Those named in the motion, above, have agreed to serve in the respective roles for the calendar year 2020.