

**TECHNICAL ADVISORY COMMITTEE
AT 9:30 A.M. ON JANUARY 5, 2017
WASTE WATER TREATMENT PLANT COMMUNITY ROOM
210 BATTERY STREET, CRESCENT CITY, CA 95531**

1. Call Meeting to Order

2. Public comment period

Public comments are welcome and encouraged; however, no proposed action can be taken on any item not appearing on the agenda.

3. Minutes of December 1, 2016

4. 2015-16 Annual Audit

Proposed action: Recommend Del Norte Local Transportation Commission accept and file the 2015-16 audit report.

5. City request for \$150,000 for Cooper Street Emergency Repairs

Proposed action: Recommend Del Norte Local Transportation Commission adopt resolution 2017 1 authorizing \$175,000 for Cooper Avenue Emergency Repair and Reopening.

6. Discussion

- Anticipated County request for emergency work related to the recent storm events.
- Review of Regional Surface Transportation Program eligible uses.
- Review preliminary 2017-18 Overall Work Program budget.

7. Adjourn to the next regular meeting of February 2, 2017 at 9:30 a.m.

Anyone requiring reasonable accommodation to participate in the meeting should contact the Executive Director Tamera Leighton, at (707) 465-3878, at least five (5) days prior to the meeting. For TDD use for speech and hearing impaired, please call (707) 464-2226.

MINUTES
TECHNICAL ADVISORY COMMITTEE
AT 9:30 A.M. ON DECEMBER 1, 2016

Present: Rosanna Bower, County
Larry Depee, CHP
Shoshoni Gensaw, Yurok Tribe
Charlie Helms, Harbor District, Chair
Heidi Kunstal, County, Vice Chair
Jason Price, Caltrans
Joe Rye, RCTA VIA Teleconference
Eric Taylor, City

Absent: Eric Wier, City

Also Present: Nicole Burshem, DNLTC
Eileen Cooper, Friends of Del Norte
Jeff Daniels, County
Tamera Leighton, DNLTC

1. Call Meeting to Order

Charlie Helms called the meeting to order at 9:32 a.m. introductions were made.

2. Public comment period

Public comments are welcome and encouraged; however, no proposed action can be taken on any item not appearing on the agenda.

The following person(s) addressed the Committee: Eileen Cooper suggested having a map somewhere in the community for the public who doesn't have access to computers to show information of where problems and accidents are in the community. This will also give the community opportunity to place on the map where their experiences have been. Ms. Cooper also suggested putting in cable rails instead of the hard metal guardrails on Highway 199 where cars have been going into the river. She researched that cable rails are more forgiving and wont cause a car to turn into oncoming traffic. Ms. Cooper reported that the Transit Authority is getting three new buses and suggested looking into getting hybrid buses.

3. Minutes of November 7, 2016

On a motion by Heidi Kunstal, seconded by Eric Taylor, and unanimously carried on a polled vote the Technical Advisory Committee Board Members approved the minutes of November 7, 2016, with the changes of Mr. Wier referencing City instead of County for Pebble Beach Drive and to correct that the County needed to report the beginning and end locations for data collection efforts.

4. Amendment 1 to Overall Work Program

Proposed action: Recommend Del Norte Local Transportation Commission adopt Amendment 1 to the 2016-17 Overall Work Program.

Discussion was held in regards to Overall Work Program Amendment 1. Ms. Leighton reported that she typically amends the work program 2-3 times a year and is trying to do it only once this year. The work program is in a complicated

spreadsheet. Every amendment has to be approved by Caltrans. This is a formal amendment because we are adding work elements and other components. Ms. Leighton will also have an additional minor change for the City's Pebble Beach PID that will be made. Ms. Leighton went through the amendment in detail: reduction of funding to projected costs, interactive web-based tool, call box upgrades, staff time reduction, County staff delivery for pavement management plan, adding work elements, and addition of carryover. Ms. Leighton explained the ATP is not listed in the scope of work because the State elected to pause and the next cycle will not be due until June 2018. There will be some changes to the ATP program, which will make it more viable to rural areas and will give time to gather data. Ms. Leighton and Mr. Helms review applications for the State and explained how the ATP process works, that it costs about \$10,000 per application, and expressed their concerns for how competitive the process is. Eileen Cooper, Friends of Del Norte, expressed that the money would be better used if separated into two categories. There would be one application for rural areas and one application for urban areas. Ms. Gensaw asked if the process takes into consideration that one agency might submit multiple applications and that one that might be slightly better. Ms. Leighton responded that they have not limited the number of applications submitted by any single agency, but there is consideration for developing two applications one for large projects and one for small projects. Ms. Bower asked why there was not a limit to how many applications could be submitted. Ms. Leighton responded that the current interpretation for competitive process doesn't allow for this. Ms. Cooper expressed she likes the idea of two different, yet simple applications for small projects. Ms. Leighton asked Eric Taylor if the City would be the lead for the Pebble Beach Drive PID (Project Initiation Document) to streamline the administration. Mr. Taylor responded that is a question for Eric Wier and he will come back with that information. Staff recommendation is to make this change unless she hears from Mr. Wier by December 2, 2016. Ms. Bower reported the County plans to support HSIP applications in the future and wants to shift money from 2016-17 funds to 2017-18 funds. Ms. Leighton says that this will be a carryover from the current year and that she will include this in the 2017-18 overall work program. On a motion by Rosanna Bower, seconded by Charlie Helms, and unanimously carried the Technical Advisory Committee recommended the Del Norte Local Transportation Commission adopt Amendment 1 to the 2016-17 Overall Work Program.

5. Discussion

- 2017-18 Overall Work Program – Ms. Leighton presented and reviewed past work products including the projects that have already been completed and the projects that are still needed. Ms. Leighton explained that the projects listed as mandatory will remain in the Overall Work Program to meet the mandate of the Regional Transportation Planning Agency (RTPA). Mr. Taylor asked if match funds are available for any of the listed projects. Ms. Leighton responded that match funds couldn't be used for staff services for agency staff to attend DNLTC sponsored training. Our role is to provide the training for safety and security. The ridership survey and the short range transit plan were discussed. Mr. Taylor asked how long the transit plan document is good for. Ms. Leighton responded the document is good for 3-5 years. The document is an important tool to make sure the investment in transit services is addressing

current transit needs. Eileen Cooper, Friends of Del Norte, reported she rides the buses and has suggested in previous meetings about having connecting buses to and from Humboldt. Ms. Gensaw reported the Yurok Tribe is planning to expand their transit service into the Arcata and Humboldt areas. This would be placed in their mass Transit planning document. Ms. Leighton reviewed the crowdsourcing tool and explained that the work would be included with the website services contract. Jason Price reported there are transportation planning grants for some of the discussed work and Ms. Leighton added that the referenced grants are inflexible, administratively challenging and often don't provide the type of funds needed. Ms. Leighton reported the Technical Advisory Committee needs to prioritize the work for the 2017-18 OWP. Ms. Leighton wants to leave knowing the prioritization and come back in January with a drafted budget. Ms. Bower reported out on some of the projects the County wants to include in the work program. Ms. Leighton went through the prioritization of each project.

- Ms. Leighton presented and reviewed past work products including the projects that have already been completed and the projects that are still needed. Ms. Leighton explained that the projects listed as mandatory will remain on the Overall Work Program to meet the mandate of the Regional Transportation Planning Agency. Ms. Leighton reported the Economic and Demographic profile cost is approximately \$5,000.00 and that this document is helpful to many in the region. Ms. Leighton reported Increase Money to Support the Regional Transportation Plan is what was talked about previously enabling groups to submit the ATP applications or anything else we may need it for. Ms. Leighton reported the Public Participation Plan needed to be updated though there is no mandate for it to be updated and that it would fall under Work Element A. Ms. Leighton reported on Transportation Emergency Funding. Cindy Henderson would like the Transportation Commission to fund some training for those agencies that support emergency preparedness and emergency response for safety and security in our area. Ms. Leighton reported the Short Range Transit Plan is mandated and needs to be updated regularly. Mr. Helms asked what is the cost. Ms. Leighton responded the cost is approximately \$70,000. Ms. Leighton reported on the Unmet Needs for visitor services or college students. Ms. Leighton reported on Trail Mapping for Pedestrian and Bike Trail – the proposal is for electronic trail mapping, which works best with phones or computers. This might become part of the crowdsourcing tool. Eileen Cooper, Friends of Del Norte suggested having a screen in the cultural center for the public who did not have access to an electronic device. Mr. Price noted there are grants out there for Transit Planning for this sort of project. Rosanna Bower presented the following projects to be added: Elk Valley Road PID document, Kamph Memorial Park beach access, radar traffic counters, and grant applications, low priority school route funds for all schools which is a responsibility of the school district, and adult bike and pedestrian education. The TAC reviewed all projects and listed them low, medium, or high priority. The projects are listed as follows: Low Priority – Trail Mapping and School Route Planning. Medium Priority – Public Participation Plan, Transit Short Range Plan, if this project can't be funded fully transit can consider applying for a transportation grant or push out to the

18-19 year. High Priority – Economic and Demographic Profile, Increase Funding to Support Regional Transportation Plan for Grant Development: Ms. Bower commented there are no more than 2-3 applications and Ms. Leighton commented there should be four applications for a budget of \$40,000, Emergency Planning: Ms. Leighton commented if Cindy Henderson responds with a request then it should be a high priority, and transit ridership survey. Ms. Leighton added that the traffic counter needs to be requested to get this moving forward, and the county needs to initiate requests for funding PID documents if they are not included in the Overall Work Program.

- Current year work element status update – Ms. Leighton reported that the Active Transportation Plan needs a minor update and that Caltrans may put a sidewalk in on Washington Blvd to the address pedestrian access from US 101. Ms. Leighton reported Work Element C will include an amended scope of work as discussed earlier in the meeting to include a crowd-sourcing tool. Ms. Bower asked in regards to the time limit to file litigation for the Regional Transportation Plan. Ms. Leighton responded she is not aware of a specific time frame.
- DNLTC mailing address: 900 Northcrest Drive, PMB 16 – Ms. Leighton reported the address changed due to The Mailroom moving their location.

6. Adjourn to the next regular meeting of January 5, 2017 at 9:30 a.m.

With no further business before the committee, the Chair adjourned the meeting at 11:37 a.m., until the regular scheduled meeting on January 5, 2017 at 9:30 a.m.

Respectfully submitted,

Tamera Leighton, Executive Director
Del Norte Local Transportation Commission

ITEM 4

DATE: JANUARY 5, 2017
TO: TECHNICAL ADVISORY COMMITTEE
FROM: TAMERA LEIGHTON, EXECUTIVE DIRECTOR
SUBJECT: 2015-16 ANNUAL AUDIT

REQUESTED: Recommend Del Norte Local Transportation Commission receive and file the 2015-16 audit.

BACKGROUND: According to the Transportation Development Act (TDA), Sections 6661, 6662, and 6751, DNLTC is required to submit reports of fiscal and compliance audits to the California State Controller within 180 days following the close of each fiscal year. The fiscal audit of the financial statements of DNLTC have been completed by Hunter, Hunter & Hunt. These audits are performed in accordance with Generally Accepted Auditing Standards by a certified public accountant and include a determination of compliance with TDA rules and regulations. The audit has been reviewed by the DNLTC Finance Committee, accounting firm Cholwell, Benz and Hartwick, and executive director Tamera Leighton.

DEL NORTE LOCAL TRANSPORTATION COMMISSION

AUDIT COMMUNICATION LETTER

Year Ended June 30, 2016

December 21, 2016

The Commissioners of Del Norte Local Transportation Commission
Crescent City, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Del Norte Local Transportation Commission (the Commission) for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 18, 2016. 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 Commission 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 the year. We noted no transactions entered into by the Commission 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.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

Note 4 Public Transit Modernization – The note includes the Proposition 1B funds received and expended during the year ended June 30, 2016.

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 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.

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 December 21, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

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 the Commission'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 the management's discussion and analysis and Schedule of Revenues, Expenditures, and Changes in Fund Balance by Work Element – Budget to Actual, 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 supplementary information, 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 Commissioners and management of the Del Norte Local Transportation Commission, the California Department of Transportation, and the State Controller's Office and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Hunter, Hunter & Hunt

DEL NORTE LOCAL TRANSPORTATION COMMISSION

**BASIC FINANCIAL STATEMENTS,
REQUIRED SUPPLEMENTARY INFORMATION,
AND
SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2016

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INDEPENDENT AUDITORS' REPORT

The Commissioners of Del Norte Local Transportation Commission
Crescent City, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Del Norte Local Transportation Commission (the Commission) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Commission'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 as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts; 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.

Auditors' 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 State Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts. 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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Commission, as of June 30, 2016, and the respective changes

remaining fund information of the Commission, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 7 and page 23 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 Commission's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

We have also issued our report dated December 21, 2016, on our consideration of the Commission's 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 compliance and the results of that testing, and not to provide an opinion on compliance.



December 21, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

DEL NORTE LOCAL TRANSPORTATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

This section of Del Norte Local Transportation Commission's (the Commission's) financial statements presents management's overview and analysis of the financial activities of the Commission for the fiscal year ended June 30, 2016. We encourage the reader to consider the information presented here in conjunction with the financial statements as a whole.

Introduction to the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commission's audited financial statements. This annual report is prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

The required financial statements include the Government-wide and Fund Financial Statements: Statement of Net Position and Governmental Fund Balance Sheet; Statement of Activities and Changes in Net Position and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances; Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

These statements are supported by notes to the financial statements. All sections must be considered together to obtain a complete understanding of the financial picture of the Commission.

The Basic Financial Statements

The Basic Financial Statements comprise the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the Commission's financial activities and financial position.

The Government-wide Financial Statements

The Government-wide Financial Statements provide a longer-term view of the Commission's activities as a whole, and comprise the Statement of Net Position and the Statement of Activities and Changes in Net Position. The Statement of Net Position provides information about the financial position of the Commission as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all of the Commission's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of the Commission's programs. The Statement of Activities explains in detail the change in Net Position for the year.

Government-wide Financial Statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the Commission as a whole.

All of the Commission's activities are grouped into Government Activities, as explained below.

Fund Financial Statements

The Fund Financial Statements report the Commission's operations in more detail than the Government-wide statements and focus primarily on the short-term activities of the

**DEL NORTE LOCAL TRANSPORTATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

Commission's Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts. The Fund Financial Statements provide detailed information about each of the Commission's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are Major Funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, with all Non-major Funds summarized and presented only in a single column. Major Funds present the major activities of the Commission for the year, and may change from year to year as a result of changes in the pattern of the Commission's activities. In the Commission's case, there are two Major Governmental Funds.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements. Major Funds account for the major financial activities of the Commission and are presented individually. All of the Commission's Governmental Funds are considered major.

The Statement of Net Position and the Statement of Activities present information about the following:

Governmental Activities - The Commission's basic services are considered to be governmental activities. These services are supported by specific program revenues from state grants and local transportation claims. Comparisons of Budget and Actual financial information are presented for the Administration Special Revenue Fund.

Fiduciary Activities - The Commission's fiduciary activities are reported in the separate Statement of Fiduciary Net Position. Their balances are excluded from the Commission's other financial statements because the Commission cannot use these assets to finance its own operations.

The Fiduciary Statements provide financial information about the activities of the Transportation Development Act Fund, State Transit Assistance and RSTP Funds for which the Commission acts solely as agent. The Fiduciary Statements provide information about the cash balances and activities of these funds. These statements are separate from, and their balances are excluded from, the Commission's financial activities.

Analysis of Major Funds

Governmental Funds - Special Revenue Fund revenue decreased \$8,507 from \$357,340 in the prior fiscal year to \$348,833 this fiscal year. This decrease was mainly due to fewer projects funded through Regional Planning Assistance. Prior year RPA funding was \$23,158 higher than the current year.

Special Revenue Fund expenditures decreased \$19,937 from \$370,215 in the prior fiscal year to \$350,278 this fiscal year. This was mainly due to decreases in RPA expenditures as compared to the prior year.

**DEL NORTE LOCAL TRANSPORTATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

Governmental Activities

**Table 1
Governmental Net Position**

	<u>2016</u>	<u>2015</u>
Cash and Investments	\$ 135,142	\$ 115,871
Accounts Receivable	40,454	84,903
Capital Assets, Net of Accumulated Depreciation	<u>4,872</u>	<u>10,186</u>
Total Assets	<u>\$ 180,468</u>	<u>\$ 210,960</u>
Accounts Payable	<u>\$ 12,068</u>	<u>\$ 35,851</u>
Total Liabilities	<u>\$ 12,068</u>	<u>\$ 35,851</u>
Net Position		
Invested in Capital Assets	\$ 4,872	\$ 10,186
Restricted	<u>163,528</u>	<u>164,923</u>
Total Net Position	<u>\$ 168,400</u>	<u>\$ 175,109</u>

The Commission's governmental net position amounted to \$168,400 as of June 30, 2016, a decrease of \$6,709 over 2015. This decrease is the Change in Net Position reflected in the Governmental Activities column of the Statement of Activities shown in Table 2. The Commission's net position as of June 30, 2016, comprised the following:

Net position invested in capital assets of \$4,872, representing the Commission's investment in capital assets used in Governmental activities;

Restricted - includes \$163,528 of net position that can only be used for specific purposes.

**DEL NORTE LOCAL TRANSPORTATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

The Statement of Activities presents general revenues in detail. These elements are summarized below in the Changes in Governmental Net Position.

**Table 2
Changes in Governmental Net Position**

	2016	2015
<u>Expenses:</u>		
Services	\$ 25,136	\$ 25,660
Safe Routes to Schools	26,269	25,657
Planning and Administration	304,137	324,212
Total Expenses	355,542	375,529
 <u>Program Revenues:</u>		
Grants	255,362	261,651
Local Transportation Funds	68,057	72,108
General Revenues		
SAFE	24,642	22,920
Interest	772	661
Total Revenues	348,833	357,340
 Change in Net Position	 \$ (6,709)	 \$ (18,189)

The Major Special Revenue Funds that the Commission uses to account for its governmental activities are described below.

SAFE - This fund accounts for service authority for freeway emergencies. The major revenue source for this fund is state fees collected in connection with vehicle license fees. Expenditures are made for service authority for freeway emergencies projects. Expenditures in the amount of \$14,404 were made for services and supplies and \$5,418 were made for administration services in the current year. The fund's net position increased by \$5,160 from \$57,168 at the end of the prior fiscal year, to \$62,328 at the end of the current fiscal year.

Administration Fund - The major revenue source for this fund state rural planning assistance funds. Expenditures in the amount of \$330,406 were made for planning and administration in the current year. The fund's net position decreased by \$6,555 from \$107,755 at the end of the prior fiscal year, to \$101,200 at the end of the current fiscal year.

**DEL NORTE LOCAL TRANSPORTATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

Capital Assets

GASB Statement No. 34 requires the Commission to record all its capital assets that were not recorded in prior years. Detail on capital assets can be found in Note 3.

Debt Administration

The Commission does not utilize long-term debt to fund operations or growth.

Economic Outlook and Major Initiatives

Financial planning is based on specific assumptions from recent trends, State of California economic forecasts and historical growth patterns in the various communities served by the Commission.

The economic condition of the Commission as it appears on the balance sheet reflects financial stability and the potential for organizational growth. The Commission continues to be encouraged by development throughout its boundaries. The Commission will continue to maintain a watchful eye over expenditures and remain committed to sound fiscal management practices to deliver the highest quality service to the citizens of the area.

Contacting the Commission's Financial Management

These financial statements are intended to provide citizens, taxpayers, and creditors with a general overview of the Commission's finances. Questions about this Report should be directed to Executive Director, Del Norte Local Transportation Commission, 900 Northcrest Drive #16, Crescent City, California, 95531.

BASIC FINANCIAL STATEMENTS

DEL NORTE LOCAL TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
June 30, 2016

	Governmental Activities
Assets	
Current Assets:	
Cash and Investments	\$ 135,142
Accounts Receivable	40,454
Total Current Assets	175,596
Noncurrent Assets:	
Capital Assets, Net of Accumulated Depreciation	4,872
Total Noncurrent Assets	4,872
Total Assets	180,468
Liabilities	
Current Liabilities:	
Accounts Payable	12,068
Total Current Liabilities	12,068
Total Liabilities	12,068
Net Position	
Net Investment in Capital Assets	4,872
Restricted	163,528
Total Net Position	\$ 168,400

See accompanying notes.

DEL NORTE LOCAL TRANSPORTATION COMMISSION
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2016

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenues and Changes in Net Assets Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Callbox Services and Supplies	\$ 25,136	\$ -	\$ 24,642	\$ (494)
Safe Routes to Schools	26,269	-	-	(26,269)
Planning and Administration	304,137	-	323,419	19,282
Total Governmental Activities	<u>355,542</u>	<u>-</u>	<u>348,061</u>	<u>(7,481)</u>
General Revenues:				
Interest				<u>772</u>
Total Revenues				<u>772</u>
Change in Net Position				(6,709)
Net Position - Beginning of Year				<u>175,109</u>
Net Position - End of Year				<u>\$ 168,400</u>

See accompanying notes.

**DEL NORTE LOCAL TRANSPORTATION COMMISSION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016**

	Fund 618 SAFE	Fund 602 Administration	Total
Assets			
Cash and Investments	\$ 60,425	\$ 74,717	\$ 135,142
Accounts Receivable	4,607	35,847	40,454
Total Assets	\$ 65,032	\$ 110,564	\$ 175,596
 Liabilities and Fund Balance			
Liabilities:			
Accounts Payable	\$ 2,704	\$ 9,364	\$ 12,068
Total Liabilities	2,704	9,364	12,068
 Fund Balance			
Restricted	62,328	101,200	163,528
Total Fund Balance	62,328	101,200	163,528
Total Liabilities and Fund Balance	\$ 65,032	\$ 110,564	\$ 175,596
 Total Fund Balance - Government Fund			\$ 163,528
 Amounts reported for governmental activities in the Statement of Net Position are different because capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The total capital assets, net of accumulated depreciation are:			4,872
Net Position of Governmental Activities			\$ 168,400

See accompanying notes.

**DEL NORTE LOCAL TRANSPORTATION COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016**

	Fund 618 SAFE	Fund 602 Administration	Total
Revenues			
Grants	\$ -	\$ 255,362	\$ 255,362
Local Transportation Funds	-	68,057	68,057
Service Authority for Freeway Emergencies	24,642	-	24,642
Interest	340	432	772
Total Revenues	24,982	323,851	348,833
Expenditures			
Services	14,404	-	5,418
Planning and Administration	5,418	330,406	344,810
Total Expenditures	19,822	330,406	350,228
Excess of Revenue over Expenditures	5,160	(6,555)	(1,395)
Net Change in Fund Balances	5,160	(6,555)	(1,395)
Fund Balances, Beginning of Year	57,168	107,755	164,923
Fund Balances, End of Year	\$ 62,328	\$ 101,200	\$ 163,528
Net Change in Fund Balance - Governmental Fund			\$ (1,395)
<p>Amounts reported for governmental activities in the Statement of Activities are different because some expenses reported in the Statement of Activities do not require use of current financial resources, and therefore, are not reported as expenditures in the governmental funds. These expenses are:</p>			
Depreciation			(5,314)
Change in Net Position of Governmental Activities			\$ (6,709)

See accompanying notes.

DEL NORTE LOCAL TRANSPORTATION COMMISSION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2016

	Expendable Trust Funds					Total
	Fund 637	Fund 626	Fund 619	Fund 696	Fund 647	
	Local Transportation	State Transit Assistance	RSTP Fund	PTMISEA Fund	Transit Security Fund	
Assets						
Cash and Investments	\$ 141,801	\$ 6,378	\$ 999,223	\$ 811,698	\$ 49,641	\$ 2,008,741
Sales Tax Receivable	95,600	57,104	218,903	-	-	371,607
Total Assets	<u>237,401</u>	<u>63,482</u>	<u>1,218,126</u>	<u>811,698</u>	<u>49,641</u>	<u>2,380,348</u>
Liabilities						
Accounts Payable	30,506	-	95,106	-	-	125,612
Due to Other Governments	203,632	23,886	-	-	-	227,518
Total Liabilities	<u>234,138</u>	<u>23,886</u>	<u>95,106</u>	<u>-</u>	<u>-</u>	<u>353,130</u>
Net Position						
Held in Trust for Pedestrian Bike	20,212	-	-	-	-	20,212
Held in Trust	(16,949)	39,596	1,123,020	811,698	49,641	2,007,006
Total Net Position	<u>\$ 3,263</u>	<u>\$ 39,596</u>	<u>\$ 1,123,020</u>	<u>\$ 811,698</u>	<u>\$ 49,641</u>	<u>\$ 2,027,218</u>

See accompanying notes.

DEL NORTE LOCAL TRANSPORTATION COMMISSION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2016

	Expendable Trust Funds					Total
	Fund 637	Fund 626	Fund 619	Fund 696	Fund 647	
	Local Transportation	State Transit Assistance	RSTP Fund	PTMISEA Fund	Transit Security Fund	
Revenue						
Sales Tax	\$ 573,990	\$ -	\$ -	\$ -	\$ -	\$ 573,990
State Exchange Funds	-	-	218,903	-	-	218,903
State Transit Assistance Funds	-	112,982	-	-	-	112,982
Interest	492	88	6,322	4,456	277	11,635
Total Revenue	<u>574,482</u>	<u>113,070</u>	<u>225,225</u>	<u>4,456</u>	<u>277</u>	<u>917,510</u>
Expenditures						
Administration and Planning	68,057	-	13,095	-	-	81,152
Redwood Coast Transit Authority	531,705	112,982	-	-	-	644,687
Consolidated Transit Services Agency	25,652	-	-	-	-	25,652
Pedestrian Bike	30,000	-	-	-	-	30,000
Partnerships	-	-	6,310	-	-	6,310
Streets Overlays	-	-	514,116	-	-	514,116
Total Expenditures	<u>655,414</u>	<u>112,982</u>	<u>533,521</u>	<u>-</u>	<u>-</u>	<u>1,301,917</u>
Change in Net Position	<u>(80,932)</u>	<u>88</u>	<u>(308,296)</u>	<u>4,456</u>	<u>277</u>	<u>(384,407)</u>
Net Position, Beginning of Year	<u>84,195</u>	<u>39,508</u>	<u>1,431,316</u>	<u>807,242</u>	<u>49,364</u>	<u>2,411,625</u>
Net Position, End of Year	<u>\$ 3,263</u>	<u>\$ 39,596</u>	<u>\$ 1,123,020</u>	<u>\$ 811,698</u>	<u>\$ 49,641</u>	<u>\$ 2,027,218</u>

See accompanying notes.

DEL NORTE LOCAL TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Del Norte Local Transportation Commission (the Commission) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This summary of significant accounting policies of the Commission is presented to assist in understanding the financial statements. The financial statements and notes are representations of management, who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

Reporting Entity and Nature of Activities

The Commission is the regional transportation planning agency for Del Norte County, California, and was created pursuant to Title 3 of Government Code Section 29535. The Commission is responsible for transportation planning activities as well as administration of the Local Transportation Trust Fund and the State Transit Assistance Fund. The Commission does not exercise control over any other governmental agency authority. Criteria used in determining the reporting entity was based on control or dependence determined on the basis of budget adoption, funding, and appointment of the respective governing board.

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities and changes in net position (statement of activities) display information about the reporting government as a whole and include all funds of the reporting entity, except for fiduciary activities. Governmental activities generally are financed through taxes and other non-exchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of given functions or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include grants and contributions that are restricted to meeting the operational needs of a particular program, and fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets.

Revenues not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, net position/fund equity, revenues, and expenditures/expenses.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds and major individual fiduciary funds are reported as separate columns in the fund financial statements.

DEL NORTE LOCAL TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

The Commission's resources are accounted for based on the purposes for which they are to be spent and the means by which spending activities are controlled. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the Commission or meets the following criteria:

Total assets, liabilities, revenues or expenditures (or expenses) of the individual governmental funds are at least 10 percent of the corresponding total for all funds of that category or type.

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to the timing of the recognition of revenues and expenditures in the accounts and their reporting in the financial statements.

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Fiduciary funds are not included in the government-wide financial statements.

Fund Financial Statements

The governmental fund types use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable. General capital asset acquisitions are reported as expenditures in governmental funds.

The revenues susceptible to accrual are Transportation Development Act (TDA) funds, grants and interest revenue.

Non-exchange transactions, in which the Commission gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Commission may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The Commission's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

DEL NORTE LOCAL TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

The governmental funds consist of:

Service Authority for Freeway Emergencies (SAFE) Fund: The major revenue source for this fund is state vehicle license fees. Expenditures are made for SAFE projects.

Administration Fund: The major revenue source for this fund is state regional planning funds. Expenditures are made for planning and administration.

The fiduciary funds account for assets held by the Commission as a trustee or agent for other units of government. Expendable trust funds are used by the Commission for the following purposes:

Local Transportation Fund (LTF) - This fund is utilized by the Commission, as trustee, to receive the 1/4 of 1% retail sales tax that is returned to each County by the State Board of Equalization. These funds are apportioned and allocated by the Commission to eligible claimants for transit, transportation planning, and for administration of the TDA. While it is legal to allocate LTF funds for street and road purposes under certain conditions, the Commission has adopted a Local Transportation Reserve Fund policy that precludes any street and roads allocations.

State Transit Assistance (STA) Fund - This fund is utilized by the Commission, as trustee, to receive sales tax derived from statewide sales of gasoline and diesel fuel. Each County receives its share of these funds based upon a population and operator revenue formula. These funds are allocated by the Commission to transit operators.

Regional Surface Transportation Program (RSTP) Fund - This fund is utilized by the Commission, as trustee, to receive non-federal RSTP account funds from the California Department of Transportation. These funds are then allocated to local agencies for eligible purposes.

Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA) Fund - This fund is utilized by the Commission, as trustee, to receive PTMISEA funds which are required to be accounted for separately.

Transit Security Fund - This fund is utilized by the Commission, as trustee, to receive Proposition 1B California Transit Security Grant funds which are required to be accounted for separately.

Budgets

Operating Funds - The Commission annually adopts a budget through the preparation of an overall work program. This work program describes the projects, or work elements, that are to be funded, and the type of funds that will pay for the expenditures, such as Rural Planning Assistance, State Subvention, Local Transportation, or Federal Transportation Administration (FTA). The work program in draft form is prepared by Commission staff, submitted and approved by the Commission, and submitted to the State of California, Department of Transportation (Caltrans) before June 30. Caltrans, as the grantor of Rural Planning Assistance, State Subvention and FTA funds, approves the work program, which then becomes the budget for the operating fund of the Commission.

DEL NORTE LOCAL TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Expendable Trust Funds - There are three expendable trust funds, the LTF, STA, and RSTP Funds. The LTF funds are available for transit, streets and roads, pedestrian and bicycle, administration of the TDA, and transportation planning.

The STA funds are available for transit purposes. The eligible recipients are the Commission, the County of Del Norte, the City of Crescent City, Redwood Coast Transit Authority and any governmental agency that is operating a transit operation within Del Norte County, California. The process for delivering the LTF and STA funds to the various recipients is as follows:

The County Auditor-Controller estimates the amount of funds to be available in the LTF, and notifies the Commission before February 1 of each year.

The LTF fund's net position balance has \$20,212 held in trust for pedestrian bicycle projects.

The Commission determines how much funding it will need for the planning and administration of the TDA. The Commission then determines the split of LTF funds between the Redwood Coast Transit Authority and other claimants based upon the population amounts provided by the State of California Department of Finance. Each recipient is then notified of the amount of LTF funds available in its area of apportionment (apportionment being the process of dividing the funds based upon population). Each agency then submits a claim for LTF funds, with transit needs required to be met before any streets and roads funds can be claimed. While it is legal to allocate LTF funds for street and road purposes under certain conditions, the Commission is committed to funding transit to the greatest extent possible and by practice does not divert funds for streets and roads allocations.

The Commission acts upon the claims, adopting resolutions, and preparing allocation instructions that notify the recipient of the funds approved, and notifies the County Auditor-Controller of what expenditures are approved, and when they are to be paid.

The STA process is similar, except that the estimate is made by the State of California Controller's Office, and the funds cannot be used for administration, streets and roads, or pedestrian and bicycle facilities.

Cash and Cash Equivalents

The Commission's cash is maintained with the County of Del Norte Office of the Auditor-Controller and a local financial institution. Cash deposits in external investment pools are considered cash equivalents when deposits and withdrawals may be made at any time without prior notice or penalty. The County of Del Norte Office of the Auditor-Controller allocates interest to the various funds based upon the average monthly cash balances. The Commission's cash on deposit with the County of Del Norte Treasury at June 30, 2016, was \$130,418 reported in governmental activity funds, and \$1,723,635 reported in fiduciary funds. The Commission's cash on deposit with Tri Counties Bank at June 30, 2016, was \$4,724 reported in governmental activity funds, and \$285,106 reported in fiduciary funds.

Accounts Receivable

The Commission evaluates the collectability of accounts receivable in order to determine the allowance for doubtful accounts. As of June 30, 2016, the Commission determined that accounts receivable are fully collectible and recorded \$-0- for the allowance for doubtful

DEL NORTE LOCAL TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

accounts. Based on historical experience, the Commission does not expect amounts to become uncollectible, however if they are, they will be charged to operations as a bad debt expense. Although this method does not conform to generally accepted accounting principles, the impact of any bad debt expense recorded in the future is expected to be immaterial to the financial statements.

Capital Assets

Capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Depreciation of capital assets is charged as an expense against operations, with accumulated depreciation reflected in the statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Callboxes and equipment	5 years
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Net Position and Fund Balance Classification Policy

The difference between fund assets and liabilities is called "net position" in the government-wide and proprietary fund financial statements and it is called "fund balance" in the governmental fund financial statements.

Government-wide and proprietary fund financial statements have the following categories of net position:

Net investment in capital assets represents capital assets, net of accumulated depreciation reduced by the outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net position represents amounts that can be spent only for specific purposes as stipulated by law, external resource providers, contract, or through enabling legislation.

Unrestricted net position represents amounts that are neither restricted nor invested in capital assets, net of related debt.

In accordance with the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the governmental fund financial statements have the following categories of fund balance:

Nonspendable fund balance includes amounts in fund balance that cannot be spent because they are either not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted fund balance includes amounts that can be spent only for specific purposes as stipulated by law, external resource providers, contract, or through enabling legislation.

DEL NORTE LOCAL TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Committed fund balance includes amounts that can be spent only for specific purposes determined by a formal action of the Commission. Commitments may be changed or lifted only by the Commission taking the same formal action.

Assigned fund balance includes amounts that are intended to be spent for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent can be expressed by the Commission, a Commission created committee, or an official designated by the Commission to which it delegates the authority.

Unassigned fund balance represents the residual classification for resources that cannot be classified into any of the other categories.

The Commission establishes fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the Commission.

As of June 30, 2016, the Commission's restricted funds of \$163,478 include \$69,934 of State Transportation Improvement Program funds to be used for project planning, programming and monitoring activities, \$62,329 of funds to be used for SAFE projects and \$31,215 to be used for Safe Routes to Schools projects.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, followed by committed, assigned, and unassigned resources as they are needed.

Due to Other Governments

Balances due to other governments from fiduciary funds are included in liabilities on the Statement of Fiduciary Net Position. As of June 30, 2016, the Commission's balance due to other governments was \$227,518.

Interfund Transactions - Transfers Among Funds

Resources may be transferred from one Commission fund to another. The purpose of the transfers is to reimburse a fund that has made an expenditure on behalf of another fund.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Contingencies

The Commission receives revenue from Federal, State and Local agencies that have requirements to be followed when expending these revenues. If the requirements are not followed, the unauthorized expenditures would be a liability to be refunded to the appropriate agency. Although that is a possibility, management currently deems the contingency remote based upon their knowledge of the objectives of the agencies and the provisions of the funding agreements. Accordingly, no amount has been accrued as a contingent liability in the accompanying financial statements.

DEL NORTE LOCAL TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Risk Management

The Commission is exposed to various risks of loss related to errors and omissions. The Commissioners are covered for errors and omissions liability through the respective government agencies (Crescent City and County of Del Norte).

NOTE 2 - CASH AND INVESTMENT FUNDS

The Commission maintains specific cash deposits with the County of Del Norte and involuntarily participates in the external investment pool of the County of Del Norte. The County of Del Norte is restricted by state code in the types of investments it can make. Furthermore, the County of Del Norte Treasurer has a written investment policy, approved by the Board of Supervisors, on an annual basis. Also, the County of Del Norte has a Treasury Oversight Committee, which performs regulatory oversight for its pool.

The County of Del Norte's investment policy authorizes the County of Del Norte to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, and the State Treasurer's investment pool. As of June 30, 2016, the Commission's cash with the County of Del Norte's Treasurer is stated at fair value. As of June 30, 2016, both the fair value and carrying value of the pool shares was \$130,418 and \$1,723,635 for the governmental and fiduciary funds, respectively.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Due to the highly liquid nature of the Commission's investment with the County of Del Norte's external investment pool, the Commission's exposure to interest rate risk is deemed by management to be insignificant.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County of Del Norte's external investment pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

As of June 30, 2016, there were no Commission deposits with financial institutions in excess of federal depository insurance limits.

Concentration of Credit Risk

The investment policy of the Commission contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. There were no non-pooled investments held by the Commission at June 30, 2016.

DEL NORTE LOCAL TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 3 - CAPITAL ASSETS

The change in the capital assets in the SAFE fund for the year ended June 30, 2016, is as follows:

	<u>Balance 6/30/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/16</u>
Equipment	\$ 123,327	\$ -	\$ -	\$ 123,327
Less: Accumulated Depreciation	<u>(113,141)</u>	<u>(5,314)</u>	<u>-</u>	<u>(118,455)</u>
Net Capital Assets	<u>\$ 10,186</u>	<u>\$ (5,314)</u>	<u>\$ -</u>	<u>\$ 4,872</u>

Depreciation expense of \$5,314 was recorded to the SAFE fund for the year ended June 30, 2016.

NOTE 4 - PUBLIC TRANSIT MODERNIZATION

In November 2006, California Voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006. Of the \$19.925 billion of state general obligation bonds authorized, \$4 billion was set aside by the State as instructed by statute as the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA). These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements for rolling stock procurement, rehabilitation or replacement. During the year ended June 30, 2016, the Commission received and expended Proposition 1B PTMISEA funds within the STA Fund as follows:

Unexpended PTMISEA Funds at June 30, 2015	\$ 807,242
Proceeds Received During 2016:	
Interest Earned	<u>4,456</u>
Total Available for Expenditure	811,698
Expenditures Incurred During 2016:	
Funding Provided to RCTA for Purchases	<u>-</u>
Unexpended PTMISEA Funds at June 30, 2016	<u>\$ 811,698</u>

DEL NORTE LOCAL TRANSPORTATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 5 - SUBSEQUENT EVENTS

The Commission's management has evaluated subsequent events through December 21, 2016, which is the date the financial statements were available to be issued, and noted no events that could impact the understanding of the users of the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

DEL NORTE LOCAL TRANSPORTATION COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE BY WORK ELEMENT - BUDGET TO ACTUAL
For the Year Ended June 30, 2016
(UNAUDITED)

	Budget		Actual							Total	Under (Over) Budget
	Original	Final	TDA	SAFE	SRTS	Regional Planning Assistance	STIP	RSTP	WRTS**		
Revenues											
Regional Planning Assistance	\$ 230,000	\$ 230,000	\$ -	\$ -	\$ -	\$ 204,493	\$ -	\$ -	\$ -	\$ 204,493	\$ 25,507
PPM Funds	34,000	34,000	-	-	-	-	34,000	-	-	34,000	-
TDA Funds	82,000	90,000	68,057	-	-	-	-	-	-	68,057	21,943
SAFE	21,400	21,400	-	24,642	-	-	-	-	-	24,642	(3,242)
RSTP Funds	29,975	20,314	-	-	-	-	-	13,095	-	13,095	7,219
Public Health Institute	68,000	68,000	-	-	-	-	-	-	16,869	16,869	51,131
Interest *	-	-	-	340	-	-	432	-	-	772	(772)
Total Revenues	<u>465,375</u>	<u>463,714</u>	<u>68,057</u>	<u>24,982</u>	<u>-</u>	<u>204,493</u>	<u>34,432</u>	<u>13,095</u>	<u>16,869</u>	<u>361,928</u>	<u>101,786</u>
Expenditures											
Long Range Planning (A)	57,875	67,062	-	-	-	30,775	-	13,095	-	43,870	23,192
Financial Planning and Programming (B)	52,000	52,000	-	-	-	27,562	-	-	-	27,562	24,438
Information Dissemination (C)	55,800	55,800	-	-	-	32,526	19,588	-	-	52,114	3,686
Transportation Improvement Program(TIP) Development (D)	12,000	12,000	-	-	-	-	12,000	-	-	12,000	-
TDA Administration and Fiscal Management (E)	82,000	90,000	68,057	-	-	-	-	-	-	68,057	21,943
SAFE Planning and Administration (F)	21,400	21,400	-	19,822	-	-	-	-	-	19,822	1,578
Regional Transportation Plan Update (G)	96,075	96,075	-	-	-	93,969	-	-	-	93,969	2,106
Safe Routes to Schools (H)	68,000	68,000	-	-	10,736	-	-	-	15,532	26,268	41,732
Transportation Improvement Program (I)	19,025	19,670	-	-	-	19,661	-	-	-	19,661	9
Total Expenditures	<u>464,175</u>	<u>482,007</u>	<u>68,057</u>	<u>19,822</u>	<u>10,736</u>	<u>204,493</u>	<u>31,588</u>	<u>13,095</u>	<u>15,532</u>	<u>363,323</u>	<u>118,684</u>
Excess of Revenue over Expenditures	1,200	(18,293)	-	5,160	(10,736)	-	2,844	-	1,337	(1,395)	\$ (16,898)
Fund Balances, Beginning of Year	<u>73,748</u>	<u>73,748</u>	<u>-</u>	<u>57,168</u>	<u>35,715</u>	<u>-</u>	<u>73,377</u>	<u>-</u>	<u>(1,337)</u>	<u>164,923</u>	
Fund Balances, End of Year	<u>\$ 74,948</u>	<u>\$ 55,455</u>	<u>\$ -</u>	<u>\$ 62,328</u>	<u>\$ 24,979</u>	<u>\$ -</u>	<u>\$ 76,221</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,528</u>	

References to A - I above represent work elements of the Overall Work Program.

* Interest income is not included in the work program budget.

** Walk and Roll to Schools Program

SUPPLEMENTARY INFORMATION

**DEL NORTE LOCAL TRANSPORTATION COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ALL SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2016
(UNAUDITED)**

	Fund 618 SAFE	Fund 602 Administration	Total
Revenues			
Regional Planning Assistance	\$ -	\$ 204,493	\$ 204,493
PPM Funds	-	34,000	34,000
Local Transportation Funds	-	68,057	68,057
SAFE	24,642	-	24,642
Public Health Institute	-	16,869	16,869
Interest	340	432	772
Total Revenues	24,982	323,851	348,833
Expenditures			
Long Range Planning (A)	-	30,775	30,775
Financial Planning and Programming (B)	-	27,562	27,562
Information Dissemination (C)	-	52,114	52,114
Transportation Planning (D)	-	12,000	12,000
TDA Administration and Fiscal Management (E)	-	68,057	68,057
SAFE Planning and Administration (F)	19,822	-	19,822
Regional Transportation Plan Update (G)	-	93,969	93,969
Safe Routes to Schools (H)	-	26,268	26,268
Transportation Improvement Program (I)	-	19,661	19,661
Total Expenditures	19,822	330,406	350,228
Excess of Revenues over Expenditures	5,160	(6,555)	(1,395)
Fund Balances, Beginning of Year	57,168	107,755	164,923
Fund Balances, End of Year	\$ 62,328	\$ 101,200	\$ 163,528

See accompanying notes.

**DEL NORTE LOCAL TRANSPORTATION COMMISSION
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
LOCAL TRANSPORTATION FUND
For the Year Ended June 30, 2016
(UNAUDITED)**

	Public Utilities Code Section				
	Administration 99233.1	Pedestrian & Bike Facilities 99234	Community Transit Services 99275	Contracted Transit Service 99260	Total
Allocations					
Sales tax	\$ 82,000	\$ 11,422	\$ 25,652	\$ 531,705	\$ 650,779
Total Allocations	<u>\$ 82,000</u>	<u>\$ 11,422</u>	<u>\$ 25,652</u>	<u>\$ 531,705</u>	<u>\$ 650,779</u>
Expenditures					
Redwood Coast Transit Authority	\$ -	\$ -	\$ -	\$ 531,705	\$ 531,705
Administration and Planning	68,057	-	-	-	68,057
Pedestrian and Bike	-	30,000	-	-	30,000
Consolidated Transportation Service Agency	-	-	25,652	-	25,652
Total Expenditures	<u>\$ 68,057</u>	<u>\$ 30,000</u>	<u>\$ 25,652</u>	<u>\$ 531,705</u>	<u>\$ 655,414</u>

See accompanying notes.

**DEL NORTE LOCAL TRANSPORTATION COMMISSION
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
STATE TRANSIT ASSISTANCE FUND
For the Year Ended June 30, 2016
(UNAUDITED)**

	<u>General Public 6730</u>	<u>Total</u>
Allocations		
State of California STA Funds	\$ 112,982	\$ 112,982
Total Allocations	<u>\$ 112,982</u>	<u>\$ 112,982</u>
Expenditures		
Redwood Coast Transit Authority	\$ 112,982	\$ 112,982
Total Expenditures	<u>\$ 112,982</u>	<u>\$ 112,982</u>

See accompanying notes.

**REPORT ON COMPLIANCE OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH THE
STATUTES, RULES AND REGULATIONS OF THE CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT**

The Commissioners of Del Norte Local Transportation Commission
Crescent City, California

We have audited, in accordance with auditing standards generally accepted in the United States of America the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Del Norte Local Transportation Commission (the Commission), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements, and have issued our report thereon dated December 21, 2016.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Additionally, we performed tests to determine that expenditures paid by Del Norte Local Transportation Commission Transportation Development Act Funds were made in accordance with the California Transportation Development Act. Specifically, we performed each of the specific tasks identified in the California Code of Regulations Sections 6661, 6662, and 6751 that are applicable to Del Norte Local Transportation Commission Transportation Development Act Funds. Also as part of our audit, we performed tests of compliance to determine whether certain state bond funds were received and expended in accordance with the applicable bond act and state accounting requirements. In connection with our audit, nothing came to our attention that caused us to believe the Del Norte Local Transportation Commission failed to comply with the Statutes, Rules, and Regulations of the California Transportation Development Act. 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.

As of June 30, 2016, Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) funds received and expended, in the current fiscal year, were verified in the course of our audit as follows:

Unexpended PTMISEA Funds at June 30, 2015	\$ 807,242
Proceeds Received During 2016:	
Interest Earned	<u>4,456</u>
Total Available for Expenditure	811,698
Expenditures Incurred During 2016:	
Funding Provided to RCTA for Purchases	<u>-</u>
Unexpended PTMISEA Funds at June 30, 2016	<u>\$ 811,698</u>

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit in considering the entity's compliance. Accordingly, this communication is not suitable for any other purpose.

Hunter, Hunter + Hunt

December 21, 2016

ITEM 4

DATE: JANUARY 5, 2017
TO: TECHNICAL ADVISORY COMMITTEE
FROM: TAMERA LEIGHTON, EXECUTIVE DIRECTOR
SUBJECT: COOPER AVENUE EMERGENCY REPAIR AND REOPENING

REQUESTED: Recommend Del Norte Local Transportation Commission adopt resolution 2017 1 authorizing \$175,000 for Cooper Avenue Emergency Repair and Reopening.

BACKGROUND: The attached City request letter, project schedule and cost outlines the emergency work needed to repair and reopen Cooper Avenue, a Major Collector. The attached resolution outlines the recommended funding agreement including a cost of \$175,000, scope of repair and reopening of Cooper Avenue and schedule with an anticipated opening date of April 8, 2017 but no later than June 30, 2017.



City of Crescent City
Where the Redwoods Meet the Sea

377 J Street, Crescent City, CA 95531 • 707.464.7483 • Fax 707.465.4405 • www.crescentcity.org



December 29, 2016

Ms. Tamera Leighton, Executive Director
Del Norte Local Transportation Commission
1301 Northcrest Drive, Suite B PMB 16
Crescent City, CA 95531

Re: Request for funding for Cooper Ave Repair

Dear Mrs. Leighton:

The City of Crescent City is respectfully requesting the Del Norte Local Transportation Commission allocate up to \$175,000 of funding for the repair of Cooper Ave.

As I am sure you are aware, on or about November 13, 2016, City staff was notified of excessive flooding on Cooper Avenue. After further investigation staff discovered a compromised culvert that runs perpendicular beneath the roadway. City staff immediately commenced work on a temporary solution to reroute the drainage through an alternate route. However the collapsed culvert not only affected the storm drain but it compromised the structural stability of Cooper Ave and associated critical water, sewer, and gas utilities. Further investigation of the Cooper Hill Culvert collapse has revealed that the roadway is subsiding at a rate of approximately 1/2 inch per week without decline.

As such, staff believes the 24 inch water transmission main, 6 inch water distribution main, 6 inch gravity sewer main, and 2 inch gas main are in immediate danger of being undermined and at risk of being unstable. As a safety precaution with the possible street and utilities in danger, Cooper Ave. west of cemetery and east of J Street has been closed to all traffic. The 24 inch and 6 inch water mains have been shut off and the propone utility company (Blue Star Gas) is making provisions to set temporary tanks and shut down the gas main

The Cooper Hill Culvert is a 300 lineal foot metal culvert, 42" in diameter, and buried 20 feet below Cooper Avenue. The existing culvert is well over its useful life and is beyond repair. A new 48" HDPE (High Density Plastic) culvert will need to be placed to resolve the issue and the street will need to be rebuilt. To do this all utilities will need to be temporarily shut off and in the case of the sewer main a bypass system will need to be put in place.

The City asking the Del Norte Transportation Commission to fund the project as Cooper Avenue is a main collector street, which has been closed to vehicular traffic and will not reopen until repairs have been completed. This has placed an increased burden on nearby less traveled streets. Failure of any of the above stated utilities could result in devastating health and environmental

effects. The repair project was declared an emergency project by the City Council and needs to be completed as quickly as possible.

The City is not requesting funding for any City staff or equipment time only the parts / materials and outside contracts that will be required to make and repairs and reopen this critical collector street.

The City Council authorized this request at the December 19, 2015 regular meeting. Thank you for your consideration.

Sincerely,

David M. VanDermark

A handwritten signature in black ink, appearing to read "David M. VanDermark". The signature is written in a cursive style with a large initial "D".

City Manager
City of Crescent City

Cooper Ave
Culvert Replacement and Street Repair Project
Estimated Construction Costs

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Cost</u>	<u>Total</u>
1	Traffic Control	1	Lump Sum	\$ 5,000.00	\$ 5,000.00
2	Dewatering	1	Lump Sum	\$ 30,000.00	\$ 30,000.00
3	Sewer Bypass	1	Lump Sum	\$ 10,000.00	\$ 10,000.00
4	Utility Repair and Relocation	1	Lump Sum	\$ 10,000.00	\$ 10,000.00
5	Labor and Equipment	15	days	\$ 2,400.00	\$ 36,000.00
6	Debris Disposal	1	Lump Sum	\$ 10,000.00	\$ 10,000.00
7	Storm Drain Pipe & Fittings	120	LF	\$ 120.00	\$ 14,400.00
8	Storm Drain Manhole	1	LS	\$ 2,500.00	\$ 2,500.00
9	Rip Rap	120	tons	\$ 50.00	\$ 6,000.00
10	Street Backfill (AB)	1500	tons	\$ 25.00	\$ 37,500.00
11	Curb & Gutter	120	LF	\$ 50.00	\$ 6,000.00
12	Sidewalk	400	SF	\$ 10.00	\$ 4,000.00
13	Street Pavement	60	Tons	\$ 175.00	\$ 10,500.00

Estimated Project Cost \$ 181,900.00
Contingency (10%) \$ 18,190.00
Total Estimated Project Cost \$ 200,090.00

Estimated Street Repair Project Costs Requested from DNLTC
(Street Repair Costs only, Storm Drain Items 7,8,& 9 Removed) \$ 159,000.00
Contingency (10%) \$ 15,900.00
Total Funding Requested from DNLTC \$ 174,900.00

Cooper Ave
Culvert Replacement and Street Repair Project
Estimated Construction Schedule

<u>Description</u>	<u>Duration (Calendar Days)</u>	<u>Estimated Completion Date</u>
Project Commencement	1	1/9/2017
Utility By-Pass / Relocation	21	1/27/2017
Storm Drain Replacement	14	2/10/2017
Utility Repair	14	2/24/2017
Street Repair / Paving	7	3/3/2017
Pedestrian Facility Repair (Sidewalks)	14	3/17/2017
Weather Delays	21	4/7/2017
Estimated Cooper Ave Reopening	1	4/8/2017

RESOLUTION NO. 2017 1

**DEL NORTE LOCAL TRANSPORTATION COMMISSION RESOLUTION
ALLOCATING UP TO \$175,000 IN REGIONAL SURFACE TRANSPORTATION
PROGRAM FUNDS TO THE CITY OF CRESCENT CITY FOR THE
EMERGENCY REPAIR AND REOPENING OF COOPER AVENUE**

WHEREAS, the Del Norte Local Transportation Commission in its official capacity as the designated Regional Transportation Planning Agency (RTPA), is allocating Regional Surface Transportation Program funds for eligible purposes; and

WHEREAS, Cooper Avenue is a regionally significant major collector street; and

WHEREAS, the City of Crescent City adopted Resolution 2016 58 declaring an emergency including that Cooper Avenue has been closed to vehicular traffic and will not reopen until repairs have been completed; and

WHEREAS, the City of Crescent City has demonstrated the importance and urgency of this project by requesting only the parts, materials and outside contracts that will be required to make and repairs and reopen this critical collector street; and

WHEREAS, there is sufficient Regional Surface Transportation Program funds, and

NOW, THEREFORE, BE IT RESOLVED THAT the DNLTC hereby allocates to the City of Crescent City on a reimbursement basis a sum not to exceed \$175,000 for the emergency repair and reopening of Cooper Avenue with a completion date no later than June 30, 2017.

PASSED AND ADOPTED by the Del Norte Local Transportation Commission on the twelfth day of January 2017, by the following polled vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Darrin Short, Vice-Chair

Del Norte Local Transportation Commission

ATTEST:

Tamera Leighton, Executive Director
Del Norte Local Transportation Commission

Del Norte Local Transportation Commission
Regional Surface Transportation Program (RSTP/Fund # 619)

Note: County of Del Norte receives \$224,000 of RSTP funds on an annual basis. These funds are not represented in this spreadsheet.

Description	Year Approved	Allocation Amount	Payee	Invoice or Rescinded Date	Amount Paid or Rescinded	Reserved Balance
Elk Valley Rancheria Match Funds	2011	96,000	Elk Valley Rancheria	Sep-11	25,260.00	70,740.00
DNLTC Accounting Operations	2014	150,000	DNLTC Accounting/Reimbursement		0.00	150,000.00
CA Coastal Trail Starfish Way	2015	466,100	Crescent City Harbor District	Jan-16	271,560.04	66,379.36
			Invoice 2	Apr-16	128,160.60	
			Invoice 3 & Final			
Parkway Drive Safety Match	2013	36,870	DN County Road Dept.		0	36,870.00
School Zone Striping	2015	45,000	DN County Road Dept.	Mar-16	11,975.59	33,024.41
School Zone Striping	2015	15,000	City of Crescent City	Jun-16	14920	0.00
Klamath Boulevard	2015	110,000	Yurok Tribe	Jun-16, Oct-16	110,000.00	0.00
Last Chance Grade Planning '16	2015	29,975	DNLTC for Udall/Institute		13095.46	17,794.00
Sunset Circle Match	2015	160,000	City of Crescent City		0	160,000.00
Fred Haight Dr. Completion	2016	30,000	DN County Road Dept.			30,000.00
						534,807.77

Fund Balance January 1, 2017 (unaudited)	1,198,207.93
Invoices paid: January 1, 2017 through June 30, 2017	0.00
2016-17 Contract	0.00
Less outstanding project commitments	(534,807.77)
Available for projects	663,400.16

Updated through January 1, 2017

Blue indicates completed

U.S. Department of Transportation

Federal Highway Administration

1200 New Jersey Avenue, SE

Washington, DC 20590

202-366-4000

MAP-21 - Moving Ahead for Progress in the 21st Century

This MAP-21 fact sheet has been superseded by a [FAST Act fact sheet](#).

Surface Transportation Program (STP)

Year	2013	2014
Estimated funding	\$ 10.0 B *	\$ 10.1 B *

* Calculated (sum of estimated individual State STP apportionments)

Program purpose

The Surface Transportation Program (STP) provides flexible funding that may be used by States and localities for projects to preserve and improve the conditions and performance on any Federal-aid highway, bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects, including intercity bus terminals.

Statutory citation(s): MAP-21 §1108; 23 USC 133

Funding features

Funded by contract authority from the Highway Account of the Highway Trust Fund. Funds are subject to the overall Federal-aid obligation limitation.

MAP-21 has a new approach to core formula program funding, authorizing a lump sum total instead of individual authorizations for each program. Once each State's share of the total is calculated, it is divided up by program within the State. (See "Apportionment" fact sheet for description of calculation).

Set-asides

From the State's STP apportionment, the following sums are to be set aside:

- A proportionate share of funds for the State's Transportation Alternatives (TA) program. (See "Apportionment" fact sheet for a description of this calculation)
- 2% for State Planning and Research (SPR). [§52005; 23 USC 505]
- For off-system bridges, an amount not less than 15% of the State's FY 2009 Highway Bridge Program apportionment (may not be taken from amounts suballocated based on population).

The set-aside for Transportation Enhancements is eliminated.

Suballocation

50% of a State's STP apportionment (after TA and SPR set-asides) is to be obligated in the following areas in

proportion to their relative shares of the State's population--

- *Urbanized areas with population greater than 200,000* – This portion is to be divided among those areas based on their relative share of population, unless the Secretary approves a joint request from the State and relevant MPO(s) to use other factors.
- *Areas with population greater than 5,000 but no more than 200,000* – Projects in these areas are to be identified for funding by the State in consultation with regional planning organizations, if any.
- *Areas with population of 5,000 or less*

The remaining 50% may be used in any area of the State.

Federal share: Determined in accordance with 23 USC 120, including a special rate for certain safety projects and a new provision for increased Federal share for projects incorporating Innovative Project Delivery. Exceptions to 23 USC 120 are provided for certain freight projects, workforce development, training, and education activities, and Appalachian development highway system projects. (See “Federal Share” fact sheet).

Eligible activities

STP eligibilities are continued, with some additions and modifications. Eligibilities are described below, with changes emphasized:

- Construction, reconstruction, rehabilitation, resurfacing, restoration, **preservation**, or operational improvements for highways, **including designated routes of the Appalachian Development Highway System (ADHS) and local access roads under 40 USC 14501**.
- Replacement, rehabilitation, **preservation, protection**, and anti-icing/deicing for bridges **and tunnels** on any public road, including construction or reconstruction necessary to accommodate other modes.
- Construction of new bridges **and tunnels** on a Federal-aid highway.
- **Inspection and evaluation of bridges, tunnels and other highway assets as well as training for bridge and tunnel inspectors.**
- Capital costs for transit projects eligible for assistance under chapter 53 of title 49, including vehicles and facilities used to provide intercity passenger bus service.
- Carpool projects, fringe and corridor parking facilities and programs, **including electric and natural gas vehicle charging infrastructure**, bicycle transportation and pedestrian walkways, and ADA sidewalk modification.
- Highway and transit safety infrastructure improvements and programs, **installation of safety barriers and nets on bridges**, hazard eliminations, mitigation of hazards caused by wildlife, railway-highway grade crossings.
- Highway and transit research, development, technology transfer.
- Capital and operating costs for traffic monitoring, management and control facilities and programs, including advanced truck stop electrification.
- Surface transportation planning.
- **Transportation alternatives** --newly defined, includes most transportation enhancement eligibilities. [See separate “Transportation Alternatives” fact sheet]
- Transportation control measures.
- Development and establishment of management systems.
- Environmental mitigation efforts (as under National Highway Performance Program).
- Intersections with high accident rates or levels of congestion.
- Infrastructure-based ITS capital improvements.
- Environmental restoration and pollution abatement.
- Control of noxious weeds and establishment of native species.
- **Congestion pricing projects and strategies, including electric toll collection and travel demand**

- management strategies and programs.
- **Recreational trails projects.**
- **Construction of ferry boats and terminals.**
- **Border infrastructure projects.**
- **Truck parking facilities.**
- **Development and implementation of State asset management plan for the NHS, and similar activities related to the development and implementation of a performance based management program for other public roads.**
- **Surface transportation infrastructure modifications within port terminal boundaries, only if necessary to facilitate direct intermodal interchange, transfer, and access into and out of the port.**
- **Construction and operational improvements for a minor collector in the same corridor and in proximity to an NHS route if the improvement is more cost-effective (as determined by a benefit-cost analysis) than an NHS improvement and will enhance NHS level of service and regional traffic flow.**
- **Two eligibilities formerly covered by the repealed Highway Bridge Program (HBP)—**
 - **Construction of a bridge that replaces a low water crossing of any length, a bridge that was destroyed prior to January 1, 1965, a ferry that was in existence on January 1, 1984, or any road bridge rendered obsolete by a Corps of Engineers (COE) flood control or channelization project and not rebuilt with COE funds.**
 - **Actions to preserve or reduce the impact of a project on the historic integrity of a historic bridge under specified conditions. [§1111; 23 USC 144(f)-(g)]**

Workforce development, training, and education activities are also an eligible use of STP funds. [§1109; 23 USC 504(e)]

Location of Projects

In general, STP projects may not be on local or rural minor collectors. However, there are a number of exceptions to this requirement. A State may use up to 15% of its rural suballocation on minor collectors. Other exceptions include: ADHS local access roads, bridge and tunnel replacement and rehabilitation (not new construction), bridge and tunnel inspection, carpool projects, fringe/corridor parking facilities, bike/pedestrian walkways, safety infrastructure, Transportation Alternatives, recreational trails, port terminal modifications, minor collectors in NHS corridors, and the two new bridge eligibilities brought over from the HBP.

Program features

Off-system bridges

- States are required to obligate a portion of funds (not from suballocated amounts) for bridges not on Federal-aid highways (off-system bridges). The amount is to be not less than 15% of the State's FY 2009 Bridge Program apportionment. The Secretary, after consultation with State and local officials, may reduce a State's set-aside requirement if the State has insufficient off-system bridge needs.
- Credit for off-system bridges -- For projects to replace or rehabilitate deficient off-system bridges funded wholly by State/local sources, any amounts spent post-enactment that are in excess of 20% of project costs may be credited to the non-Federal share of eligible bridge projects in the State.

Rural minor collectors

Special rule allows States to use up to 15% of funds suballocated for areas with a population of 5,000 or less on rural minor collectors. The Secretary may suspend permission if the State is using the authority excessively.

Bridge and tunnel inspection standards

If a State is in noncompliance with bridge/tunnel inspection standards established by the Secretary, a portion of STP funds must be used to correct the problem. [§1111; 23 USC 144(h)(5)]

Performance

The STP supports national performance goals, but there are no measures tied specifically to this program.

Page last modified on December 23, 2014.

Del Norte Local Transportation Commission

Expenditure Detail

2017-18 Draft 1

Work Element	Description	Funding Sources	DNLTC	Consultant/ Other
A	Long Range Planning Coordination	RPA	\$ 31,500	\$ 18,500
		PPM	\$ -	\$ -
		TDA	\$ -	\$ -
		Other/RSTP	\$ -	\$ -
Total A	\$50,000		\$31,500	\$18,500
B	Overall Work Program Development	RPA	\$ 12,000	\$ 20,000
		PPM	\$ -	\$ -
		TDA	\$ -	\$ -
		Other	\$ -	\$ -
Total B	\$32,000		\$ 12,000	\$ 20,000
C	Public Participation and Information Dissemination	RPA	\$ 27,000	\$ 21,000
		PPM	\$ 7,500	\$ 2,500
		TDA	\$ -	\$ 10,000
		Other:	\$ -	\$ -
Total C	\$68,000		\$ 34,500	\$ 33,500
D	Transportation Improvement Program (TIP) development	RPA	\$ -	\$ -
		PPM	\$ 7,000	\$ 65,000
		TDA	\$ -	\$ -
		Other	\$ -	\$ -
Total D	\$72,000		\$ 7,000	\$ 65,000
E	Transportation Development Act Administration and Fiscal Management	RPA	\$ -	\$ -
		PPM	\$ -	\$ -
		TDA	\$ 28,500	\$ 25,500
		Other	\$ -	\$ -
Total E	\$54,000		\$ 28,500	\$ 25,500
F	SAFE: Service Authority for Freeway Emergencies	RPA	\$ -	\$ -
		PPM	\$ -	\$ -
		TDA	\$ -	\$ -
		SAFE	\$ 7,600	\$ 15,400
Total F	\$23,000		\$ 7,600	\$ 15,400
G	Transit Planning	RPA	\$ 9,000	\$ 50,000
		PPM	\$ -	\$ -
		TDA	\$ -	\$ -
		Other:	\$ -	\$ -
Total G	\$59,000		\$ 9,000	\$ 50,000
H	Safe Routes to Schools	RPA	\$ -	\$ -
		PPM	\$ -	\$ -
		TDA	\$ -	\$ -
		Other: ATP / Cal Endow	\$ 2,000	\$ 30,000
Total H	\$32,000		\$ 2,000	\$ 30,000
I	Increase Funding to Support Regional Transportation Plan	RPA	\$ 6,000	\$ 35,000
		PPM	\$ -	\$ -
		TDA	\$ -	\$ -
		Other:	\$ -	\$ -
Total I	\$41,000		\$ 6,000	\$ 35,000

J	Project Initiation Documents	RPA	\$	-	\$	-
		PPM	\$	2,000	\$	25,000
		TDA	\$	-	\$	-
		Other:	\$	-	\$	-
Total J	\$27,000		\$	2,000	\$	25,000
K	Systemic Safety Analysis Report (Carryover)	RPA	\$	500	\$	7,500
		PPM	\$	-	\$	-
		TDA	\$	-	\$	-
		Other:	\$	-	\$	-
Total K	\$8,000		\$	500	\$	7,500

**Del Norte Local Transportation Commission
2016-17 Overall Work Program Revenue Summary**

2017-18 Draft 1

Work Element	Description	RPA	TDA	STIP PPM	SAFE/ATP/TCE/RSTP	Work Element Total
A	Long Range Planning Coordination					
Product 1	Regional Transportation Plan Development	\$ 24,000.00	\$ -	\$ -	\$ -	
Product 2	Last Chance Grade Direct Mail Information	\$ 18,500.00			\$ -	
Product 3	2018 Economic and Demographic Profile	\$ 7,500.00	\$ -			
	Total Work Element A	\$ 50,000.00	\$ -	\$ -	\$ -	\$ 50,000.00
B	Overall Work Program Development					
Product 1	Overall Work Program	\$ 32,000.00	\$ -	\$ -	\$ -	
	Total Work Element B	\$ 32,000.00	\$ -	\$ -	\$ -	\$ 32,000.00
C	Information Dissemination					
Product 1	Informed Local Transportation Commission	\$ 48,000.00	\$ -	\$ -	\$ -	
Product 2	Partnerships and Planning Agreements	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -	
Product 3	Website & Crowdsourc Information	\$ 18,000.00				
	Total Work Element C	\$ 48,000.00	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 68,000.00
D	Transportation Improvement Program (TIP) development					
Product 1	Develop and Maintain TIP	\$ -	\$ -	\$ 7,000.00	\$ -	
Product 2	Project Representation	\$ -	\$ -	\$ 65,000.00	\$ -	
	Total Work Element D	\$ -	\$ -	\$ 72,000.00	\$ -	\$ 72,000.00
E	Transportation Development Act Administration and Fiscal Management					
Product 1	Office Operations	\$ -	\$ 20,000.00	\$ -	\$ -	
Product 2	Fiscal Management	\$ -	\$ 31,500.00	\$ -	\$ -	
Product 3	SSTAC Support	\$ -	\$ 2,500.00	\$ -	\$ -	
	Total Work Element E	\$ -	\$ 54,000.00	\$ -	\$ -	\$ 54,000.00
F	SAFE: Service Authority for Freeway Emergencies					
Product 1	Call Box System Maintenance & Reporting	\$ -	\$ -	\$ -	\$ 23,000.00	
	Total Work Element F	\$ -	\$ -	\$ -	\$ 23,000.00	\$ 23,000.00
G	Transit Planning					
Product 1	Ridership Survey and Data Collection	\$ 40,000.00	\$ -	\$ -	\$ -	
Product 2	Short-Range Transit Development Plan	\$ -				
Product 3	Transportation Emergency Planning	\$ 19,000.00				
	Total Work Element G	\$ 59,000.00	\$ -		\$ -	\$ 59,000.00
H	Safe Routes to Schools					
Product 1	Safe Routes to Schools	\$ -	\$ -	\$ -	\$ 32,000.00	
	Total Work Element H				\$ 32,000.00	\$ 32,000.00

I	Increase Funding to Support Regional Transportation Plan					
Product 1	Four applications: Placeholder Only	\$ 41,000.00		\$ -		
Product 2		\$ -	\$ -		\$ -	
Product 3		\$ -			\$ -	
	Total Work Element I	\$ 41,000.00	\$ -	\$ -	\$ -	\$ 41,000.00
J	Project Initiation Documents					
Product 1	Elk Valley Road Active Transportation PID			\$ 27,000.00		
	Total Work Element J			\$ 27,000.00		\$ 27,000.00
K	Systemic Safety Analysis Report (Carryover)					
Product 1	Systemic Safety Analysis Report	\$ 8,000.00				
	Total Work Element K	\$ 8,000.00				\$ 8,000.00
TOTAL LABOR AND EXPENSES		\$ 238,000.00	\$ 64,000.00	\$ 109,000.00	\$ 55,000.00	\$ 466,000.00