



**VICTOR VALLEY TRANSIT AUTHORITY
REGULAR MEETING OF
THE BOARD OF DIRECTORS
Tuesday, February 17, 2026, 9:30 A.M.**

**Barstow City Council Chambers
220 East Mountain View Street
Barstow, CA 92301**

Victor Valley Transit Authority Board of Directors

Liz Beccera, Chair, City Victorville
Allison Lee, Vice-Chair, City of Hesperia
James Noble, Director, City of Barstow
Paul Cook, Director, County of San Bernardino
Dawn Rowe, Director, County of San Bernardino
Gabriel Reyes, Director, City of Adelanto
Curt Emick, Director, Town of Apple Valley

MISSION STATEMENT

Our mission is to serve the community with excellent public transportation services in terms of quality, efficiency, and responsiveness.

AGENDA

The Board of Directors meeting facility is accessible to persons with disabilities. If assistive listening devices or other auxiliary aids or services are needed in order to participate in the public meeting, requests should be made through the Clerk of the Board at least three (3) business days prior to the Board meeting. The Clerk's telephone number is 760-948-3262 x102, (voice) or for Telephone Device for the Deaf (TDD) service, begin by calling 711 and provide the VVTA phone number and the office is located at 17150 Smoke Tree Street, Hesperia, CA. This agenda will be available and posted: Friday, February 6, 2026.

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

ANNOUNCEMENTS

PUBLIC COMMENTS

This is the time the Board will hear public comments regarding items on the agenda, not on the agenda, or the consent calendar. Individuals who wish to speak to the Board regarding agenda items or during public comments should fill out a comment card and submit it to the Clerk of the Board. Each speaker is allowed three (3) minutes to present their comments. The Board will not remark on public comments; however, each comment will be taken into consideration by VVTA.

CONSENT CALENDAR

Consent Calendar items shall be adopted by a single vote unless removed for discussion by Board member request.

Pg. 9 ***Item #1: Minutes from the Regular Meeting of The Board of Directors Conducted January 20, 2026.***
Recommendation: Move for approval.
Presented by: None.

Pg. 17 ***Item #2: Warrants for December 2025.***
Recommendation: Move for approval.
Presented by: None.

REPORTS

Pg. 23 ***Item #3: Management Reports – Verbal Report from Chief Executive Officer.***
Recommendation: Information item only.
Presented by: Nancie Goff, CEO.

Pg. 35 ***Item #4: Transit Operations Division, Victor Valley Detail Report (Year in review).***
Recommendation: Information item only.
Presented by: VVTA Transit Operations Division Victor Valley Detail.

Pg. 39 ***Item #5: VVTA Annual Financial Audit Report for Fiscal Year Ending June 30, 2025, Completed by Vasquez & Company, LLP.***
Recommendation: Receive and file.
Presented by: Maged Azer, CFO.

ACTION ITEMS

Pg. 115 **Item #6: Release of RFP 2026-06 for the Provision of Vanpool Services.**

Recommendation: Authorize the release of RFP 2026-06 for the Provision of Vanpool Services.

Presented by: Sandye Martinez, Procurement Supervisor.

Pg. 123 **Item #7: Amendment No. 4 for Contract 2021-17 Macro-Z Technology, Hesperia Transfer Hub.**

Recommendation: Approve Contract 2021-17 Macro-Z Technology, Hesperia Transfer Hub Amendment No. 4, for an amount not to exceed \$208,672, amending the total contract to \$9,399,995.75.

Presented by: Christine Plasting, Procurement Manager.

BOARD OF DIRECTORS COMMENTS

CORRESPONDENCE AND PRESS CLIPS

DATE OF NEXT MEETING

Monday, March 16, 2026, at 9:30 AM
At Victor Valley Transit Authority
17150 Smoke Tree Street
Hesperia, CA 92345

ADJOURNMENT

Victor Valley Transit Acronym List

Page 1 of 2

ADA	Americans with Disabilities Act
APTA	American Public Transit Association
AQMP	Air Quality Management Plan
BABA	Build America, Buy America
BAFO	Best and Final Offer
BEB	Battery Electric Bus
BOE	Board of Equalization
CALTRANS	California Department of Transportation
CARB	California Air Resources Board
CEQA	California Environmental Quality Act
CFP	Call for Projects
CIP	Capital Improvement Program
CMAQ	Congestion Mitigation and Air Quality
CMP	Congestion Management Program
CNG	Compressed Natural Gas
COG	Council of Governments
CSAC	California State Association of Counties
CTC	California Transportation Commission
CTC	County Transportation Commission
CTP	Comprehensive Transportation Plan
CTSA	Consolidated Transportation Services Agency
DAC	Disadvantaged Communities
DBE	Disadvantaged Business Enterprise
DBELO	Disadvantaged Business Enterprise Liaison Officer
DOD	Department of Defense
DOT	Department of Transportation
E&H	Elderly and Handicapped
EEM	Environmental Enhancement and Mitigation
EIR	Environmental Impact Report
EIS	Environmental Impact Statement
EPA	United States Environmental Protection Agency
ETC	Employee Transportation Coordinator
FAST	Fixing America's Surface Transportation ACT
FCEB	Fuel Cell Electric Bus (Hydrogen)
FEIS	Final Environmental Impact Statements
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
GIMS	Geographic Information Mapping Systems
GIS	Geographic Information Systems
GPS	Global Positioning System
HOV	High-Occupancy Vehicle
HVIP	Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program.
IAS-FFA	Independent Auditors Statement for Federal Funding Allocation
IJA	Infrastructure Investment and Jobs Act
ITS	Intelligent Transportation Systems
JPA	Joint Powers Authority
LAP	Language Assistance Plan
LCFS	Low Carbon Fuel Standard
LCTOP	Low Carbon Transit Operations Program
LD	Liquidated Damages
LEED	Leadership in Energy and Environmental Design
LEP	Limited English Proficiency

Victor Valley Transit Acronym List

Page 2 of 2

LTF	Local Transportation Fund
MaaS	Mobility-as-a-Service
MBTA	Morongo Basin Transit Authority
MDAQMD	Mojave Desert Air Quality Management District
MDT	Mobile Display Terminal
MOU	Memorandum of Understanding
MPO	Metropolitan Planning Organization
MTP	Metropolitan Transportation Planning
MTBP	Mass Transit Benefit Program
NEPA	National Environmental Policy Act of 1969
NOFO	Notice of Funding Opportunity
NTD	National Transit Database
OCTA	Orange County Transportation Authority
OWP	Overall Work Program
PASTACC	Public and Specialized Transportation Advisory and Coordinating Council
PCA	Personal Care Attendant
PTMISEA	Public Transportation Modernization Improvement and Service Enhancement Account.
POP	Program of Projects
RCTC	Riverside County Transportation Commission
RDA	Redevelopment Agency
RTAP	Rural Technical Assistance Program
RTIP	Regional Transportation Improvement Program
RTP	Regional Transportation Plan
RTPA	Regional Transportation Planning Agencies
SaaS	Software as a Service
SBCTA	San Bernardino County Transportation Authority (formerly SANBAG)
SCAG	Southern California Association of Governments
SGIP	Self-Generation Incentive Program
SOV	Single-Occupant Vehicle
SRTP	Short Range Transit Plan
STAF	State Transit Assistance Funds
STIP	State Transportation Improvement Program
STP	Surface Transportation Program
TAC	Technical Advisory Committee
TAM	Transit Asset Management
TCM	Transportation Control Measure
TDA	Transportation Development Act
TEA	Transportation Enhancement Activities
TEAM	Transportation Electronic Award and Management
TNC	Transportation Network Company
TOCP	Transit Operating and Capital Plan
TrAMS	Transit Award and Management System
TREP	Transportation Reimbursement Escort Program
TRIP	Transportation Reimbursement Incentive Program
TSP	Transit Signal Priority
TSSSDRA	Transit System Safety, Security and Disaster Response Account
ULEV	Ultra Low Emission Vehicle
UZAs	Urbanized Areas
VOMS	Vehicles Operated in Maximum Service
ZEB	Zero Emission Bus
ZEV	Zero Emission Vehicle

Victor Valley Transit Authority Meeting Procedures

The Ralph M. Brown Act is the state law which guarantees the public's right to attend and participate in meetings of local legislative bodies. These rules have been adopted by the Victor Valley Transit Authority (VVTA) Board of Directors in accordance with the Brown Act, Government Code 54950 et seq., and shall apply at all meetings of the (VVTA) Board of Directors.

1. **Agendas** - All agendas are posted at the VVTA Administrative offices, and the Victorville, Hesperia, Barstow and Apple Valley city/town halls at least 72 hours in advance of the meeting. Staff reports related to agenda items may be reviewed at the VVTA Administrative offices located at 17150 Smoke Tree Street, Hesperia, CA 92345.
2. **Agenda Actions** - Items listed on both the "Consent Calendar" and "Action/Discussion Items" contain suggested actions. The Board of Directors will generally consider items in the order listed on the agenda. However items may be considered in any order. New agenda items can be added and action taken by two-thirds vote of the Board of Directors.
3. **Closed Session Agenda Items** - Consideration of closed session items exclude members of the public. These items include issues related to personnel, ending litigation, labor negotiations and real estate negotiations. Prior to each closed session, the Chair will announce the subject matter of the closed session. If action is taken in closed session, the Chair may report the action to the public at the conclusion of the closed session.
4. **Public Testimony on an Item** - Members of the public are afforded an opportunity to comment on any listed item. Individuals wishing to address the Board of Directors should complete a "Request to Speak" form. A form must be completed for each item an individual wishes to speak on. When recognized by the Chair, speakers should be prepared to step forward and announce their name and address for the record. In the interest of facilitating the business of the Board, speakers are limited to three (3) minutes on each item. Additionally, a twelve (12) minute limitation is established for the total amount of time any one individual may address the Board at any one meeting. The Chair or a majority of the Board may establish a different time limit as appropriate, and parties to agenda items shall not be subject to the time limitations. If there is a Consent Calendar, it is considered a single item; thus the three (3) minute rule applies. Consent Calendar items can be pulled at Board member request and will be brought up individually at the specified time in the agenda allowing further public comment on those items.
5. **Public Comment** - At the beginning of the agenda an opportunity is also provided for members of the public to speak on any subject within VVTA's authority. Matters raised under "Public Comment" may not be acted upon at that meeting. The time limits established in Rule #4 still apply.
6. **Disruptive Conduct** - If any meeting of the Board is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, the Chair may recess the meeting or order the person, group or groups of persons willfully disrupting the meeting to leave the meeting or to be removed from the meeting. Disruptive conduct includes addressing the Board without first being recognized, not addressing the subject before the Board, repetitiously addressing the same subject, failing to relinquish the podium when requested to do so, or otherwise preventing the Board from conducting its meeting in an orderly manner.

Please be aware that a NO SMOKING policy has been established for VVTA meetings. Your cooperation is appreciated!

VICTOR VALLEY TRANSIT AUTHORITY

MISSION STATEMENT

Our mission is to serve the community with excellent public transportation services in terms of quality, efficiency, and responsiveness.

Quality

To increase ridership and community support by exceeding expectations.

Efficiency

To maintain an efficient operation that represents a highly-valued service.

Responsiveness

To provide services and facilities which are responsive to the needs of the community.

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**AGENDA ITEM
ONE**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Minutes from the Regular Meeting of the Board of Directors Conducted on January 20, 2026.

SUMMARY STATEMENT

The following are copies of the minutes from the Regular Meeting of the Board of Directors conducted on January 20, 2026.

RECOMMENDED ACTION

Move for approval.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Debi Albin, Clerk of the Board	N/A	February 17, 2026	1

**VICTOR VALLEY TRANSIT
REGULAR MEETING OF THE
BOARD OF DIRECTORS**

**January 20, 2026
MINUTES**

CALL TO ORDER

The Regular Meeting of the Board of Directors of the Victor Valley Transit Authority was called to order at 9:30 a.m. by Chair Noble.

ROLL CALL

Board Members Present: Chair Liz Becerra
Vice-Chair Allison Lee
Director James Noble
Director Curt Emick
Alternate Director CJ Porter
Alternate Director Sam Shoup

Staff Members Present:

Juan Robinson, City of Victorville	Nancie Goff, VVTA
Adam Ebright, County Counsel	Sandy Martinez, VVTA
Rod Goldman, VVTA	Debi Albin, VVTA
Maged Azer, VVTA	Sylvia Abadeer, VVTA
Brandon Johnson, VVTA	Christine Plasting, VVTA
Nija Enos, VVTA	Chris Ackerman, VVTA
Dana Fleming, VVTA	Ashley Palmer, VVTA
Elizabeth White, VVTA	Dustin Strandberg, VVTA
Craig Barnes, VVTA	Nija Enos, VVTA
Willy Perez, Keolis	Ernesto Sanchez, Keolis
Jonathan McDowell, Keolis	Cresencio Ortega, Keolis
Corp. Devon Steuerwald, SBCOSD	Jose Hernandez, Keolis
Sgt. Simor Demuri, SBCOSD	Dep Cortney Chapdelaine, SBCOSD
Dep. Trevor James, SBCOSD	Dep. Jay Ko, SBCOSD
Dep. Aaron Connoly, SBCOSD	Dep. Geoff Solorio, SBCOSD
Dep. Joseph Mora, SBCOSD	Lt. Mike New, SBCOSD

PLEDGE OF ALLEGIANCE

Chair Noble led the audience in the pledge of allegiance.

ANNOUNCEMENTS

Ms. Goff announced that VVTA has the pleasure of recognizing Jose Hernandez as Employee of the Month. Mr. Hernandez is an operator from Barstow and exemplifies compassion, professionalism and integrity in everything he does. He is an outstanding employee who excels in communication and supports his team. Recently, Mr. Hernandez went above and beyond his duties by assisting a pedestrian who had been struck by a vehicle, demonstrating care and quick action in a crisis.

Lastly, Ms. Goff shared, for those that may not have heard, she is retiring as of July 1, 2026. She stated that it has been a privilege to serve VVTA and our communities and wanted to express her sincere gratitude for the opportunities, growth, and experiences that she has had here at VVTA.

PUBLIC COMMENTS

Speaker: Daniel Campos, Victorville

Mr. Campos explained that he is having issues with the timing of buses between Adelanto, Hesperia and Oak Hills. Mr. Campos gets off work at 8 pm and finds it difficult to return home. Mr. Campos mentioned routes 30, 20/21, 33 and 54.

CONSENT CALENDAR

1. **Minutes from the Public Hearing and Regular Meeting of the Board of Directors Conducted November 17, 2025.**
Recommendation: Move for approval.
Presented by: None.
2. **Warrants, October and November 2025.**
Recommendation: Move for approval.
Presented by: None.

A MOTION WAS MADE BY Director Emick to approve the Consent Calendar and Seconded by Vice-Chair Becerra. The motion passed unanimously

REPORTS

3. **Management Reports for Hesperia and Barstow Divisions – Verbal Report from Chief Executive Officer.**
Recommendation: Information item only.
Presented by: Nancie Goff, CEO.

On January 14, 2026, Ms. Goff stated, VVTA hosted a successful ribbon cutting event for VVTA's 13 new hydrogen fuel cell buses, interim hydrogen fueling station and the new VVTA branding. Ms. Goff also explained, for those who are not aware, the New Flyer Master Paint sample lists the bus color as Teal.

Additionally, Ms. Goff explained that the buses, colors and logo were well received, and they are still creating a buzz of excitement. Ms. Goff thanked Mr. Strandberg, Mr. Ackerman and all the VVTA and Keolis staff that worked so hard on making the event a great success.

Ms. Goff touched on the management reports, stating that while the commuter bus passenger trips is down, it is likely due to the government shut down. Fixed route and

demand response are improving after a low September due to the return to school and construction projects.

4. **Victor Valley Transit Authority Sheriff's Division Unit Verbal Report.**

Recommendation: Information item only.

Presented by: VVTA, Sheriff Division Unit.

Corp. Devon Steuerwald presented a Year in Review for 2025 activities with the San Bernardino County Sheriff's Department, Victor Valley Transit Detail. Corp. Steuerwald shared some highlights from the past year:

- In March of 2025, Deputy James observed 4 juveniles enter a bus at VVTC, at the same time he learned that an armed robbery had just been committed and the juveniles he saw entering the bus matched the description of the offenders. Deputy James was able to locate the bus and detain the suspects who had evidence of the crime with them.
- In July of 2025, during patrol, Deputy Mora initiated a traffic stop. This resulted in the arrest of the driver for multiple felonies, including firearms possession.
- In November of 2025, Deputy James learned of an inmate that escaped while receiving care at a local hospital. After an extensive search, Deputy James and Jonathan McDowell (Keolis) located the person and they were detained without incident.
- In December of 2025, deputies were notified of a missing adult with severe disabilities. Deputy Ko immediately responded and worked with VVTA and Department K9 to safely locate the person.
- Lastly, Deputy Solorio was chosen to represent the Transit Operations Division as the Deputy of the Year.

As we look to the future in 2026, our team is committed to supporting VVTA to improve the quality of life for people who utilize VVTA's services.

ACTION ITEMS

5. **Modification to Proposed Fare Adjustment of Commuter Bus Passes.**

Recommendation: Information Item Only.

Presented by: Rod Goldman, Director of Operations.

Mr. Goldman reminded the Board that one of the recommendations in the VVTA (COA) was to modify Commuter Bus service to the Ft. Irwin National Training Center (NTC) in an effort to reduce operating costs and develop a specific plan for the future of transportation to the NTC. In discussions with NTC staff, VVTA was informed that as of October 2025, NTC would not be able to continue

payment of the annual \$48,000 subsidy provided towards service operating costs. On November 3, 2025, schedule modifications were implemented to commuter bus service. However, to offset the loss of the subsidy from NTC, an increase in pass fare rates was proposed.

Mr. Goldman also stated that on November 17, 2025, a public hearing was held to accept comments on proposed fare changes for the NTC Commuter Military Monthly Pass and the MEGA Monthly Pass. The proposed changes included the following fare increases:

- An Increase in the Military Monthly Pass price from \$255 to \$325 per pass
- An Increase in the monthly MEGA Pass price from \$180 to \$325 per pass

At that time the Board requested that staff evaluate alternative proposals for consideration at a later meeting. After further review, staff are suspending the public hearing process and the existing pass prices be maintained at current rates. Lastly, Mr. Goldman said that during 2026/27 budget staff will be evaluating a restructuring of all passenger fares as recommended in the COA. At that time Commuter Bus fare rates will be re-evaluated, and a public hearing on VVTA fare rates may be conducted in Fall 2026.

6. **Election of Chair and Vice-Chair for Calendar year 2026.**

Recommendation: Pursuant to Section 1.0024, nominate and elect a Chair and Vice Chair to fill the terms of office through December 31, 2026.

Presented by: N/A.

Chair Noble nominated Vice-Chair Liz Becerra as Chair. This was seconded by Director Lee. Vice-Chair Becerra nominated Director Allison Lee as Vice-Chair. The nomination was seconded by Director Emick. Liz Becerra was elected as Board Chair with a unanimous 6-0 vote, and the motion for Vice-Chair Allison Lee also passed unanimously with a 6-0 vote.

7. **Closed Session.**

BOARD BUSINESS

Closed Session.

Personnel Matters - Government Code 54957(b).

Recommendation: N/A.

Presented by: Adam Ebright, County Counsel.

Open Closed Session: 10:04 am

Close Closed Session: 10:50 am

Mr. Ebright stated that there are no actionable recommendations at this time.

BOARD OF DIRECTORS COMMENTS

Vice-Chair Lee wished to congratulate Ms. Goff on her retirement and also wanted to thank everyone for a job well done.

DATE OF NEXT MEETING

The next Board meeting will be on Tuesday, February 17, 2026, at 9:30 am at Barstow City Council Chambers, 220 East Mountain View St., Barstow, CA 92301

ADJOURNMENT

The meeting was adjourned at 10:52 am.

APPROVED: _____
Liz Becerra, Chair

ATTEST: _____
Debi Albin, Clerk of the Board

**AGENDA ITEM
TWO**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Payrolls and Warrants for December 2025.

SUMMARY STATEMENT

The following registers of Payrolls and Warrants have been audited as required by Section 37202 and 37208 of the Government code, and said documents are accurate and correct.

Agency's Gross Payroll for Administrative Employees

<u>Payroll Date</u>	<u>Amount</u>	<u>Register#</u>
12/12/25	\$151,529.67	PR-113-12-25
12/26/25	\$151,341.79	PR-114-12-25
Total Payroll	\$302,871.46	

Agency's Register of Warrants

<u>Register Date</u>	<u>Amount</u>	<u>Check /ACH#</u>	<u>Register #</u>
12/09/25	\$414,118.58	2510-266/4	AP-12-2025
12/17/25	\$776,367.16	2534-268/3	AP-12-2025
12/18/25	\$3,745,896.85	269/1-2594	AP-12-2025
12/22/25	\$3,097,410.31	272/1-273/1	AP-12-2025
	\$8,033,792.90		

RECOMMENDED ACTION

Approve VVTA's expenditures for December 2025.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Maged Azer, CFO	\$8,336,664.36	February 17, 2026	2

Victor Valley Transit Authority
December 1, 2025 - December 31, 2025

Check number	Vendor	Date	Amount
2510	Allied Universal Security Services	12/4/2025	\$11,492.25
2511	Barstow Chamber Of Commerce	12/4/2025	\$325.00
2512	City Of Victorville	12/4/2025	\$85,935.86
2513	Southern California Edison	12/4/2025	\$13,087.10
2514	Southern California Edison	12/4/2025	\$7,521.51
2515	Federal Express Corp.	12/4/2025	\$97.40
2516	Frontier	12/4/2025	\$273.69
2517	Genfare, LLC	12/4/2025	\$47,171.17
2518	Golden State Water Company	12/4/2025	\$485.18
2519	Golden State Water Company	12/4/2025	\$218.49
2520	Golden State Water Company	12/4/2025	\$54.74
2521	Golden State Water Company	12/4/2025	\$629.44
2522	Golden State Water Company	12/4/2025	\$507.37
2523	HI-Desert Communications	12/4/2025	\$1,308.00
2524	Konica Minolta Business Solutions	12/4/2025	\$852.11
2525	Gannett California LocalIQ	12/4/2025	\$192.62
2526	Principal Life Insurance Company	12/4/2025	\$3,331.02
2527	PSOMAS	12/4/2025	\$2,495.90
2528	Ring Central, Inc.	12/4/2025	\$2,566.05
2529	Rotary Club Of Victorville	12/4/2025	\$171.67
2530	ShredYourDocs.com	12/4/2025	\$342.00
2531	Stantec Consulting Services Inc.	12/4/2025	\$1,669.80
2532	Verizon	12/4/2025	\$9,677.43
2533	Center of Transp & Environment, DBA ZEBR	12/4/2025	\$3,500.00
00000265/1	Hydrogen Fuel Cell Bus Council	12/5/2025	\$2,416.00
00000265/2	Keolis Transit Services, LLC	12/5/2025	\$9,542.86
00000265/3	Keolis Transit Services, LLC	12/5/2025	\$1,245.55
00000265/4	Macro-Z-Technology	12/5/2025	\$63,536.00
00000265/5	GMV Syncromatics	12/5/2025	\$936.76
00000265/6	GMV Syncromatics	12/5/2025	\$965.80
00000266/1	Oracle America, Inc.	12/9/2025	\$39,130.84
00000266/2	RideCo US, Inc	12/9/2025	\$84,938.97
00000266/3	Transtrack Systems, Inc.	12/9/2025	\$2,500.00
00000266/4	Transtrack Systems, Inc.	12/9/2025	\$15,000.00
2534	ADARide.com LLC	12/11/2025	\$3,827.00
2535	Allied Universal Security Services	12/11/2025	\$8,966.94
2536	Amazon Business	12/11/2025	\$258.43
2537	Aramark Refreshment Services, LLC	12/11/2025	\$557.50
2538	Beck Oil, Inc.	12/11/2025	\$2,201.84
2539	Bonnie Baker Senior Center	12/11/2025	\$1,451.61

2540	Charter Communications	12/11/2025	\$96.76
2541	Charter Communications	12/11/2025	\$1,099.00
2542	Charter Communications	12/11/2025	\$176.17
2543	Charter Communications	12/11/2025	\$749.00
2544	Charter Communications	12/11/2025	\$1,649.00
2545	Charter Communications	12/11/2025	\$820.00
2546	Charter Communications	12/11/2025	\$329.99
2547	Charter Communications	12/11/2025	\$231.76
2548	Charter Communications	12/11/2025	\$269.99
2549	City of Barstow	12/11/2025	\$435.59
2550	City Of Victorville	12/11/2025	\$3,484.12
2551	Diamond Environmental Services, LP	12/11/2025	\$783.11
2552	Southern California Edison	12/11/2025	\$1,781.20
2553	Southern California Edison	12/11/2025	\$11,284.18
2554	Southern California Edison	12/11/2025	\$209.88
2555	Paragon ID High Point US	12/11/2025	\$4,256.13
2556	Genfare, LLC	12/11/2025	\$1,385.47
2557	Greater High Desert Chamber Of Commerce	12/11/2025	\$500.00
2558	City Of Hesperia	12/11/2025	\$1,360.70
2559	Inter-Con Security Systems, Inc.	12/11/2025	\$40,784.97
2560	Loomis	12/11/2025	\$1,005.08
2561	Moody's Investors Services, INC	12/11/2025	\$1,000.00
2562	San Bernardino County	12/11/2025	\$2,350.35
2564	Stantec Consulting Services Inc.	12/11/2025	\$60,046.24
2565	State Compensation Insurance Fund	12/11/2025	\$2,076.41
2566	Southwest Gas Corporation	12/11/2025	\$843.53
2567	Southwest Gas	12/11/2025	\$144,923.69
2568	Southwest Gas Corporation	12/11/2025	\$3,217.20
2569	Southwest Gas Corporation	12/11/2025	\$503.01
2563	Sonic Systems, Inc.	12/11/2025	\$8,950.00
00000268/1	ELERTS Corporation	12/17/2025	\$6,791.00
00000268/2	RideCo US, Inc	12/17/2025	\$149.01
00000268/3	San Bernardino County Sheriff's Department	12/17/2025	\$455,561.30
00000269/1	Keolis Transit Services, LLC	12/18/2025	\$772,576.26
00000270/1	Keolis Transit Services, LLC	12/18/2025	\$2,664,302.75
2572	4AP Holdings Inc.	12/18/2025	\$6,906.67
2573	AECOM Technical Services, Inc.	12/18/2025	\$9,230.07
2574	AIA Corporation	12/18/2025	\$1,802.03
2575	AVR Vanpool	12/18/2025	\$3,563.00
2576	Christianbelle Electric Inc	12/18/2025	\$6,730.00
2577	City of Victorville	12/18/2025	\$53,249.97
2578	City Of Victorville	12/18/2025	\$912.06
2579	Clean Energy	12/18/2025	\$1,989.75
2580	Commute With Enterprise	12/18/2025	\$153,180.00
2581	Center For Transportation & The Environment	12/18/2025	\$5,000.00
2582	Digi Vue Advertising	12/18/2025	\$885.00
2583	Paragon ID High Point US	12/18/2025	\$4,848.75

2584	Greater High Desert Chamber Of Commerce	12/18/2025	\$450.00
2585	Hi Desert Alarm	12/18/2025	\$196.20
2586	High Desert Lock & Safe	12/18/2025	\$13.47
2587	Gannett California LocaliQ	12/18/2025	\$176.74
2588	Nth Generation	12/18/2025	\$22,402.70
2589	PSOMAS	12/18/2025	\$6,309.96
2590	Skillpath	12/18/2025	\$10,200.20
2591	Stantec Consulting Services Inc.	12/18/2025	\$7,331.94
2592	TMD Transportation Management & Design	12/18/2025	\$12,879.41
2593	TransitTalent.com	12/18/2025	\$125.00
2594	Triton Global Services, Inc.	12/18/2025	\$634.92
00000272/1	Abundant Living Family Church HD	12/22/2025	\$3,100.00
00000272/2	Keolis Transit Services, LLC	12/22/2025	\$15,500.00
00000272/3	GMV Syncromatics	12/22/2025	\$876.59
00000272/4	Transtrack Systems, Inc.	12/22/2025	\$34,920.00
00000276/1	New Flyer Of America	12/23/2025	\$935,766.10
00000275/1	New Flyer Of America	12/23/2025	\$935,766.10
00000274/1	New Flyer Of America	12/23/2025	\$935,766.10
00000273/1	New Flyer Of America	12/23/2025	\$235,715.42
Total			\$8,033,792.90

**AGENDA ITEM
THREE**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Management reports.

SUMMARY STATEMENT

The attached Performance Reports are presented to the Board of Directors to provide an overview of the transit system's costs and performance.

- Keolis invoice for December 2025.
- Monthly Performance Statistics Systemwide Summary.
- Monthly Ridership Report.
- Monthly ADA Denial Report.
- Monthly Road Call Report.
- Keolis On Time Performance Report.

RECOMMENDED ACTION

Information items only.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Nancie Goff, CEO	N/A	February 17, 2026	3



INVOICE NO. 0060297-IN

Keolis Transit Services
17150 Smoke Tree St.
Hesperia Calif. 92345

BILL TO Victor Valley Transit Authority
17150 Smoke Tree St.
Hesperia, CA 92345

DATE 1/12/2026

CONTRACT NAME:
Victor Valley Transit

Attention: Mrs. Nancie Goff
Chief Executive Officer

MONTH December

BILLING PERIOD 12/01/2025 - 12/31/2025

	Budgeted Revenue hours	Actual Revenue hours	Variance in Missed Service	Rate Year 2	Budgeted Revenue USD	Actual Revenue USD	Allocated Fixed Cost	Variance (+ or -)	Budgeted Expense Year-to-date	Actual Expense Year-to-date	Variance (+ or -) Year-to-date
ADA ParaTransit	3,812.44	3,429.99		91.89	\$350,325.11	\$315,182.23	\$168,115.80	(\$35,142.88)	\$2,101,946.64	\$1,931,124.66	(\$170,821.98)
Subscription	1,217.39	1,474.33		91.89	\$111,865.97	\$135,476.51	\$56,038.60	\$23,610.54	\$650,863.58	\$845,614.44	\$194,750.86
Microlink	1,334.61	1,205.57		91.89	\$122,637.31	\$110,779.50	\$56,038.60	(\$11,857.81)	\$713,519.14	\$696,289.04	(\$17,230.10)
Regional Fixed Rt	12,190.94	11,603.21	(36.35)	91.96	\$1,121,078.84	\$1,067,031.19	\$549,178.28	(\$54,047.65)	\$6,513,372.30	\$6,366,686.92	(\$146,685.39)
Route 15	756.08	776.94	-	91.96	\$69,529.12	\$71,447.40	\$33,623.16	\$1,918.29	\$412,218.06	\$426,977.64	\$14,759.57
Fort Irwin	264.00	294.13	(2.27)	89.14	\$23,532.96	\$26,218.75	\$11,207.72	\$2,685.79	\$202,383.45	\$229,732.50	\$27,349.05
SUBTOTALS	\$19,576.46	\$18,784.17	-\$38.62		\$1,798,969.31	\$1,726,135.58	\$874,202.16	-\$72,833.73	\$10,594,303.17	\$10,496,425.19	-\$97,877.98

TOTAL INVOICE

\$2,600,337.74

Please REMIT TO:
Keolis Transit Services, LLC
53 State Street, 11th Floor
Boston, MA 02109
ARDept@keolisna.com

Manager's Signature and Business Phone



Keolis Transit Services

17150 Smoke Tree St.
Hesperia Calif. 92345

BILL TO Victor Valley Transit Authority
17150 Smoke Tree St.
Hesperia, CA 92345

Attention: Mrs. Nancie Goff
Chief Executive Officer

INVOICE NO. 0060296-IN

DATE 1/12/2026

CONTRACT NAME:
Victor Valley Transit

MONTH **December**

BILLING PERIOD 12/01/2025 - 12/31/2025

	Budgeted Revenue hours	Actual Revenue hours	Variance in Missed Service	Rate Year 2	Budgeted Revenue USD	Actual Revenue USD	Allocated Fixed Cost	Variance (+ or -)	Budgeted Expense Year-to-date	Actual Expense Year-to-date	Variance (+ or -) Year-to-date
County	1,596.60	1,611.88	(9.72)	91.96	\$146,823.34	\$148,228.48	67,246.32	\$1,405.15	\$875,696.48	\$905,268.95	\$29,572.47
Barstow-Fixed Route	2,180.86	2,128.79	(0.85)	91.96	\$200,551.89	\$195,763.53	100,869.48	(\$4,788.36)	\$1,167,014.71	\$1,155,341.30	(\$11,673.42)
Barstow-County	1,286.02	1,184.30	-	91.96	\$118,262.40	\$108,908.23	56,038.60	(\$9,354.17)	\$689,467.35	\$644,439.14	(\$45,028.21)
Barstow-DAR	448.30	594.00		91.89	\$41,194.29	\$54,582.22	22,415.44	\$13,387.93	\$247,181.80	\$327,853.58	\$80,671.78
SUBTOTALS	5,511.78	5,518.97	(10.57)		\$506,831.91	\$507,482.46	246,569.84	\$650.55	\$2,979,360.34	\$3,032,902.96	\$53,542.62

TOTAL INVOICE

\$754,052.30

Please REMIT TO:
Keolis Transit Services, LLC
53 State Street, 11th Floor
Boston, MA 02109
ARDent@keolisna.com

Manager's Signature and Business Phone



FY 2026 -- Monthly Performance Statistics by Mode
Systemwide Summary
All Routes

Performance Statistics for December

Mode	Passengers	Revenue Hours	Operating Costs	Passenger Revenue	Passengers Per Rev. Hour	Operating Cost Per Passenger	Operating Cost Per Rev. Hour	Passenger Revenue Per Passenger	Passenger Revenue Per Rev. Hour	Farebox Recovery Ratio
Bus (Motorbus)	89,419	17,298.5	\$3,497,319	\$62,957	5.2	\$39.11	\$202.18	\$0.70	\$3.64	1.80%
Commuter Bus	1,923	294.1	\$64,639	\$2,919	6.5	\$33.61	\$219.76	\$1.52	\$9.92	4.52%
Demand Response	10,773	6,905.8	\$1,278,034	\$25,871	1.6	\$118.63	\$185.07	\$2.40	\$3.75	2.02%
System Total	102,115	24,498.4	\$4,839,992	\$91,747	4.2	\$47.40	\$197.56	\$0.90	\$3.75	1.90%



Monthly Ridership Report

December, FY 2026

Bus (Motorbus), Commuter Bus, Demand Response Only

Total (All Day Types)

Mode	Passengers		Passengers Per Revenue Hour		Farebox Recovery Ratio	
	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year
Bus (Motorbus)	81,964	89,419	5.0	5.1	2.47%	1.80%
Commuter Bus	2,076	1,923	4.6	6.5	30.58%	4.52%
Demand Response	10,168	10,773	1.6	1.5	2.57%	2.02%
System Total	94,208	102,115	4.1	4.1	3.08%	1.90%

29

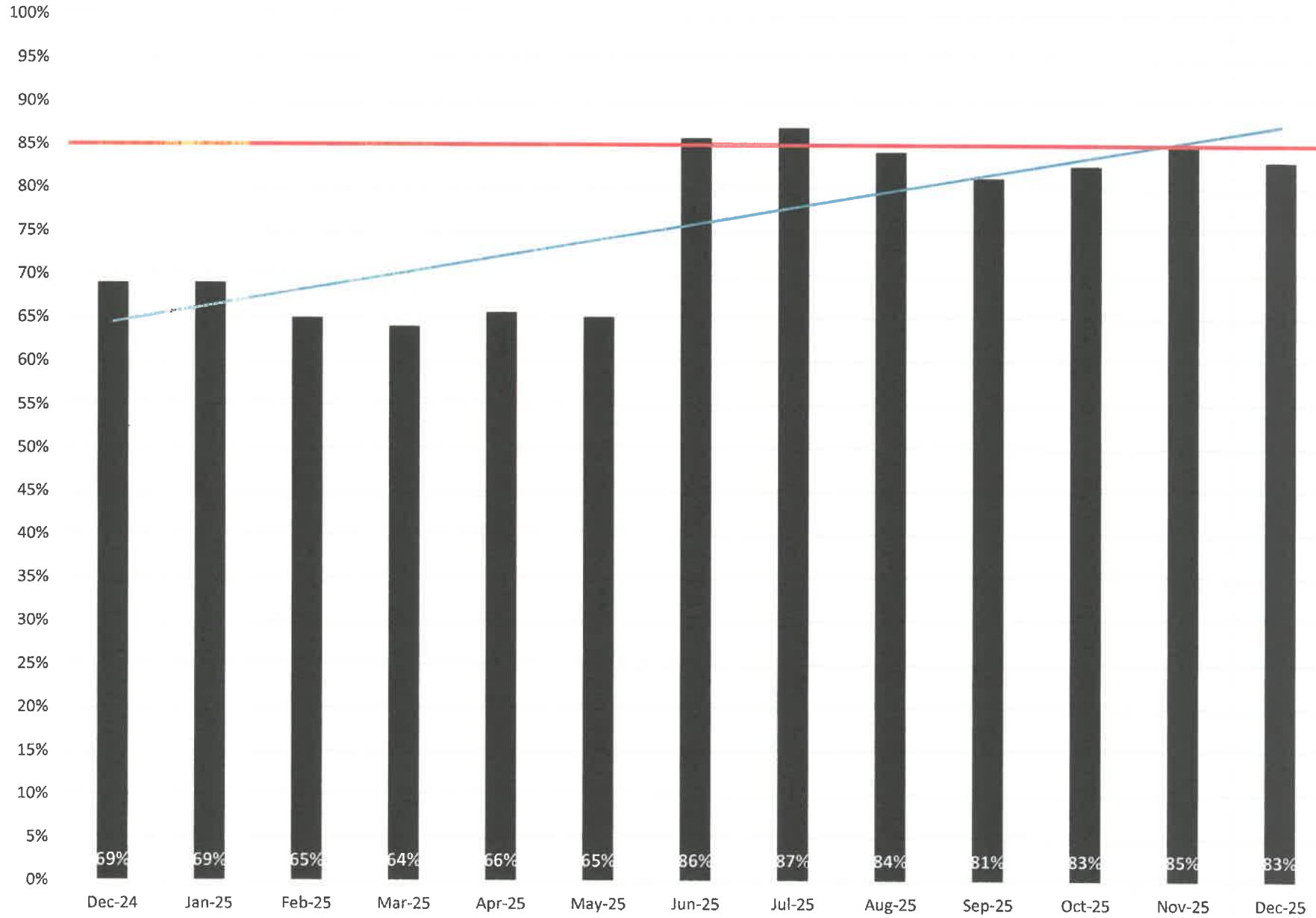
December
Major and Non-Major
Miles Between Road Calls

Total Miles	FY 2025	FY 2026
Demand Response	66,825	68,718
Commuter Bus	18,642	11,902
Motor Bus	283,935	257,631
Total Miles	369,402	338,251

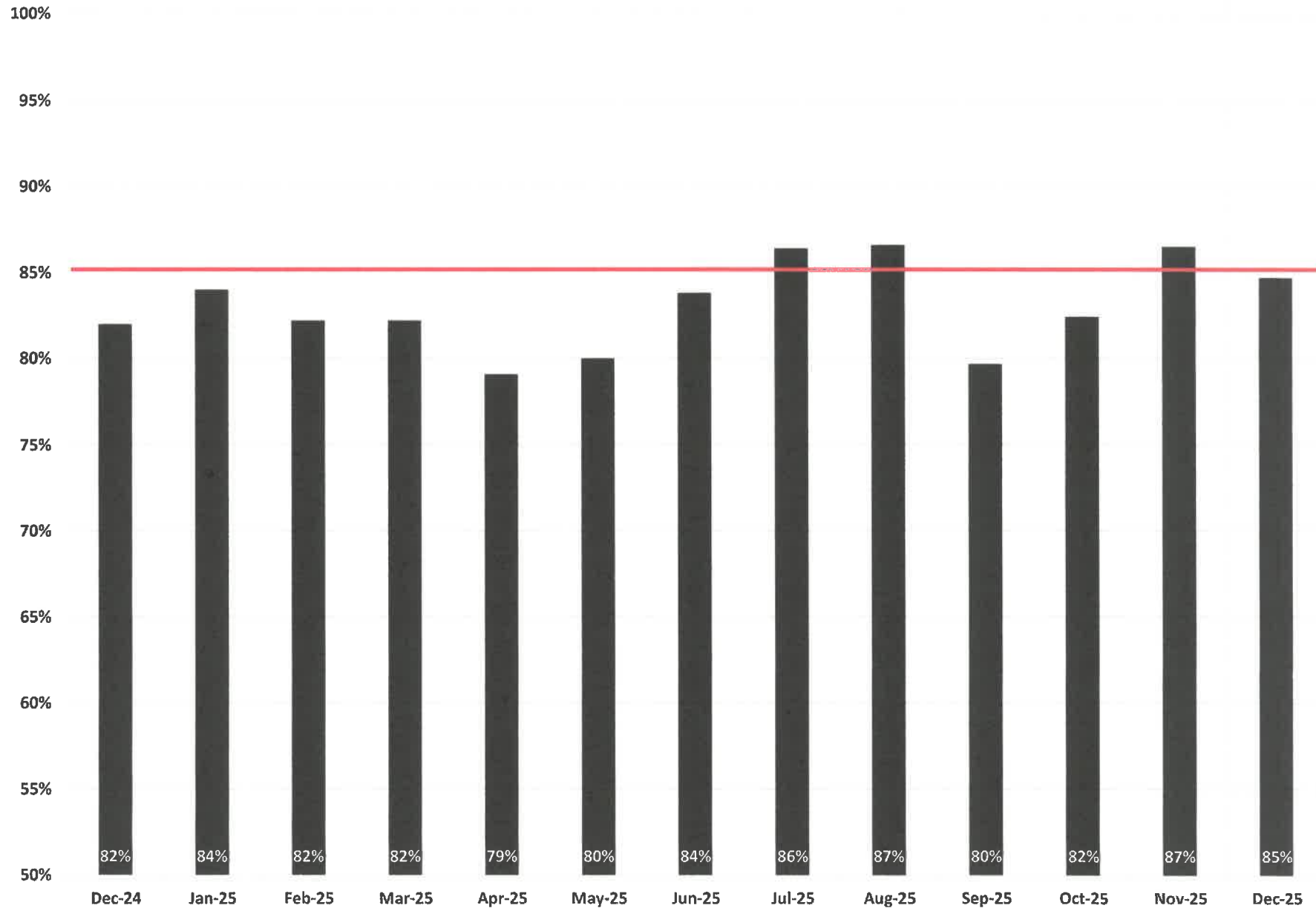
Total Road Calls	FY 2025	FY 2026
Demand Response	4	8
Commuter Bus	1	0
Motor Bus	21	42
Total Road Calls	26	50

Miles Between Road Calls	FY 2025	FY 2026
Demand Response	16,706	8,590
Commuter Bus	18,642	11,902
Motor Bus	13,521	6,134
Total System	48,869	26,626

OTP - Fixed Route



OTP - Direct Access



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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Transit Operations Division, Victor Valley Detail Report.

SUMMARY STATEMENT

At this time, a representative of the VVTA Transit Operations Division, Victor Valley Detail will present highlights and statistics from the last month.

RECOMMENDED ACTION

Information item only.

PRESENTED BY VVTA	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Transit Operations Division Unit	N/A	February 17, 2026	4

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**AGENDA ITEM
FIVE**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

**VVTA Annual Financial Audit Report for Fiscal Year Ending June 30, 2025,
Completed by Vasquez & Company, LLP.**

SUMMARY STATEMENT

VVTA received its audited Annual Financial Report for the fiscal year ending June 30, 2025, along with the required Single Audit for Federal Award Programs. In the management's opinion it was an "exemplary" audit. There were no audit findings, no material misstatements, and no management recommendations were noted. VVTA was found to be materially in compliance with GAAP (Generally Accepted Accounting Principles), and Government Uniform Guidance standards and all other related codified rules.

HIGHLIGHTS

- **Net Position:** Overall net position for fiscal year (FY) 24/25 is \$91,238,826 and was largely impacted by a decrease in net investment in capital assets of \$3,432,558, as well as a reduction in unrestricted net position of \$6,506,595. These changes are discussed in greater detail in this analysis.
- The value of the Authority's capital assets (net of deletions, depreciation, and amortization) decreased by \$3,432,558 or 3.9%. This decrease was caused by investment in new assets of \$3,135,178, offset by depreciation, amortization, and asset retirement costs totaling \$6,567,736.
- **Total Expenses** \$60,202,268 for the fiscal year, representing an increase of \$14,237,090 compared to the prior year. This increase was primarily driven by higher Operations and Maintenance (O&M) Purchase Transportation contractor cost under the new contract that became effective **July 1, 2024**, as well as the increase of a Sheriff's Department contract to enhance rider safety and security. Further contributing factors included inflationary pressures affecting the cost of transit supplies and services. Despite these increases, the Authority limited growth in general and administrative expenses to a modest 1.4%, or \$68,382, compared to the prior year.4%. Depreciation and amortization **expense** remained essentially unchanged from the prior year, decreasing by only \$2,526.

Continued

RECOMMENDED ACTION

Receive and file.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Maged Azer CFO	N/A	February 17, 2026	5

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

VVTA Annual Financial Audit Report for Fiscal Year Ending June 30, 2025 Completed by Vasquez & Company, LLP.

- Program Revenues supporting operations from federal sources decreased slightly by \$472,930, or 5%, compared to the prior year. This reduction reflects a decline in federal operating grants, as the Authority relied more heavily on other funding sources during the fiscal year. Other Program Revenues for FY 2024/25 totaled \$3,007,885, representing a 15% decrease compared to the prior year. This decline is primarily attributable to the absence of RINs credit revenue in FY 2024/25, along with a slight decrease in fuel station sales. These reductions were partially offset by an increase in interest income, resulting from higher market interest rates during the fiscal year.
- Capital revenues contributed by Federal, State, and local agencies totaled \$4,900,745. Capital revenues from these sources were provided by grants to support specific capital purchases. Capital purchases vary greatly from year to year, depending on the needs and objectives of the Authority. The funds received were enough to meet the capital needs of the agency for FY 24/25, which are detailed in this report's discussion of "net position."
- Total revenues decreased by \$10,057,586, or 16.3%, from \$61,593,313 in FY 2023/24 to \$51,535,727 in FY 2024/25. This decline was primarily attributable to reduced utilization of federal capital funds, a decrease in state LTF allocated funds, and the exclusion of new SB 125 funding from FY 2024/25 revenues. As previously noted, the SB 125 funds will be recognized in FY 2025/26.
- Cash and equivalents at the end of the year were \$45,375,055. Of this amount, \$35,910,026 is available for operations, with the balance restricted by grant agreements or governing body policy to be used on specific capital projects, including purchasing rolling stock, capital improvements, repairs, and equipment for the Authority's facilities. Included in this cash position is \$3,266,298 that is restricted by a debt agreement in connection with the 2016 Certificates of Participation (COP), which funded the construction of the Authority's Hesperia facility, and the 2018 COP for the construction of the Barstow Facility, \$231,249 is in Proposition 1B funds, \$4,200,249 is in Low Carbon Transit Operations Program (LCTOP) funds, and \$1,525,809 is in State of Good Repair (SGR) funds. These funds are restricted by grant agreements for certain capital projects, as well as \$6,198,731 restricted by the Authority's Governing Board for specific capital projects.

Continued

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

**VVTA Annual Financial Audit Report for Fiscal Year Ending June 30, 2025
Completed by Vasquez & Company, LLP.**

Overall, the Authority's financial condition remained strong and stable, supported by planned growth in programming activities and sustained capital investment. The Authority continues to benefit from diversified and reliable funding sources—including federal, state, and local funds—and remains focused on advancing key strategic initiatives. These initiatives include the development of hydrogen fueling station infrastructure to support the planned transition of rolling stock to hydrogen-fueled buses, as well as the construction of the Hesperia Transfer Hub.

In addition, both the federal government and the State have reaffirmed their commitment to increased and stable funding for public transit, from which the Authority is expected to continue to benefit. This solid financial position is reflected in the **Statement of Net Position, which reports an ending net position of \$91,238,826.**

The financial outlook for the Authority's programs and services remains favorable, supported by a continued commitment to investment in capital assets, advanced technologies, and service enhancements. This approach, coupled with prudent and fiscally responsible management, safeguards the investments of the Authority, its member jurisdictions, and its funding partners, while ensuring the delivery of high-quality public transportation services to the communities it serves.

VICTOR VALLEY TRANSIT

**Victor Valley Transit Authority
A Joint Powers Authority
Basic Financial Statements
*As of and for the Year Ended June 30, 2025
with Independent Auditor's Report***



	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	13
Statement of Revenues, Expenses, and Changes in Net Position	15
Statement of Cash Flows	16
Notes to the Basic Financial Statements	18
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of VVTA's Proportionate Share of the Net Pension Liability	44
Schedule of Pension Plan Contributions	45
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	46
COMPLIANCE SECTION	
Independent Auditor's Report on State Compliance	48
Compliance Matrix	51
Schedule of Findings and Questioned Costs	54



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Independent Auditor's Report

**The Board of Directors
Victor Valley Transit Authority
Hesperia, California**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Victor Valley Transit Authority (VVTA) as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise VVTA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of VVTA as of June 30, 2025, the changes in its financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of VVTA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about VVTA's ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VVTA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about VVTA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the schedule of VVTA's proportionate share of the net pension liability on page 44, and the schedule of pension plan contributions on page 45, 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 (GASB), 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 GAAS, 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2026, on our consideration of VVTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of VVTA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering VVTA's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "VVT & Company LLP". The signature is written in a cursive, flowing style.

**Glendale, California
January 28, 2026**

**Victor Valley Transit Authority
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2025**

This discussion and analysis of the Victor Valley Transit Authority's (VVTA or the Authority) financial performance for the year ended June 30, 2025, provides a financial summary of the Authority's current year results in comparison to the prior year. It should be read in conjunction with the accompanying financial statements and notes to the basic financial statements.

The Management's Discussion and Analysis (MD&A) section of the Authority's annual financial report provides condensed comparative data and briefly discusses the financial activities during the year ended June 30, 2025. It is a separate but integral part of the financial statements and notes that follow. The purpose of this MD&A is to promote an understanding of the Authority's financial statements.

The financial statements of the Authority supply information using accounting methods like those used by private sector companies. These statements offer short and long-term information about its activities.

The Statement of Net Position includes all the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources and provides the basis for evaluating the capital structure, liquidity, and overall financial integrity of the Authority.

The Statement of Revenues, Expenses, and Changes in Net Position displays the revenues, expenses, and changes in net position for the Authority and measures the success of operations over the past year.

It can be used to determine creditworthiness and whether revenue sources matched, exceeded, or failed to meet expenses.

The final financial statement is the Statement of Cash Flows. The statement reports on cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. It accounts for the cash and cash equivalents balance available at the beginning of the year and at year end. It displays cash received, cash expended, and the net change in the amount of cash and cash equivalents.

Highlights

- **Net Position:** The change in net position reflects a decrease of \$8,666,541, primarily due to the delay in receipt of the new SB 125 funds. These funds began to be received in October 2025 and will be recognized in FY 2025/26. The overall net position for Fiscal Year (FY) 2024–25 totaled \$91,238,826 and was largely affected by a decrease in net investment in capital assets of \$2,249,405, as well as a reduction in unrestricted net position of \$6,562,516. These changes are discussed in greater detail in this analysis.
- The value of the Authority's capital assets (net of deletions, depreciation, and amortization) decreased by \$3,432,558 or 3.9%. This decrease was caused by investment in new assets of \$3,135,178, offset by depreciation, amortization, and asset retirement costs totaling \$6,567,736.
- This decrease in depreciable asset value also impacted on the overall ending net position, the additions in Capital assets in FY 2025 are less by \$6.3 million compared to last FY24 additions.

**Victor Valley Transit Authority
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2025**

- The Authority's overall operating statistics were impacted during the year by an increase in the Operations and Maintenance contractor rate under the new contract that became effective July 1, 2024. This adjustment aligns with the level of transit service required to deliver the highest quality transportation to the community and reflects the necessity for private contractors to provide bus operators with a living wage. Additionally, operating impacts reflect route improvements recommended in the Five-Year Comprehensive and Operating Analysis (COA) and implemented in FY 2024/25.
- The Authority also faced rising costs for supplies and services, largely attributable to inflationary pressures and increased transportation-related expenses.
- Program revenues: Passenger fares decreased by 22.7% or \$574,431 compared to the prior year. This 22.7% decrease is due to the decrease of \$600K provided by SBCTA from the STA funds to support free rides to kindergarten through 12th grade (K-12) students, last year was \$750K, FY24-25 is only \$150K.
- Other Program Revenues FY2024/25 totaled \$3,007,884, representing a 15% decrease compared to the prior year. This decline is primarily attributable to the absence of RINs credit revenue in FY 2024/25, along with a slight decrease in fuel station sales. These reductions were partially offset by an increase in interest income, resulting from higher market interest rates during the fiscal year.
- Federal grants for operating shows a slight decrease in the amount of \$472,930 compared to last year, Operating Expenses are supported by the Federal Funds Section 5307 with 50% local match.
- Capital revenues contributed by Federal, State, and local agencies totaled \$4,900,745. These sources were provided by grants to support specific capital purchases and capital projects. Capital purchases vary significantly from year to year, depending on the needs and objectives of the Authority. The funds received were enough to meet the capital needs of the agency for FY 2024/25.
- Total revenues decreased by 16.3% from \$61,593,313 in FY 2023/24 to \$51,535,727 in FY 2024/25, largely due to delay in receipt of the new SB 125 funds. These funds began to be received in October 2025 and will be recognized in FY 2025/26 as mentioned above.
- Total expenses, including depreciation and interest, for the fiscal year totaled \$60,202,268, representing an increase of \$14,237,090 compared to the prior fiscal year. This mainly was impacted by the increase in the Operations and Maintenance contractor rate under the new contract that became effective July 1, 2024. Plus, the contract of the Sheriff department that support the safety and security to the riders. Additionally, the increase in the inflation rate impacted the costs of all supplies and services. Furthermore, the Authority maintained a reasonable increase in general and administrative costs of 1.4% or \$68,382, compared to the prior year.

- Cash and equivalents at the end of the year were \$45,375,055. Of this amount, \$35,910,026 is available for operations, with the balance restricted by grant agreements or governing body policy to be used on specific capital projects, including purchasing rolling stock, capital improvements, repairs, and equipment for the Authority's facilities.

Included in this cash position is \$3,266,298 that is restricted by a debt agreement in connection with the 2016 Certificates of Participation (COP), which funded the construction of the Authority's Hesperia facility, and the 2018 COP for the construction of the Barstow Facility, \$231,249 is in Proposition 1B funds, \$4,200,249 is in Low Carbon Transit Operations Program (LCTOP) funds, and \$1,525,809 is in State of Good Repair (SGR) funds. These funds are restricted by grant agreements for certain capital projects, as well as \$6,198,731 restricted by the Authority's Governing Board for specific capital projects.

- In FY14/15, VVTA adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, which had implications on costs and the net position of the Authority. Statement No. 68 was issued by GASB in June 2012, requiring public employers who participate in a defined benefit pension plan administered as a trust or similar arrangement (such as the California Public Employees Retirement System (CalPERS)) to comply with new accounting and financial reporting standards. These standards required, amongst other things, that risk-pooled employers like VVTA would have to report their proportionate share of the collective net pension liability (NPL), pension expense, and deferred inflows/outflows of resources from CalPERS managed funds. Prior to GASB Statement No. 68, VVTA reported only amounts contributed by VVTA to the CalPERS retirement plan on behalf of eligible participating staff members, as an expense without indication of a shared liability for future potential pension expenses. In the FY 2024/25 financial statements, VVTA has reported its proportionate share of the collective net pension liability (NPL), pension expense, and deferred inflows/outflows of resources. These requirements had a very minor impact on VVTA's overall financial statements. Ending proportionate share of NPL for VVTA in FY 2024/25 was \$568,122 or 0.1% of total liabilities.

Additional information pertaining to the specific impact of these statements and the treatment of the Authority's financial statements are detailed in the "notes to the basic financial statements" and in the "required supplementary information" section following the notes.

Financial Analysis of Victor Valley Transit Authority

One of the most important questions asked is, "Is the Authority better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position provide information about the Authority's activities to help answer that question. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or weakening. The Authority accounts for all transactions in an enterprise fund, which uses the full accrual basis of accounting. The activity shown in Table A-1 represents all activity through that fund.

**Victor Valley Transit Authority
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2025**

Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources

A summary of the Authority's Statement of Net Position is presented in Table A-1.

**Table A-1
Condensed Statement of Net Position**

	June 30, 2025	June 30, 2024	Dollar Change	Percentage Change
ASSETS				
Capital assets, net	\$ 84,440,377	\$ 87,872,935	\$ (3,432,558)	-3.9%
All other assets	47,661,302	51,344,460	(3,683,158)	-7.2%
Total assets	132,101,679	139,217,395	(7,115,716)	-5.1%
Deferred outflows of resources				
Pension	536,009	499,579	36,430	7.3%
Refunding	697,293	755,400	(58,107)	-7.7%
Total deferred outflows of resources	1,233,302	1,254,979	(21,677)	-1.7%
Total assets and deferred outflows of resources	\$ 133,334,981	\$ 140,472,374	\$ (7,137,393)	-5.1%
LIABILITIES				
Current liabilities	\$ 15,197,175	\$ 12,356,798	\$ 2,840,377	23.0%
Noncurrent liabilities	26,877,515	28,151,515	(1,274,000)	-4.5%
Total liabilities	42,074,690	40,508,313	1,566,377	3.9%
Deferred inflows of resources				
Pension	3,759	9,094	(5,335)	-58.7%
Leases	17,706	49,600	(31,894)	-64.3%
Total deferred inflows of resources	21,465	58,694	(37,229)	-63.4%
NET POSITION				
Net investment in capital assets	56,783,090	59,032,495	(2,249,405)	-3.8%
Restricted for debt service	3,266,298	3,120,918	145,380	4.7%
Unrestricted	31,189,438	37,751,954	(6,562,516)	-17.4%
Total net position	91,238,826	99,905,367	(8,666,541)	-8.7%
Total liabilities, deferred inflows of resources, and net position	\$ 133,334,981	\$ 140,472,374	\$ (7,137,393)	-5.1%

Table A-1 indicates that the Authority's total net position declined from \$99,905,367 in FY 2023/24 to \$91,238,826 in FY 2024/25, representing a decrease of \$8,666,541, or 8.7%. This reduction is primarily attributable to the delayed receipt of the new SB 125 funding, that received and will be reported in FY25/26 as discussed in greater detail later in this report.

**Victor Valley Transit Authority
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2025**

- All other assets decreased by \$3,683,158, or 7.2%, compared to the prior year. This decline is largely the result of a reduction in grants receivable balances, which reflects the conversion of previously outstanding receivables into cash during FY 2024/25.
- Total capital assets, net of accumulated depreciation, decreased by \$3,432,558 during the fiscal year. This change reflects overall activity within the capital asset accounts, including acquisitions, retirements, and depreciation expense. The decrease is primarily attributable to delays in bus manufacturing, which postponed the purchase of hydrogen buses. As a result, total capital assets declined by 3.9% compared to the prior year.

	2025	2024	Dollar Change	Percentage Change
Land	\$ 3,262,834	\$ 3,262,834	-	0.0%
Construction in progress	1,264,315	824,050	440,265	53.4%
Total non-depreciable	4,527,149	4,086,884	440,265	10.8%
Capital assets, net	79,591,208	83,479,087	(3,887,879)	-4.7%
Right-to-use leased assets, net	45,061	81,109	(36,048)	-44.4%
SBITA asset, net	276,959	225,855	51,104	22.6%
Total depreciable and amortizable	79,913,228	83,786,051	(3,872,823)	-4.6%
Total capital assets, net \$	84,440,377	\$ 87,872,935	\$ (3,432,558)	-3.9%

The ending balance of \$1,264,315 in the construction in progress accounts for the new transfer center in Hesperia, and the Hydrogen Fuel Station.

During the fiscal year, the Authority invested \$3,135,178 in property and equipment to enhance operational capacity and service delivery. These investments included the acquisition of six BraunAbility vans and three StranTrans Senator buses designated for Demand Response Micro-link services, as well as three new service vehicles to provide driver relief and supervisory support. In addition, Cradle Point systems on buses were upgraded to improve connectivity.

Facilities improvements were also undertaken throughout the year. These included remodeling office cubicles to accommodate staff growth, and carpeting at the Hesperia facility. The Authority completed a bus turnout in the City of Victorville and finalized the construction-in-progress project for a CNG backup generator at the Barstow facility. Additional enhancements included renovation and expansion of surveillance systems and the acquisition of maintenance equipment and computer hardware to support operations at both locations.

- Total liabilities increased by \$1,566,377 compared to FY 2023/24. This increase was primarily driven by a rise in unearned revenue, which was partially offset by decreases in long-term liabilities and accounts payable.
- Net position – net investment in capital assets in the amount of \$56,783,090. This was a result of the net activity in capital asset and liability accounts, including additions and retirements of capital assets as well as accumulated depreciation expense charges and increases or decreases in capital-related debt, as explained earlier in this discussion.

**Victor Valley Transit Authority
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2025**

- Net position in the amount of \$3,266,298 is restricted for debt service on a long-term lease arrangement maturing in 2037. These funds are reserved as required by the finance lease documents of the 2016 COP and 2018 COP to provide security to the lessor for future lease payment obligations by the Authority. These funds will remain in this restricted status until the lease agreements mature in 2037.
- Net position in the amount of \$31,189,438 is unrestricted. Unrestricted net position is the part of the net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

Revenues, Expenses, and Changes in Net Position

While the Statement of Net Position shows the change in the financial position of net assets, the Statement of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of these changes.

**Table A-2
Condensed Statement of Revenues, Expenses, and Changes in Net Position**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Revenues				
Program revenues (operating)				
Charges for services (fares)	\$ 1,958,106	\$ 2,532,537	\$ (574,431)	-22.7%
Federal grants - operating	8,758,399	9,231,329	(472,930)	-5.1%
State and local grants - operating	32,910,593	35,285,375	(2,374,782)	-6.7%
Other revenues	3,007,884	3,539,263	(531,379)	-15.0%
Capital revenues (operating)				
Federal grants	2,055,174	7,319,172	(5,263,998)	-71.9%
State and local grants	2,845,571	3,685,637	(840,066)	-22.8%
Total revenues	<u>51,535,727</u>	<u>61,593,313</u>	<u>(10,057,586)</u>	<u>-16.3%</u>
Expenses				
Program expenses				
Operations	46,911,584	32,680,941	14,230,643	43.5%
Depreciation and amortization	7,148,650	7,151,176	(2,526)	0.0%
General and administration	5,073,946	5,005,564	68,382	1.4%
Capital expenses:				
Capital interest expense	1,068,088	1,127,497	(59,409)	-5.3%
Total expenses	<u>60,202,268</u>	<u>45,965,178</u>	<u>14,237,090</u>	<u>31.0%</u>
Change in net position	<u>(8,666,541)</u>	<u>15,628,135</u>	<u>(24,294,676)</u>	<u>-155.5%</u>
Net position - beginning of year	<u>99,905,367</u>	<u>84,277,232</u>	<u>15,628,135</u>	<u>18.5%</u>
Net position - end of year	<u>\$ 91,238,826</u>	<u>\$ 99,905,367</u>	<u>\$ (8,666,541)</u>	<u>-8.7%</u>

**Victor Valley Transit Authority
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2025**

As shown in Table A-2, fare revenues decreased by \$574,431, or 22.7%, in FY 2024/25. This decline is primarily attributable to the \$750,000 in State Transit Assistance (STA) funds provided by the San Bernardino County Transportation Authority (SBCTA) in the prior year to support the launch of the free-ride program for kindergarten through 12th grade (K–12) students. These funds were not provided at this level in FY 2024/25, resulting in the year-over-year decrease in fare revenues.

Program revenues supporting operations from federal sources decreased slightly by \$472,930, or 5.1%, compared to the prior year. This reduction reflects a decline in federal operating grants, as the Authority relied more heavily on other funding sources during the fiscal year.

Other program revenues for FY 2024/25 totaled \$3,007,884, representing a 15% decrease compared to the prior year. This decline is primarily attributable to the absence of RINs credit revenue in FY 2024/25, along with a slight decrease in fuel station sales. These reductions were partially offset by an increase in interest income, resulting from higher market interest rates during the fiscal year.

Capital revenues contributed by Federal, State, and local agencies totaled \$4,900,745. Capital revenues from these sources were provided by grants to support specific capital purchases. Capital purchases vary greatly from year to year, depending on the needs and objectives of the Authority. The funds received were enough to meet the capital needs of the agency for FY 2024/25, which are detailed in this report's discussion of "net position."

Total revenues decreased by \$10,057,586, or 16.3%, from \$61,593,313 in FY 2023/24 to \$51,535,727 in FY 2024/25. This decline was primarily attributable to reduced utilization of federal capital funds, a decrease in state LTF allocated funds, and the exclusion of new SB 125 funding from FY 2024/25 revenues. As previously noted, the SB 125 funds will be recognized in FY 2025/26.

Program expenses totaled \$60,202,268 for the fiscal year, representing an increase of \$14,237,090 compared to the prior year. This increase was primarily driven by higher Operations and Maintenance (O&M) Purchase Transportation contractor cost under the new contract that became effective July 1, 2024, as well as the increase of a Sheriff's Department contract to enhance rider safety and security. Further contributing factors included inflationary pressures affecting the cost of transit supplies and services. Despite these increases, the Authority limited growth in general and administrative expenses to a modest 1.4%, or \$68,382, compared to the prior year.4%. Depreciation and amortization expense remained essentially unchanged from the prior year, decreasing by only \$2,526.

Financial Condition

Overall, the Authority's financial condition remained strong and stable, supported by planned growth in programming activities and continued capital investment. The Authority continues to benefit from diversified and reliable funding sources, including federal, state, and local funds, and remains focused on advancing strategic initiatives such as hydrogen fueling station infrastructure to support the planned transition of rolling stock to hydrogen-fueled buses, as well as the construction of the Hesperia Transfer Hub.

In addition, both the federal government and the State have reaffirmed their commitment to providing increased and stable funding for public transit, from which the Authority is expected to continue to benefit. This strong financial position is reflected in Table A-1, which reports the Authority's ending net position of \$91,238,826.

Some specific activities that have led to the Authority's financial condition as of June 30, 2025, include:

- This fiscal year, the Authority invested \$3.6 million in new capital asset acquisitions, including vehicles and equipment and Construction in Progress. This robust investment demonstrates that the Authority's access to capital funding through Federal, State, and local sources remains strong. The Authority's investment strategy is based on the need for expansion, innovation, technology upgrades, and maintenance of its existing services. Capital asset investment in FY 2024/25 is forecasted to remain strong from investment in new rolling stock, including Hydrogen Electric Buses and Hydrogen Station infrastructure, to comply with the Zero Emission Bus Transition ZEB and continued capital investments in its facilities.
- The Authority continued its program for increasing the number of buses, infrastructure needed to support the ZEB hydrogen fuel stations, plus the new transfer hub in Hesperia.
- In June 2015, the Authority was designated as a Consolidated Transportation Services Agency (CTSA) for the High and North Desert regions of San Bernardino County. This represented an expanding role and commitment to the Authority's already established Mobility Management department and increased the Authority service area from 425 to 950 square miles. Through the CTSA designation. Throughout FY 2024/25 the Authority continued to maintain and support these programs and expanded these services.
- The Authority continued to invest in its Vanpool Program, which is operated under the management of its Operation Department and the direction of the Director of Operations. This program provides support for residents of the Authority's service area who must commute out of the service area for work as well as for those commuting into our service area for employment. These vanpools serve to reduce traffic congestion and improve the environment through the lowering of carbon emissions. Additionally, the Authority reports the passenger miles produced by these vanpools, which continue to generate additional Federal apportionment funding. These additional Federal funds are used for capital and operating support and expansion of the Authority's other transportation services. The Authority has continued and maintained its commitment to the Vanpool Program in FY 2024/25 with further plans to market and grow the program.
- FY 2024/25 VVTA continued its agreement with Trillium CNG, which replaced the BP agreement effective October 1, 2020. This natural gas is used to create Compressed Natural Gas (CNG) fuel for the Authority's fleet of vehicles. The contract with Trillium CNG to provide the Authority with a source of renewable natural gas (RNG) has resulted in substantial reductions in greenhouse emissions. Additionally, the Authority generated \$661,800 received from the RINS credits as a direct result of the RNG sourcing. The Authority will continue to source this valuable and environmentally friendly fuel on FY 2024/25.
- In July 2023, VVTA successfully implemented and launched a new enterprise Oracle software system. This comprehensive platform integrates multiple functionalities, including purchase order creation and approval workflows, an advanced accounting system with payment approvals, fixed asset management, human resources (HR), timesheet tracking, and payroll processing. The system also ensures the retention of all supporting documents for every transaction. By replacing four legacy software systems, the Oracle platform streamlines operations, enhances efficiency, strengthens internal controls, and centralizes critical business processes, while allowing the Authority to receive the latest system updates and maintain modern, advanced capabilities.

The overall financial outlook for the Authority's programs and services remains strong, with a continued commitment to investment in capital assets, technologies, and services coupled with fiscally responsible management that protects the investments of the Authority, its member jurisdictions, and the funders while providing the highest quality public transportation services to the communities it serves.

Contacting the Authority

This financial report is designed to provide our citizens and the public with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions regarding this report or require additional financial information, please contact Mr. Maged Azer, Chief Financial Officer (CFO) at Victor Valley Transit Authority, 17150 Smoke Tree St., Hesperia, California, 92345.

Victor Valley Transit Authority
Statement of Net Position
Year ended June 30, 2025

ASSETS

Current assets

Cash and cash equivalents	\$	35,910,026
Cash and investments with fiscal agent - restricted		3,266,298
Cash and investments - Board reserved		6,198,731
Receivables		
Federal, State, and other local grants		1,400,730
Other		375,772
Leases, current portion		15,799
Prepaid expenses		451,573
Fuel inventory		37,228
Total current assets		47,656,157

Noncurrent assets

Lease receivables, long-term portion		5,145
Capital assets, not being depreciated		4,527,149
Capital assets, net of accumulated depreciation		79,591,208
Right-to-use leased assets, net of accumulated amortization		45,061
SBITA asset, net of accumulated amortization		276,959
Total noncurrent assets		84,445,522
Total assets		132,101,679

DEFERRED OUTFLOWS OF RESOURCES

Deferred pension		536,009
Deferred debt refunding cost		697,293
Total deferred outflows of resources	\$	1,233,302

(Continued)

See accompanying notes to the basic financial statements.

Victor Valley Transit Authority
Statement of Net Position (Continued)
Year ended June 30, 2025

LIABILITIES

Current liabilities

Accounts payable and accrued liabilities	\$	3,975,082
Unearned revenues		9,524,848
Compensated absences		349,351
Lease liability		40,993
Certificates of participation, current portion		1,231,327
SBITA liability, current portion		75,574
Total current liabilities		<u>15,197,175</u>

Noncurrent liabilities

Certificates of participation, long-term portion		26,168,597
Net pension liability		568,122
SBITA liability, long-term portion		140,796
Total noncurrent liabilities		<u>26,877,515</u>
Total liabilities		<u>42,074,690</u>

DEFERRED INFLOWS OF RESOURCES

Deferred pension		3,759
Deferred leases		17,706
Total deferred inflows of resources		<u>21,465</u>

NET POSITION

Net investment in capital assets		56,783,090
Restricted for debt service		3,266,298
Unrestricted		31,189,438
Total net position \$		<u>91,238,826</u>

(Concluded)

See accompanying notes to the basic financial statements.

Victor Valley Transit Authority
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2025

Operating revenues		
Fares	\$ 1,860,536	
Special transit fares	97,570	
		<u>1,958,106</u>
	Total operating revenues	
Operating expenses		
Operations	46,911,584	
Depreciation and amortization	7,148,650	
General and administration	5,073,946	
		<u>59,134,180</u>
	Total operating expenses	
Operating loss		<u>(57,176,074)</u>
Nonoperating revenues (expenses)		
Operating assistance		
Local Transportation Fund, operating	30,818,443	
Federal Transit Administration - Section 5307, operating	7,750,000	
Federal Transit Administration - Section 5311, operating	1,005,977	
Federal Transit Administration - Section 5316, operating	2,422	
Measure I	1,639,973	
AB 2766	250,000	
State - LCTOP	202,177	
Gain on disposal of assets	66,517	
Interest income	1,705,857	
Miscellaneous	1,235,510	
Interest expense	(1,068,088)	
		<u>43,608,788</u>
	Total nonoperating revenues, net	
	Loss before capital contributions	<u>(13,567,286)</u>
Capital contributions		
Local Transportation Fund, capital	1,802,150	
Federal Transit Administration - Section 5307, capital	2,036,794	
Federal Transit Administration - Section 5339, capital	18,380	
State of Good Repair	680,235	
Proposition 1B	178,524	
CMAQ	129,545	
State Transit Assistance Fund	55,117	
		<u>4,900,745</u>
	Total capital contributions	
	Change in net position	<u>(8,666,541)</u>
Net position, beginning of year		<u>99,905,367</u>
Net position, end of year	\$	<u><u>91,238,826</u></u>

See accompanying notes to the basic financial statements.

Victor Valley Transit Authority
Statement of Cash Flows
Year Ended June 30, 2025

Cash flows from operating activities	
Cash received from fares	\$ 1,910,053
Cash payments to employees	(4,267,843)
Cash payments to vendors for services	(47,881,332)
Net cash used in operating activities	<u>(50,239,122)</u>
 Cash flows from noncapital financing activities	
Operating grants received	50,772,410
Other noncapital financing	1,203,618
Net cash provided by noncapital financing activities	<u>51,976,028</u>
 Cash flows from capital and related financing activities	
Capital grants received	6,463,349
Purchase of capital assets	(3,716,092)
Proceeds from disposal of capital assets	66,517
Principal payments on capital debt	(1,020,000)
Interest paid	(1,161,450)
Payment of SBITA liabilities - principal portion	36,310
Payment of SBITA liabilities - interest portion	(7,287)
Payment of lease liabilities - principal portion	(38,136)
Payment of lease liabilities - interest portion	(2,573)
Cash received as lessor - principal portion	36,232
Cash received as lessor - interest portion	2,035
Net cash provided by capital and related financing activities	<u>658,905</u>
 Cash flows from investing activities	
Interest received	1,703,822
Cash provided by investing activities	<u>1,703,822</u>
Net increase in cash and cash equivalents	4,099,633
 Cash and cash equivalents	
Beginning balance	41,275,422
Ending balance	<u>\$ 45,375,055</u>
 Reconciliation of cash and cash equivalents to the	
Statement of Net Position	
Cash and cash equivalents	\$ 35,910,026
Cash and investments with fiscal agent - restricted	3,266,298
Cash and investments - Board reserved	6,198,731
Total cash, cash equivalents, and investments	<u>\$ 45,375,055</u>

Continued

See accompanying notes to the basic financial statements.

Victor Valley Transit Authority
Statement of Cash Flows (Continued)
Year Ended June 30, 2025

**Reconciliation of operating loss to net cash used
in operating activities**

Operating loss	\$ (57,176,074)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation and amortization expense	7,148,650
Changes in assets, deferred inflows of resources, liabilities, and deferred outflows of resources:	
Increase in other receivables	(48,053)
Decrease in prepaid expenses	17,211
Increase in inventory	(5,813)
Decrease in accounts payable and accrued liabilities	(285,983)
Increase in compensated absences	167,462
Decrease in net pension liability	(14,757)
Increase in deferred pension	(41,765)
Total adjustments	<u>6,936,952</u>
Net cash used in operating activities	<u><u>\$ (50,239,122)</u></u>

Schedule of non-cash investing, capital, and financing activities

Amortization of premiums on certificates of participation	\$ 103,220
Lease revenue recognized	\$ 24,914

(Concluded)

See accompanying notes to the basic financial statements.

NOTE 1 ORGANIZATION

Victor Valley Transit Authority (VVTA or the Authority) is a joint powers authority whose members are the cities of Adelanto, Barstow, Hesperia, and Victorville; the Town of Apple Valley; and the County of San Bernardino (the County) First and Third district. VVTA provides bus services to these cities, as well as the communities of Lucerne Valley, Phelan, Pinon Hills, Wrightwood, Helendale, Oro Grande, Fort Irwin, Hinkley, Newberry Springs, and Yermo, as a means of meeting the transit needs of various transit-dependent groups within its 950-square mile geographic service area. The bus services VVTA provides include fixed route services, deviated route services, County deviated routes, Americans with Disabilities Act (ADA) para-transit routes, and commuter services. Additionally, VVTA is designated as a Consolidated Transportation Services Agency (CTSA) for the High Desert and North Desert regions of the County and provides a variety of services to support transit-dependent groups that are unable to access its standard transit services. Through direct contracts with vendor providers as well as cooperative agreements with various non-profit organizations, VVTA's CTSA supports a Vanpool Program, Car Share Program, and Travel Reimbursement Incentive Program (TRIP), and directly provides Travel Training services. CTSA services are provided for rural areas of the North Desert and the communities of Trona and Big River, in addition to the communities listed above. VVTA is governed by a Board of Directors (the Board) comprised of seven (7) representatives. Five Board members are elected council members each appointed by the cities they represent, as well as the County Supervisors representing the First and Third County districts.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

VVTA meets the criteria as a stand-alone government, and accordingly, is accounted for and reported as though it were a primary government.

B. Measurement Focus and Basis of Accounting

VVTA's financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of related cash flows.

C. Cash and Cash Equivalents

Cash and cash equivalents include demand deposits and amounts in savings and certificates of deposit. For the purpose of the Statement of Cash Flows, cash and cash equivalents are defined as short-term deposits with original maturities of three months or less from the date of acquisition.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and investments - Board reserved

Certain VVTA accounts are reserved to fund board designated projects and programs. At June 30, 2025, cash and investments reserved through board resolutions was \$6,198,731.

E. Cash and Investments with Fiscal Agent - Restricted

Certain VVTA accounts are restricted by debt agreements to fund specified debt service requirements. At June 30, 2025, the balance held with fiscal agent pursuant to this agreement was \$3,266,298, respectively.

F. Fair Value Measurements

Investments are reported at fair value which is the amount at which financial instruments could be exchanged in a current transaction between willing parties. Investments are measured at fair value on a recurring basis.

GASB Statement No. 72, *Fair Value Measurement and Application*, defined fair value, established a framework for measuring fair value and established disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

- Level 1:* Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

- Level 2:* Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.

- Level 3:* Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

G. Grants, Grants Receivable and Unearned Revenue

Grants for operating assistance and capital acquisitions are included in revenue in the period in which the grant was earned. Federal capital grant funds claimed on a reimbursement basis have receivables for grant funds recorded as the related obligations are incurred. Capital grant funds advanced but not yet earned are treated as unearned revenues. Also, operating funds advanced from San Bernardino County Transportation Authority (SBCTA) for working capital are treated as unearned revenues until earned. Operating assistance grants are included in nonoperating revenues in the year in which the grant is applicable, and the related expenses are incurred. Revenues earned under capital grants are recorded as capital contributions.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Prepaid Expenses

Prepaid expenses include inventories and costs for certain payments to vendors that reflect costs applicable to future accounting periods. The costs of prepaid items are recorded as expenses when consumed rather than when paid.

I. Fuel Inventory

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of fuel for VVTA vehicles. The costs of such inventories are recorded as expenses when consumed rather than purchased. The value of fuel held at the transit facility on June 30, 2025 was \$37,228.

J. Capital Assets

Capital assets are stated at cost and depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	5 to 40 years
Operations equipment	3 to 12 years
Furniture and office equipment	3 to 10 years

VVTA's capitalization threshold is \$2,500. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the useful lives are not capitalized.

Right-to-use leased assets are recognized at the lease commencement date and represent VVTA's right-to-use underlying assets for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the leased asset into service. Right-to-use leased assets are amortized over the lease term using the straight-line method.

K. Subscription-Based Information Technology Arrangements ("SBITAs")

VVTA has recorded a Subscription-Based Information Technology Arrangements ("SBITA") asset as a result of implementing GASB Statement No. 96, *SBITAs*. The SBITA asset is initially measured at an amount equal to the related SBITA liability plus payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, if applicable, and capitalizable initial implementation costs less any SBITA vendor incentives received from the SBITA vendor at the commencement of the subscription term.

An SBITA asset is amortized using the straight-line method over the subscription term. The amortization of the SBITA asset is reported as an outflow of resources (for example, amortization expense), which may be combined with depreciation expense related to other capital assets for financial reporting purposes. Amortization begins at the commencement of the subscription term.

The right-to-use SBITA asset is reported along with other capital assets and the SBITA liability is reported on the statement of net position.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Operating and Nonoperating Revenue and Unearned Revenue

VVTA distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from directly providing services in connection with VVTA's principal operation of bus transit services. These revenues are primarily passenger fares. Nonoperating revenues consist of Federal, State, and local operating grants, fuel tax credits, and investment income.

M. Operating and Nonoperating Expenses

Operating expenses include the cost of services, administrative expenses, and depreciation or amortization of capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

N. Capital Contributions

Capital contributions consist of grants that are legally restricted for capital expenses by Federal, State, or local law that established those charges.

O. Net Position

The net position is the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources and is categorized and reported under the following classifications:

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of debt and deferred inflows and outflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position indicates the value of the restricted assets on hand in excess of the related and recognized liabilities. It is expected that future liabilities will be recognized to match the restricted assets on hand. These monies are reserved by Federal and State legislation or third-party agreements for particular use within their respective categories.

Unrestricted Net Position consists of the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When an expense is incurred for which both restricted and unrestricted net position are available, VVTA shall first apply restricted resources, and then unrestricted resources. When restricted resources are depleted, only then shall unrestricted resources be considered for use.

P. Lease Receivables

Lease receivables are recorded by VVTA at the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received is discounted based on the interest rate VVTA charges the lessee.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Pensions

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

R. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses) until then. VVTA reports a deferred outflow of resources related to pensions. VVTA also reports a deferred outflow of resources amount related to debt refunding which represents the remaining unamortized balance of the difference between the carrying value of the refunded debt and the reacquisition price.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. VVTA reports deferred inflows of resources related to pensions and leases where VVTA is the lessor. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on a straight-line basis over the term of the lease.

S. Long-Term Obligations

In the Statement of Net Position, long-term debt and other long-term obligations are reported under noncurrent liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Lease liabilities represent VVTA's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on an incremental borrowing rate determined by VVTA.

T. Compensated Absences

VVTA permits employees to accumulate earned vacation and sick leave up to a defined maximum amount. Accumulated vacation time is accrued at year-end to account for the VVTA's obligation to the employees for the amount owed. Sick leave can be accumulated and must be paid out once the maximum allowed accrual is reached. Accrued sick leave is forfeited at the time of the termination of employment but shall be restored if employee is rehired within one year.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Compensated Absences (Continued)

In 2025, VVTA implemented GASB Statement No. 101, *Compensated Absences*. In accordance with this standard, VVTA recognizes a liability for unused vacation, sick leave, and similar compensatory time balances. These balances accumulate over time, are attributable to services already rendered, and it is more likely than not that substantially all will be settled through paid time off or payments upon termination or retirement.

The liability for unused leave is measured using the employee's pay rate as of the financial statement date and includes salary-related payments directly and incrementally associated with payment for leave.

U. Use of Estimates

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

V. New Accounting Pronouncements

During the fiscal year ended June 30, 2025, VVTA implemented the following new GASB standards:

GASB Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*, which establishes updated recognition and measurement guidance for leave benefits such as vacation, sick leave, paid time off, and other compensated absences. The objective of this Statement is to improve consistency and comparability in financial reporting by clarifying when and how liabilities for compensated absences should be recognized. The implementation of this new accounting standard resulted in recognition of additional compensated absence liabilities in VVTA's financial statements as of June 30, 2025. Further, although the new accounting standard requires retrospective application to the earliest period presented, the effects of adoption were not material. Accordingly, no restatement of VVTA's previously issued financial statements for the year ended June 30, 2024, was necessary.

GASB Statement No. 102

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to disclose vulnerabilities arising from significant concentrations and certain constraints that could impact their ability to acquire resources or manage spending. The objective of this Statement is to improve transparency and provide users of financial statements with more relevant information about potential risks that could substantially affect a government's operations or financial position. The implementation of this statement did not have a significant impact on VVTA's financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. New Accounting Pronouncements (Continued)

GASB has released the following statements which will be implemented in future financial statements, if applicable:

GASB Statement No. 103 – Financial Reporting Model Improvements. The requirements of this statement are effective for reporting periods beginning after June 15, 2025.

GASB Statement No. 104 – Disclosures of Certain Capital Assets. The requirements of this statement are effective for reporting periods beginning after June 15, 2025.

NOTE 3 CNG TAX CREDITS

VVTA has accumulated unspent Compressed Natural Gas (CNG) tax credits totaling \$2,153,213. The Board has approved the allocation of these credits to establish a Capital Reserve for the Battery Electric Bus (BEB) Infrastructure project. This reserve balance is tracked separately and is reported as part of the unrestricted net position in the Statement of Net Position. During the year ended June 30, 2025, in line with the Taxpayer Certainty and Disaster Tax Relief Act of 2020 (Public Law 116-260), enacted as part of the Consolidated Appropriations Act 2021, which extended the fuel tax credits through December 31, 2024, VVTA received additional CNG tax credits. These credits were received pursuant to VVTA's usage of CNG for its bus fleet. The total CNG tax credit amount earned for the year ended June 30, 2025, was \$0. These funds are intended to support VVTA's commitment to a clean energy fleet and are included in the unrestricted net position on the Statement of Net Position.

SBCTA has agreed that these funds are available to be retained and expended based upon the direction provided by VVTA's Board in accordance with existing Board resolutions.

NOTE 4 FEDERAL, STATE, AND LOCAL GRANTS

Federal Assistance

Under the provisions of the Federal Transit Administration (FTA), funds are available to VVTA for operating assistance, security, and various capital costs. Total FTA assistance provided during the year ended June 30, 2025 was \$10,943,118.

NOTE 4 FEDERAL, STATE, AND LOCAL GRANTS (CONTINUED)

Transportation Development Act

VVTA is subject to the provisions pursuant to Section 6634 of the California Code of Regulations and Sections 99268.4 and 99313.3 of the Public Utilities Code (PUC). VVTA receives allocations of local transportation funds pursuant to the Transportation Development Act of 1971. These funds are generated within the County and are distributed based on annual claims filed by VVTA and approved by SBCTA.

Section 6634

Pursuant to Section 6634, a transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's costs less the sum of fares received, local support required to meet the fare ratio, Federal operating assistance, and the amount received during the year from a city or county to which the operator has provided service beyond its boundaries.

Sections 99268.4 and 99405

Section 99268.4 indicates that in the case of an operator that is providing services using vehicles for the exclusive use of elderly and handicapped persons, the operator shall be eligible for the Local Transportation Funds commencing with claims for the 1980-81 fiscal year if it maintains, for the fiscal year, a ratio of fare revenue to operating costs at least equal to 10-percent for the elderly and handicapped service or a ratio of fare revenue to combined operating costs at least equal to 18-percent.

Section 99405(c) indicates that the 50-percent limitation shall not apply to the allocation to a city, county, or transit district for services under contract pursuant to subdivision (c) or (d) of Section 99400. The city, county, or transit district shall be subject to Sections 99268.3, 99268.4, 99268.5, or 99268.9, as the case may be, and shall be deemed an operator for purposes of those sections, or shall be subject to regional, countywide, or county subarea purposes of those sections, or shall be subject to regional, countywide, or county subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the transportation planning agency or the county transportation commission for those services.

Pursuant to Section 99405, VVTA was granted a fare ratio requirement of 18-percent by SBCTA in September 2017; however, these requirements have been waived as a result of the ongoing COVID-19 pandemic. This waiver, in line with Section 99268.9 of the Public Utilities Code, will remain in effect until the end of the 2023-24 fiscal year, with the provisions set to become inoperative on January 1, 2025.

NOTE 4 FEDERAL, STATE, AND LOCAL GRANTS (CONTINUED)

Transportation Development Act (Continued)

Sections 99268.4 and 99405 (Continued)

The fare ratio as of June 30, 2025 is calculated as follows:

	Motor Bus Routes	Demand Response	Total
Operating expenses	\$ 48,682,492	\$ 10,451,688	\$ 59,134,180
Less: depreciation and amortization	(6,702,962)	(445,688)	(7,148,650)
Less: exemptions	(4,680,642)	-	(4,680,642)
Adjusted operating expenses	\$ 37,298,888	\$ 10,006,000	\$ 47,304,888
Fare revenue including free ride and days	\$ 1,739,600	433,419	\$ 2,173,019
Fare ratio	4.7%	4.3%	4.6%
Local funds used by the operator to supplement fare box revenues to satisfy the 10% fare ratio as permitted by Section 99268.19:			-
Measure I	1,229,980	409,993	1,639,973
CNG stations sales	1,155,957	-	1,155,957
Interest income	1,705,857	-	1,705,857
Adjusted fare revenue	\$ 5,831,394	\$ 843,412	\$ 6,674,806
Adjusted fare ratio	16%	8%	14%
Total fare ratio requirements pursuant to PUC Sections 99405(c) and 99268.4	18%	10%	18%

During the fiscal year ended June 30, 2025, VVTA recorded a total fare ratio of 14%, which falls below the required minimum fare ratio of 18 percent pursuant to PUC Section 99405. Although VVTA has experienced prior shortfalls in meeting the fare ratio requirement, those instances were not consecutive. In accordance with PUC Section 99268.9(b), the first fiscal year in which the required ratio is not maintained is deemed a grace year, regardless of prior nonconsecutive shortfalls. Therefore, the current year qualifies as a grace year, and VVTA remains eligible for Transportation Development Act funding with no penalty or reportable noncompliance.

Proposition 1B

The Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Fund and the California Transit Assistance Fund (CTAF) are a part of the State of California's Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Bond Act), approved by California voters as Proposition 1B on November 7, 2006. A total of \$19.9 billion was deposited into the Proposition 1B fund, \$3.6 billion of which was made available to project sponsors in California for allocation to eligible public transportation projects over a 10-year period. Proposition 1B funds can be used for rehabilitation, safety, security, disaster response, or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; or for rolling stock procurement, rehabilitation, or replacement.

NOTE 4 FEDERAL, STATE, AND LOCAL GRANTS (CONTINUED)

Transportation Development Act (Continued)

Proposition 1B (Continued)

Proposition 1B activities during the year ended June 30, 2025 were as follows:

	PTMISEA
Unspent Proposition 1B funds as of July 1, 2024	\$ 398,267
Proposition 1B funds interest earned	11,506
Proposition 1B expenses incurred	(178,524)
Unearned balance, June 30, 2025	\$ 231,249

Low Carbon Transit Operations Program

The Low Carbon Transit Operations Program (LCTOP) provides funds for approved projects to support new or expanded bus or rail services and expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance, and other costs to operate those services or facilities with each project reducing greenhouse gas emissions. LCTOP activities during the year ended June 30, 2025 were as follows:

	LCTOP
Unspent LCTOP as of July 1, 2024	\$ 2,782,043
LCTOP funds received	1,514,195
LCTOP funds interest earned	106,113
LCTOP expenses incurred	(202,177)
Unearned balance, June 30, 2025	\$ 4,200,174

State of Good Repair

The State of Good Repair (SGR) program is a part of the Road Repair and Accountability Act of 2017, Senate Bill (SB) 1, signed by the Governor on April 28, 2017, in order to provide additional revenues for transit infrastructure repair and service improvements.

NOTE 4 FEDERAL, STATE, AND LOCAL GRANTS (CONTINUED)

Transportation Development Act (Continued)

State of Good Repair (Continued)

These funds are to be made available for eligible transit maintenance, rehabilitation and capital projects. SGR activities during the year ended June 30, 2025 were as follows:

	SGR
Unspent SGR funds as of July 1, 2024	\$ 1,272,453
SGR funds received	891,661
SGR funds interest earned	41,930
SGR expenses incurred	(680,235)
Unearned balance, June 30, 2025	\$ 1,525,809

NOTE 5 CASH AND INVESTMENTS

Cash and investments are classified in the accompanying financial statements as follows:

Cash and cash equivalents*	\$ 35,910,026
Cash and investments with fiscal agent - restricted	3,266,298
Cash and investments - Board reserved	6,198,731
Total	\$ 45,375,055

*Cash balance includes \$231,248 of unspent Proposition 1B grant funds which are restricted for specific capital projects and are not available for operating expenses or liabilities related to operating costs.

Cash and investments consist of the following:

Deposits with financial institutions	\$ 42,108,757
Cash and cash equivalents held with fiscal agent	3,266,298
Total	\$ 45,375,055

NOTE 5 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the California Government Code

VVTA is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies; certificates of participation; obligations with first priority security; and collateralized mortgage obligations as specified in Section 53600. VVTA does not have a formal policy for investments that is more restrictive than the noted Government Code.

Investments of cash within the new facility projects and accompanying funds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code.

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. VVTA does not have a formal policy related to its investment interest rate risk.

Information about the sensitivity of the fair value of VVTA's investments to market interest rate fluctuations is provided in the following table that shows the distribution of VVTA's investment by maturity as of June 30, 2025.

Investment Type	Total	Remaining Maturity (in Months) 12 Month or Less
Money market fund	\$ 3,266,298	\$ 3,266,298
Total	\$ 3,266,298	\$ 3,266,298

NOTE 5 CASH AND INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Holdings held by the trustee are insured by the trust agreement. VVTA's investments are in money market funds, which are typically diversified and carry lower credit risk compared to individual securities. These funds are not separately rated but are managed to maintain a high credit quality. VVTA does not have a formal policy related to its investment credit risk.

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, VVTA will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. VVTA does not have a policy of custodial credit risk for deposits. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by State or local government units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

Fair Value Hierarchy

VVTA categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America.

VVTA has the following recurring fair value measurements as of June 30, 2025:

		<u>Fair Value Measurements at Reporting Date Using:</u>		
		<u>Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>June 30, 2025</u>	<u>Fair Value</u>			
Money market fund	\$ 3,266,298	\$ 3,266,298	\$ -	\$ -
Total	<u>\$ 3,266,298</u>	<u>\$ 3,266,298</u>	<u>\$ -</u>	<u>\$ -</u>

Victor Valley Transit Authority
Notes to the Basic Financial Statements
Year Ended June 30, 2025

NOTE 6 CAPITAL ASSETS

A summary of capital asset activity for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Transfers	Additions	Retirements/ Adjustments	Balance June 30, 2025
Capital assets, not being depreciated					
Land - Hesperia facility	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000
Land - Barstow facility	193,350	-	-	-	193,350
Land - Parking and office	237,400	-	-	-	237,400
Land - Hydrogen station	172,030	-	-	-	172,030
Land - 10 acres - Hesperia	1,160,054	-	-	-	1,160,054
Construction in progress	824,050	(711,057)	1,151,322	-	1,264,315
Total capital assets, not being depreciated	4,086,884	(711,057)	1,151,322	-	4,527,149
Capital assets, being depreciated					
Facilities	67,506,923	253,062	376,055	-	68,136,040
Operations equipment	66,992,137	-	1,928,208	(2,174,748)	66,745,597
Furniture and office equipment	2,312,719	457,995	119,858	(34,563)	2,856,009
Total capital assets being depreciated	136,811,779	711,057	2,424,121	(2,209,311)	137,737,646
Less accumulated depreciation					
Facilities	(16,740,481)	-	(2,002,096)	-	(18,742,577)
Operations equipment	(32,935,563)	-	(4,712,318)	2,174,748	(35,473,133)
Furniture and office equipment	(3,656,648)	-	(308,643)	34,563	(3,930,728)
Total accumulated depreciation	(53,332,692)	-	(7,023,057)	2,209,311	(58,146,438)
Net depreciable assets	83,479,087	711,057	(4,598,936)	-	79,591,208
Right-to-use leased assets being amortized					
Right-to-use leased assets	180,242	-	-	-	180,242
Total right-to-use leased asset being amortized	180,242	-	-	-	180,242
Less accumulated amortization for					
Right-to-use leased asset	(99,133)	-	(36,048)	-	(135,181)
Total accumulated amortization	(99,133)	-	(36,048)	-	(135,181)
Net right-to-use leased assets	81,109	-	(36,048)	-	45,061
Right-to-use IT assets being amortized					
SBITA asset	330,520	-	140,649	-	471,169
Total right-to-use IT asset being amortized	330,520	-	140,649	-	471,169
Less accumulated amortization for					
SBITA asset	(104,665)	-	(89,545)	-	(194,210)
Total accumulated amortization	(104,665)	-	(89,545)	-	(194,210)
Net SBITA asset	225,855	-	51,104	-	276,959
Total capital assets, net	\$ 87,872,935	\$ -	\$ (3,432,558)	\$ -	\$ 84,440,377

Depreciation and amortization for the year ended June 30, 2025 was \$7,148,650.

NOTE 7 RISK MANAGEMENT

VVTA is a member of the Public Entity Risk Management Authority (PERMA), a joint powers insurance authority formed under Section 990 of the California Government Code for the purpose of jointly funding programs of insurance coverage for its members. PERMA is comprised of thirty-two participating member agencies: twenty-two cities, four transit agencies, and six special districts. VVTA participates in the general liability, property, and business auto physical damage programs of PERMA.

The liability program provides coverage up to \$50 million per occurrence for personal injury, bodily injury, property damage, and public officials' errors and omissions. VVTA participates in risk-sharing pools for losses of up to \$1 million followed by PERMA's membership in Public Risk Innovation, Solutions, and Management (PRISM) for \$49 million excess liability coverage.

The property insurance program is group-purchased under a master property insurance policy with accumulated values from all participants resulting in lower rates and broader coverage for members. The program covers real property, business personal property, inland marine coverage for special mobile equipment, and business interruption. Commercial property coverage is written on a replacement cost basis, eliminating the traditional commercial "named peril" policy.

Additionally, VVTA benefits from a range of specialized insurance programs. These include an Employment Practices Liability Program with a coverage limit of \$1,000,000 and a member retention of \$25,000, and a Business Auto Physical Damage Program with coverage up to \$10,000,000 and a member deductible of \$5,000. The Crime Coverage Program, managed by National Union Fire Insurance Company, safeguards against various risks such as employee theft and fraud up to \$1,000,000, subject to a deductible of \$2,500 per occurrence. Cybersecurity risks are addressed through a Cyber Liability Program, providing up to \$12,000,000 in coverage with a deductible of \$2,500 per claim. Lastly, the Alliant Deadly Weapon Response Program offers a coverage limit of \$500,000 with a \$10,000 deductible per event.

Over the previous three years, VVTA has not encountered any settlements exceeding these coverage limits, and there have been no significant changes in either the insurance policies or the coverage amounts during this period.

NOTE 8 COMMITMENTS

VVTA has entered into a 5-year contract with Keolis Transit Services for operational and maintenance services, which encompass Fixed Routes, Demand Response, commuter routes for Fort Irwin, and County connector routes. This contract expired on July 1, 2024. For the fiscal year ended June 30, 2025, the total expenses recognized under this contract amounted to \$36,530,602. Following its expiration, VVTA entered into a new contract with Keolis Transit Services for similar services, with the contract scheduled to expire on June 30, 2029.

NOTE 8 COMMITMENTS (CONTINUED)

The following schedule outlines the future expenses VVTA has committed to under this agreement:

Year Ending June 30	Amount
2026	\$ 35,178,182
2027	37,230,589
2028	40,935,766
2029	44,349,405
2030	47,200,911
Total	\$ 204,894,853

VVTA currently contracts through ADA Ride for its ADA eligibility certification process. This contract provides ADA certifications for all disabled transit riders seeking transportation services within ADA guidelines. The current contract was established in 2008 and was renewed on July 20, 2015, for a three-year period plus two one-year extension periods that were added by mutual agreement of the parties.

The contract was renewed from August 1, 2023, to July 30, 2025, with two 1-year options for extension. The maximum cost under this agreement is \$400,000 during the contract term, based on services provided each year.

During the year ended June 30, 2025, VVTA paid \$54,323 under this contract.

NOTE 9 UNEARNED REVENUES

At June 30, 2025, unearned revenue consisted of the following:

LCTOP funds received in advance	\$ 4,200,174
CNG tax credits funds received in advance	2,153,213
SGR funds received in advance	1,525,809
Renewable Identification Numbers (RINs) credits funds received in advance	1,414,403
Proposition 1B funds received in advance	231,249
	\$ 9,524,848

Victor Valley Transit Authority
Notes to the Basic Financial Statements
Year Ended June 30, 2025

NOTE 10 LONG-TERM LIABILITIES

The following is a summary of the changes in the balance of long-term liabilities for the year ended June 30, 2025.

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year	Due Beyond One Year
Governmental activities						
2016 Refunding Certificates of Participation	\$ 16,825,000	-	\$ (785,000)	\$ 16,040,000	\$ 825,000	\$ 15,215,000
Premium on 2016 Certificates of Participation	2,057,896	-	(146,993)	1,910,903	146,993	1,763,910
2018 Certificates of Participation	9,340,000	-	(235,000)	9,105,000	245,000	8,860,000
Premium on 2018 Certificates of Participation	358,355	-	(14,334)	344,021	14,334	329,687
Leases	79,129	-	(38,136)	40,993	40,993	-
Compensated absences	181,889	167,462	-	349,351	349,351	-
Net pension liability (asset)	582,879	-	(14,757)	568,122	-	568,122
SBITA liability	180,060	88,649	(52,339)	216,370	75,574	140,796
Total long-term liabilities	<u>\$ 29,605,208</u>	<u>\$ 256,111</u>	<u>\$ (1,286,559)</u>	<u>\$ 28,574,760</u>	<u>\$ 1,697,245</u>	<u>\$ 26,877,515</u>

Certificates of Participation – 2016

In July 2016, VVTA issued Certificates of Participation, series 2016, valued at \$23,300,000, to refund the 2007 Lease/Trust Agreement Certificates of Participation with an outstanding principal of \$31,375,000. The funds raised from this issuance were used to continue financing the construction of a transit facility in Hesperia, California, and to cover the delivery costs of the certificates. As a result of this advance refunding, a deferred outflow of resources of \$1,278,370 was recognized, to be amortized over the life of the new debt. The refinancing transaction resulted in substantial economic benefits, yielding a present value of savings from the cash flow calculated at \$10,479,681. After adjusting for prior funds on hand of \$9,267,645, the economic gain was \$1,212,036. The terms for the repayment of the principal and interest on these certificates are set on a semi-annual basis, beginning from July 1, 2016, with the interest rates ranging from 2.00% to 5.00%. Principal payments are scheduled annually every July 1, in varying amounts ranging from \$675,000 to \$4,335,000, with the final principal payment set for July 1, 2037.

To secure this issuance, VVTA has pledged its farebox revenues as collateral against the debt. The farebox revenues, pledged in the approximate amount equivalent to the remaining debt service, will be dedicated to servicing this debt through its maturity in 2037. For the fiscal year 2025, VVTA generated \$1,958,106 in farebox revenues. Of this revenue, VVTA allocated a total of \$1,539,550 to service the certificates' debt, with \$785,000 covering principal repayments and \$754,550 applied to interest payments. This allocation represents approximately 78.6% of the annual farebox revenue being directed towards debt service for the year.

The debt service payments were arranged to be fulfilled using all legally available revenues, including farebox revenues, Federal Transit Assistance Funds, Local Transportation Funds, and State Transit Assistance Funds.

NOTE 10 LONG-TERM LIABILITIES (CONTINUED)

Certificates of Participation – 2016 (Continued)

The future debt service payment requirements are as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 825,000	\$ 715,300	\$ 1,540,300
2027	865,000	674,050	1,539,050
2028	910,000	630,800	1,540,800
2029	950,000	585,300	1,535,300
2030	1,000,000	537,800	1,537,800
2031-2035	5,810,000	1,886,250	7,696,250
2036-2037	5,680,000	327,350	6,007,350
Total	\$ 16,040,000	\$ 5,356,850	\$ 21,396,850

Certificates of Participation – 2018

In 2018, VVTA sold Certificates of Participation in the par amount of \$10,475,000 to finance the construction of a new Bus Maintenance Facility on its property in Barstow, California. The debt payment schedule is set for thirty (30) years ending in 2048 with an average annual debt service payment of \$640,000. The total amount of debt payments will be \$18,163,050. In accordance with GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, VVTA has pledged its farebox revenues as collateral against the debt. The farebox revenues, pledged in the approximate amount equivalent to the remaining debt service, will be dedicated to servicing this debt through its maturity in 2048. For the fiscal year 2025, VVTA generated \$1,958,106 in farebox revenues. Of this revenue, VVTA allocated a total of \$641,900 to service the certificates' debt, with \$235,000 covering principal repayments and \$406,900 applied to interest payments. This allocation represents approximately 32.8% of the annual farebox revenue being directed towards debt service for the year. In the event of default by VVTA under the Lease/Trust agreement, BNY Mellon (the Trustee) has the right to exercise any remedy available under law or equity, including declaring all principal components of the unpaid lease payments, together with accrued interest at the rate or rates specified in the respective outstanding certificates from the immediately preceding certificate payment date on which payment was made, to be immediately due and payable.

Certificates began maturing on July 1, 2019, with semi-annual interest payments due January 1 and July 1 at various interest rates from 4.00 to 5.00 percent. Principal payments are due annually, on July 1, at various amounts from \$200,000 to \$615,000. The final principal payment of the certificates is scheduled for July 1, 2048.

NOTE 10 LONG-TERM LIABILITIES (CONTINUED)

Certificates of Participation – 2018 (Continued)

The future debt service payment requirements are as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 245,000	\$ 395,150	\$ 640,150
2027	260,000	382,900	642,900
2028	270,000	369,900	639,900
2029	285,000	356,400	641,400
2030	300,000	342,150	642,150
2031-2035	1,735,000	1,470,500	3,205,500
2036-2040	1,700,000	1,087,400	2,787,400
2041-2045	2,535,000	667,200	3,202,200
2046-2048	1,775,000	143,800	1,918,800
Total	\$ 9,105,000	\$ 5,215,400	\$ 14,320,400

NOTE 11 LEASES

Lessor Activities

VVTA has two leasing arrangements as a lessor, including a sub-lease with Greyhound Line, Inc., for office space at the Victor Valley Transportation Center, and with Vegan Vato for a restaurant space. The lease terms are 48 to 60 months, including the noncancelable period of the lease and extensions VVTA is reasonably certain to exercise. The lease payments vary, ranging from \$700 to \$1,500 per month, depending on the specific agreement and period within the lease term. The remaining receivable for these leases was \$20,994 as of June 30, 2025. Deferred inflows of resources related to these leases were \$17,706 as of June 30, 2025. Interest revenue recognized on these leases was \$2,035 for the year ended June 30, 2025. Principal receipts of \$36,232 were recognized during the year. The interest rate on the leases was 5.15%. The final receipt is expected in fiscal year 2027.

During the fiscal year, the lease for the restaurant space with Vegan Vato was amended to a month-to-month arrangement. With the amendment, the lease agreement ceased to qualify for recognition under GASB Statement No. 87, *Leases*, and accordingly, VVTA ceased recognizing a lease liability and right-to-use leased asset for this agreement. The financial impact of this amendment was considered immaterial to VVTA's financial statements.

NOTE 11 LEASES (CONTINUED)

Lessor Activities (Continued)

The remaining principal and interest payments on the remaining lease are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 15,799	\$ 620
2027	5,145	33
Total \$	<u><u>20,944</u></u>	<u><u>653</u></u>

Lessee Activities

VVTA, as a lessee, has entered into a land lease agreement initiated in October 2021, spanning a 60-month term. The lease commenced with a monthly payment of \$3,365, with an annual increment of 2.0% slated for each subsequent anniversary of the lease commencement date, extending through to September 2025. A 5.0% discount is applied on the applicable monthly rent upon prepayment of the year's rent.

Reflective of the terms and conditions of the lease, the liability was assessed using VVTA's incremental borrowing rate of 5.15%. As of June 30, 2025, with 3 remaining on the lease term, VVTA's monthly lease payments are \$3,500 per month.

At June 30, 2025, the lease liability of VVTA related to this agreement amounted to \$40,993. During the year, VVTA recorded \$36,048 in amortization expense and \$2,573 in interest expense for the right-to-use the land.

The remaining obligation associated with this lease is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 40,993	\$ 530
Total \$	<u><u>40,993</u></u>	<u><u>530</u></u>

NOTE 12 SBITA LIABILITIES

During the fiscal year ended June 30, 2025, VVTA has two existing IT software subscription agreements with Oracle America, Inc. and Fluxx Labs, Inc., both of which have a three-year fixed term, with the option to renew for one year twice. Subscription payable is measured at the present value of the subscription payments expected to be made during the subscription term. The annual interest rate used is equivalent to VVTA's incremental borrowing rate of 5% for fiscal year 2025. VVTA reported a total payment of \$104,339 on IT software subscriptions for the fiscal year ended June 30, 2025. The SBITA liabilities as of June 30, 2025 amounted to \$216,370.

NOTE 12 SBITA LIABILITIES (CONTINUED)

The future minimum subscription obligations as of June 30, 2025 are as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 75,573	\$ 9,052	\$ 84,625
2027	79,404	5,222	84,626
2028	37,582	2,324	39,906
2029	23,811	1,190	25,001
Total	\$ 216,370	\$ 17,788	\$ 234,158

NOTE 13 COMPENSATED ABSENCES

Accumulated unpaid personal leave, consisting of vacation and sick pay, has been accrued at June 30, 2025, in the amount of \$349,351. VVTA's liability for compensated absences is typically liquidated within one year. Compensated absences at the beginning of the year were \$181,889. During the year, the liability increased by \$167,462, representing the net change resulting from additional accruals and usage during the year. VVTA reports the entire balance within current liabilities, as it expects employees to use it annually.

NOTE 14 EMPLOYEE'S RETIREMENT PLAN

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by CalPERS. The Plan consists of individual rate plans (benefit tiers) within a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools.

Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. VVTA sponsors two tiers within the miscellaneous plans. Benefit provisions under the Plan are established by State statute and local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website at www.calpers.ca.gov. Eligible employees hired after January 1, 2013, who are considered new members as defined by the Public Employees' Pension Reform Act (PEPRA) are participating in the PEPRA Miscellaneous Plan.

NOTE 14 EMPLOYEE'S RETIREMENT PLAN (CONTINUED)

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost of living adjustments (COLA), and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service. Members with five years of total service are eligible to retire at age 55, or 62 if in the PEPRA Miscellaneous Plan, with statutorily reduced benefits. An optional benefit regarding sick leave was adopted. All members are eligible for non-duty disability benefits after 10 years of service. The system also provides for the Optional Settlement 2W Death Benefit. The COLAs for the Plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2025 are summarized as follows:

	Miscellaneous	
	Classic	New Member
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7%@55	2%@62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a percentage of annual salary	2.70%	2%
Required employee contribution rates	8%	7.75%
Required employer contribution rates	15.24%	7.87%

Employees Covered

At June 30, 2025, the following employees were covered by the benefit terms of the Plan:

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	-
Active employees	35
Total	39

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following the notice of change in rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. VVTA is required to contribute the difference between the actuarially determined rate and the contribution rates of employees.

NOTE 14 EMPLOYEE'S RETIREMENT PLAN (CONTINUED)

Contributions (Continued)

For the year ended June 30, 2025, VVTA made contributions to the Plan as follows:

Miscellaneous Classic	\$	87,766
Miscellaneous PEPRA		206,853
		294,619
	\$	294,619

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

VVTA's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024. VVTA's net pension liability for the Plan was measured as the total pension liability, less the pension plan's fiduciary net position.

VVTA's proportionate share of the net pension liability, measured as of June 30, 2024 and 2023, is as follows:

Proportion - June 30, 2024		0.01175%
Proportion - June 30, 2023		0.01166%
Change - Increase/(Decrease)		0.00009%

As of June 30, 2025, VVTA reported a liability of \$568,122 for its proportionate share of the collective net pension liability.

For the year ended June 30, 2025, VVTA recognized pension expense of \$305,179. At June 30, 2025, VVTA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 14,602	\$ -
Differences between expected and actual experience	49,119	(1,917)
Net differences between projected and actual earnings on pension plan investments	32,706	-
Difference between VVTA's contributions and proportionate share of contributions	49,865	-
Change in employer's proportion	95,098	(1,842)
Contributions subsequent to the measurement date	294,619	-
Total	\$ 536,009	\$ (3,759)

NOTE 14 EMPLOYEE'S RETIREMENT PLAN (CONTINUED)

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The amount of \$294,619 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30	Amount
2026	\$ 97,505
2027	128,255
2028	23,080
2029	(11,209)
Total	\$ 237,631

Payable to the Pension Plan

At June 30, 2025, VVTA reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

Actuarial Assumptions

The June 30, 2023 actuarial valuation was rolled forward to determine the June 30, 2024 total pension liability, based on the following actuarial methods and assumptions:

Reporting date	June 30, 2025	
Measurement date	June 30, 2024	
Valuation date	June 30, 2023	
Actuarial cost method	Entry Age Normal	
Actuarial assumptions:		
Discount rate	6.90%	
Inflation	2.30%	
Projected salary increase	Varies by entry age and service	(1)
Investment rate of return	6.90%	(2)
Mortality	Derived using CalPERS' membership data	(3)
Post retirement benefit increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter	

NOTE 14 EMPLOYEE'S RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions (Continued)

- (1) Depending on age, service, and type of employment.
- (2) Net of pension plan investment and administrative expenses, including inflation.
- (3) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Long-Term Expected Rate of Return

In determining the expected long-term rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns were calculated over the next 20 years using a building block approach. The expected rate of return by asset class are as follows:

Asset Class ^(a)	Target Allocation	Real Rate of Return Years 1 - 10 ^(b)
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management Study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that VVTA's contributions will be made at rates equal to the difference between actuarially determined contribution rates and employee rates. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 14 EMPLOYEE'S RETIREMENT PLAN (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents VVTA's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what VVTA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
VVTA's proportionate share of the net pension liability (asset):			
Agent Multiple-Employer Plan	\$ 1,344,003	\$ 568,122	\$ (70,541)

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 15 DEFERRED COMPENSATION PLAN

VVTA offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The plan, available to all non-represented VVTA employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

VVTA has adopted the provisions of GASB Statement No. 97, *Certain Component Unit Criteria*, and *Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans*. Management believes that VVTA has no fiduciary role under the plan, and plan funds are not available to VVTA's general creditors. Accordingly, VVTA has not reported plan assets in the accompanying financial statements.

NOTE 16 SUBSEQUENT EVENTS

VVTA has evaluated events subsequent to June 30, 2025 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through January 28, 2026, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

Victor Valley Transit Authority
Schedule of VVTA's Proportionate Share of the Net Pension Liability
Last Ten Years
Year Ended June 30, 2025

Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Reporting Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Proportion of the collective net pension liability (asset)	0.01175%	0.01166%	0.00873%	-0.00265%	0.00244%
Proportionate share of the collective net pension liability (asset)	\$ 568,122	\$ 582,879	\$ 408,716	\$ (143,469)	\$ 265,609
Covered payroll	\$ 2,491,435	\$ 2,511,111	\$ 1,910,495	\$ 1,854,850	\$ 1,800,825
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	22.80%	23.21%	21.39%	-7.73%	14.75%
Plan fiduciary net position as a percentage of the total pension liability	90.12%	87.62%	78.19%	90.49%	77.71%

Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Reporting Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Proportion of the collective net pension liability (asset)	0.00204%	0.00169%	0.00181%	0.00159%	0.01770%
Proportionate share of the collective net pension liability (asset)	\$ 208,643	\$ 162,489	\$ 179,958	\$ 137,916	\$ 121,552
Covered payroll	\$ 1,800,825	\$ 1,517,121	\$ 1,253,046	\$ 1,039,065	\$ 902,643
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	11.59%	10.71%	14.36%	13.27%	13.47%
Plan fiduciary net position as a percentage of the total pension liability	77.73%	77.69%	73.31%	74.06%	78.40%

Changes of Assumptions

The discount rate changed from 7.5 percent used for the June 30, 2014 measurement date to 7.65 percent used for the June 30, 2015 measurement date.

The discount rate changed from 7.65 percent used for the June 30, 2016 measurement date to 7.15 percent used for the June 30, 2017 measurement date.

The discount rate changed from 7.15 percent used for the June 30, 2017 measurement date to 6.90 percent used for the June 30, 2022 measurement date.

There were no assumption changes in 2023 and 2024.

Victor Valley Transit Authority
Schedule of Pension Plan Contributions
Last Ten Years
Year Ended June 30, 2025

Reporting Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Actuarially determined contributions	\$ 294,619	\$ 233,531	\$ 214,213	\$ 231,346	\$ 213,449
Contributions in relation to the actuarially determined contributions	(294,619)	(233,531)	(214,213)	(231,346)	(213,449)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,491,435	\$ 2,491,435	\$ 2,511,111	\$ 1,910,495	\$ 1,854,850
Contributions as a percentage of covered payroll	11.83%	9.37%	8.53%	12%	11.51%

Reporting Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Actuarially determined contributions	\$ 156,614	\$ 166,440	\$ 137,899	\$ 118,569	\$ 97,561
Contributions in relation to the actuarially determined contributions	(156,614)	(166,440)	(137,899)	(118,569)	(97,561)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,800,825	\$ 1,800,825	\$ 1,517,121	\$ 1,253,046	\$ 1,039,065
Contributions as a percentage of covered payroll	8.70%	9.24%	9.09%	9.46%	9.39%



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

**The Board of Directors
Victory Valley Authority**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Victor Valley Transit Authority (VVTA), as of and for the year ended June 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated January 28, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered VVTA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of VVTA's internal control. Accordingly, we do not express an opinion on the effectiveness of VVTA's internal control.

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

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



Report on Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in black ink that reads "Vasquez & Company LLP".

**Glendale, California
January 28, 2026**

COMPLIANCE SECTION



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Independent Auditor's Report on State Compliance

**The Board of Directors
Victor Valley Transit Authority**

Report on Compliance with Transportation Development Act Requirements

Opinion

We have audited the Victor Valley Transit Authority's (VVTA) compliance with Transportation Development Act (TDA) requirements that funds allocated to and received by VVTA were expended in conformance with applicable statutes, rules, and regulations of the TDA and the allocation instructions and resolutions of the San Bernardino County Association of Governments as required by Section 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations (collectively, the TDA regulations) for the year ended June 30, 2025.

In our opinion, VVTA complied, in all material respects, with the compliance requirements referred to above that are applicable to VVTA for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with the auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*) and the requirement of the TDA regulations. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of VVTA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance with the TDA compliance requirements. Our audit does not provide a legal determination of VVTA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for VVTA's compliance with the TDA requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, provisions of contracts or agreements applicable to the TDA.



Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on VVTA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the TDA regulations will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about VVTA's compliance with the requirements of the TDA regulations as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the TDA regulations, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding VVTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of VVTA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the TDA regulations, but not for the purpose of expressing an opinion on the effectiveness of VVTA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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



Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Vaqueria & Company LLP

**Glendale, California
January 28, 2026**

**Victor Valley Transit Authority
Transportation Development Act Requirements Section 6667
Compliance Matrix
Year ended June 30, 2025**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
1. Claimant was an entity eligible to receive the funds allocated to it.	X				
2. Claimant maintains its accounts and records on an enterprise fund basis and is otherwise in compliance with the uniform system of accounts and records adopted by the State Controller, pursuant to Public Utilities Code Section 99243.	X				
3. Funds received by the claimant pursuant to the TDA were expended in conformance with those sections of the TDA specifying the qualifying purposes, including Public Utilities Code Sections 99262 and 99263 for operators receiving funds under Article 4; Sections 99275, 99275.5, and 99277 for Article 4.5 claimants; Section 99400(c), (d), and (e) for Article 8 claimants for service provided under contract; and Section 99405(d) for transportation services provided by cities and counties with populations of less than 5,000.	X				
4. Funds received by the claimant pursuant to the TDA were expended in conformance with the applicable rules, regulations, and procedures of the transportation planning agency and in compliance with the allocation instructions and resolutions.	X				
5. Interest earned on funds received by the claimant pursuant to the TDA were expended only for those purposes for which the funds were allocated in accordance with Public Utilities Code Sections 99234.1, 99301, 99301.5, and 99301.6.			X		

See independent auditor's report on state compliance.

Victor Valley Transit Authority
Transportation Development Act Requirements Section 6667
Compliance Matrix
Year ended June 30, 2025

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
6. The amount of the claimant's operating cost for the fiscal year, the amount of fare revenues required to meet the ratios specified in Sections 6633.2 and 6633.5, and the amount of the sum of fare revenues and local support required to meet the ratios specified in Section 6633.2, is verified.	X				
7. The amount of the claimant's actual fare revenues for the fiscal year is verified.	X				
8. The amount of the claimant's actual local support for the fiscal year is verified.	X				
9. The amount the claimant was eligible to receive under the TDA during the fiscal year in accordance with Sections 6634 and 6649 is verified.	X				
10. The amount of the operator's expenditure limitation in accordance with Section 6633.1 is verified.	X				
11. The operator's employee retirement system or private pension plan is in conformance with the provisions of Public Utilities Code Sections 99271, 99272, and 99273	X				
12. The operator has had a certification by the California Department of Highway Patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required in Public Utilities Code Section 99251	X				
13. The operator's State Transit Assistance eligibility pursuant to Public Utilities Code Section 99314.6 or 99314.7 is verified.	X				

See independent auditor's report on state compliance.

Victor Valley Transit Authority
Transportation Development Act Requirements Section 6667
Compliance Matrix
Year ended June 30, 2025

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
14. The claimant for community transit services is in compliance with Public Utilities Code Sections 99155 and 99155.5.			X		

See independent auditor's report on state compliance.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Victor Valley Transit Authority
Transportation Development Act Requirements Section 6667
Schedule of Findings and Questioned Costs
Year ended June 30, 2025**

There were no findings or questioned costs.

VICTOR VALLEY TRANSIT

Victor Valley Transit Authority
A Joint Powers Authority
Single Audit Report
Year Ended June 30, 2025
with Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT	<u>PAGE</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Report on Compliance for Each Major Federal Program, on Internal Control Over Compliance, and on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	8
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS	10



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

**Board of Directors
Victor Valley Transit Authority**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Victor Valley Transit Authority (VVTA), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise VVTA's basic financial statements and have issued our report thereon dated January 28, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered VVTA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of VVTA's internal control. Accordingly, we do not express an opinion on the effectiveness of VVTA's internal control.

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

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



Report on Compliance and Other Matters

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

Purpose of This Report

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

Vaughan & Company LLP

**Glendale, California
January 28, 2026**



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

**Board of Directors
Victor Valley Transit Authority**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Victor Valley Transit Authority's (VVTa) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on VVTa's major federal program for the year ended June 30, 2025. VVTa's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, VVTa complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of VVTa and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of VVTa's compliance with the compliance requirements referred to above.



Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to VVTA's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on VVTA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about VVTA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding VVTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of VVTA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of VVTA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of VVTA as of and for the year ended June 30, 2025, and have issued our report thereon dated January 28, 2026, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Vaughan & Company LLP

Glendale, California

February 3, 2026 except for our report on the Schedule of Expenditures of Federal Awards, as to which the date is January 28, 2026.

**Victor Valley Transit Authority
Schedule of Expenditures of Federal Awards
Year ended June 30, 2025**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number (ALN)	Contract Number	Provided to Subrecipients	Total Federal Expenditures
MAJOR PROGRAM				
U.S. Department of Transportation Federal Transit Administration				
Federal Transit Cluster				
Direct programs				
Federal Transit—Formula Grants (Urbanized Area Formula Program)	20.507	CA-2019-162, CA-2022-066 CA-2023-028, CA-2024-062 CA-2025-021	\$ -	\$ 9,786,794
Federal Transit—Formula Grants (Urbanized Area Formula Program)	20.507	CA-2023-145-01	-	129,545
		Total ALN 20.507	-	9,916,339
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs (Buses and Bus Facilities Formula)	20.526	CA-2023-159 CA-2024-091	-	18,380
		Total ALN 20.526	-	18,380
		Total Federal Transit Cluster	-	9,934,719
		Total major program	-	9,934,719
NON-MAJOR PROGRAMS				
U.S. Department of Transportation Federal Transit Administration				
Transit Services Programs Cluster				
Direct program				
Job Access Reverse Commute Program	20.516	CA-37-X178	-	2,422
		Total Transit Services Programs Cluster	-	2,422
<i>Passed-through the State of California Department of Transportation</i>				
Formula Grants for Rural Areas and Tribal Transit Program	20.509		-	1,005,977
		Total ALN 20.509	-	1,005,977
		Total non-major programs	-	1,008,399
		TOTAL FEDERAL EXPENDITURES	\$ -	\$ 10,943,118

See accompanying notes to schedule of expenditures of federal awards.

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Victor Valley Transit Authority (VVTA) under programs of the federal government for the year ended June 30, 2025. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Federal assistance received directly from federal agencies, as well as federal assistance passed through the California Department of Transportation, is included in the Schedule. Because the schedule presents only a selected portion of the operation of VVTA, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of VVTA.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

NOTE 3 SUBRECIPIENTS

VVTA provided no federal awards to subrecipients for the year ended June 30, 2025.

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

Consistent with management's policy, revenues from both federal and non-federal governmental awards are collectively reported under operating assistance and capital contributions in VVTA's financial statements. As a result, the amount of total federal awards expended on the Schedule does not agree to total operating assistance and capital contributions on the Statement of Revenues, Expenses, and Changes in Net Position as presented in VVTA's financial statements as of and for the year ended June 30, 2025.

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major federal program:	
• Major weakness(es) identified	No
• Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major federal program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	None

Identification of Major Program

Assistance Listing Number	Name of Federal Program or Cluster
20.507, 20.526	Federal Transit Cluster
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	Yes

Section II – Financial Statement Findings

There were no financial statement findings noted during the fiscal year ended June 30, 2025

Section III – Federal Award Findings

There were no federal award findings noted for the year ended June 30, 2025.

**Victor Valley Transit Authority
Summary Schedule of Prior Year Audit Findings
Year ended June 30, 2025**

There were no financial statement and federal award findings reported for the fiscal year ended June 30, 2024.

**AGENDA ITEM
SIX**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Approve the release of RFP 2026-06 for the Provision of Vanpool Services.

SUMMARY STATEMENT

Since August 2012, VVTA has operated a successful regional vanpool program serving the High Desert and North Desert areas of San Bernardino County, providing a cost-effective transportation option for commuters. The program has received recognition, by the American Public Transportation Association as one of the top vanpool programs in the United States during its peak years.

In May 2018, VVTA awarded contracts to Enterprise Holdings, Green Commuter, and Airport Van Rentals to provide vanpool leasing and support services. The current contract amendment is set to expire in July 2026.

To maintain continuity of service, ensure compliance with procurement requirements, and provide vanpool participants with the most competitive and cost-effective options, it is now appropriate to solicit vanpool services. Issuing a new Request for Proposals will allow VVTA to:

- Assess current market conditions and evolving Vanpool service models,
- Promote competition among qualified vendors,
- Incorporate updated program requirements and performance expectations, and
- Ensure continued high-quality, cost-effective vanpool services for commuters traveling throughout San Bernardino County, including critical destinations such as Fort Irwin.

The proposed **RFP2026-06** will seek qualified contractors capable to provide vanpool vehicle leasing, maintenance, customer service, reporting, and program support services alignment with VVTA's Regional Vanpool Subsidy Program objective.

RECOMMENDED ACTION

Authorize the release of RFP 2026-06 for the Provision of Vanpool Services.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Sandye Martinez, Procurement Supervisor	None.	February 17, 2026	6

VVTA RFP 2026-06 VANPOOL PROVIDERS ATTACHMENT A – SCOPE OF WORK

SCOPE OF WORK

VVTA shall pay Contractor up to \$600.00 per month for new vanpools that have not operated in more than three months, for each vanpool registered in the Regional Vanpool Subsidy Program (“Subsidy Program”). This amount is determined in accordance with Federal Transit Administration (FTA) Capital Cost of Contracting policies. VVTA reserves the right to increase the subsidy amount or rescind the Subsidy Program at any time for any reason, including but not limited to lack of funding.

The subsidy shall not exceed 50% of the total lease cost of each van unit. If the calculated subsidy exceeds 50%, the subsidy shall be reduced accordingly. For example: a van with a total lease cost of \$1,050.00 would receive a reduced subsidy of \$525.00. Each van is evaluated individually; fleet-wide averages will not be considered.

Vanpools submitted for approval on or after the 1st of the month will have the first month’s subsidy prorated to the first day of operation.

This Scope of Work establishes expectations for Contractor participation in the Subsidy Program. VVTA does not administer van leases or provide direct customer service. Instead, this program aims to foster strong communication, fair marketplace competition, and excellent value to customers.

Contractor shall perform the following duties at no additional cost to VVTA or participants:

- A. Provide vehicles that will seat a minimum of seven (7) passengers to a maximum of fifteen (15) passengers. The vehicles shall not be more than three (3) model years old at the inception of the agreement between Contractor and the vanpool driver. No vehicle leased to a Subsidy Program participant shall ever exceed four (4) model years in age, or 100,000 miles. Contractor shall replace any vehicle at which time, or before, that vehicle exceeds these limits. The vehicle shall be replaced with a vehicle no more than three (3) model years old. All vehicles will be in compliance with Federal Motor Vehicle Safety Standards (FMVSS). Contractor is responsible for vehicle inspections, licensing, and registration in accordance with applicable federal, state, and local laws.
- B. Provide, at minimum, the following equipment with each vehicle at the time of delivery:
 - Fully stocked First Aid Kit for five or more occupants
 - Fire extinguisher rated for Type A, B, and C fires
 - Two reflective safety triangles and/or three emergency road flares.
- C. Provide vehicles primarily for commute trips. Personal use of the vehicle may be negotiable between the vanpool driver and Contractor.
- D. Charge Participants in the Regional Vanpool Program a monthly lease rate not to exceed the Contractor’s annual pricing information. Actual lease rates may be less. The Contractor’s annual pricing information will be updated prior to executing each new task order. All lease agreements are to be on a month-to-month basis (RFP Attachment E, Required Forms, Vanpool Vehicle Cost Matrix).
- E. Primarily seek to grow the regional vanpool program by soliciting new customers and adding more vanpools to the region. Contractor shall not directly solicit existing

VVTA RFP 2026-06 VANPOOL PROVIDERS ATTACHMENT A – SCOPE OF WORK

customers with the intention of gaining customers without contributing to the overall growth of the vanpool program.

- F. Provide insurance of no less than \$5,000,000 per vanpool. VVTA, its employees, Board, and its agents shall be named as additional insured.
- G. Employ a scheduled maintenance and unscheduled repair program to ensure continued reliability and performance of the vehicles used in the Subsidy Program.
- H. Arrange for vehicle repair service locations that are within ten (10) miles of either the vanpool driver's home or work location.
- I. Develop a set of procedures that provides vanpool drivers for reimbursement for incidental expenses or emergency repairs incurred by vanpool drivers. Such procedures shall be approved by VVTA.
- J. Establish vanpool driver selection and orientation procedures to be approved by VVTA.
- K. Provide comprehensive vehicle delivery and pick-up services within San Bernardino County and other mutually agreed upon areas for all start-up, replacement, and terminated vans.
- L. Provide personnel necessary to offer timely and effective customer service and support to participants in the Subsidy Program.
- M. Provide personnel and tools necessary to offer timely and accurate monthly, annual and NTD reporting. Assist VVTA with marketing the Subsidy Program by providing promotional materials that clearly describe vendor services. A copy of all marketing materials shall be provided to VVTA for review and archive.
- N. Attend periodic sales/marketing meetings with VVTA to focus new start-up efforts and coordinate any regional vanpool program changes and/or outreach or marketing efforts the SBCTA Rideshare Program may be initiating. Each quarter, Contractor shall provide VVTA with a written report on all regional sales activities. VVTA will maintain all sales information confidentially.
- O. Affix on all vans enrolled in the Subsidy Program, a decal displaying the program's iVanpool.org logo. Decals will be provided by VVTA.
- P. Allow placement of VVTA or partner materials in the interior of the van and/or placement of small ad space on exterior of van.
- Q. Contractor shall have commuters applying for the Subsidy Program, prequalify for the program online at iVanpool.org. Upon prequalification and executing a lease with the Contractor, the application will be reviewed for approval through iVanpool.org. VVTA will provide online a PDF of its Vanpool Participation Agreement which the driver shall sign and submit to the system. All online applications must be entered into VVTA's iVanpool.org system for the vanpool to be considered for enrollment into the program.

VVTA RFP 2026-06 VANPOOL PROVIDERS ATTACHMENT A – SCOPE OF WORK

- R. Contractor will comply with applicable state and federal laws and regulations, including driver and vehicle certification, licenses, and vehicle registration. Contractor is responsible for obtaining DMV Form DL-51 from all vanpool drivers no matter what size vehicle they will operate. Contractor is responsible for obtaining DMV Form DL-51 from vanpool drivers every three years.
- S. Contractor shall electronically submit, within five (5) working days of the occurrence, a "Vendor Communications Form" which will contain changes to any Contractor's vanpool and serve as a written notice of the following:
- Termination of a vanpool, including the reason for termination
 - Driver changes for an existing vanpool
 - Address or phone number change for current driver
 - Vehicle changes within an existing vanpool
 - Vendors change of a Vanpool

Contractor shall provide proper and accurate information regarding the changes or updates described above through submission to VVTA through iVanpool.org. **NO OTHER FORMS WILL BE ACCEPTED TO REPORT THESE CHANGES.** These forms must be submitted electronically into the VVTA iVanpool.org online system, within five (5) working days of the occurrence.

- T. Provide annual Vanpool Incident Report for the NTD report year as defined in the current year's NTD Safety and Security Policy Manual. NTD guidelines must be followed when preparing the incident report. Declaration must be made of any major or non-major vehicle incident or if there are no major or non-major incidents to report and must include the following:
- Printed name and signature of authorized vendor representative responsible for declarations must be included.
 - Declaration of Major or Non-Major incidents will be followed by further inquiry by VVTA and further reporting requirements.

Failure to provide the annual Vanpool Incident Reports within the time requirements stated in this section will result in a 10% withholding of the associated monthly invoice amount until the Vanpool Incident Reports are submitted.

- U. Provide monthly invoice including accompanying spreadsheet no later than the 12th day of each month for the previous month's services. Invoices submitted for subsidies not yet approved will not be paid until the month after vanpool service was provided. If invoice has too many discrepancies it will be returned to vendor for corrections and then resubmitted to VVTA. Invoices must include the following information per billable item:
- Van unit number
 - Driver's name
 - Actual monthly van lease cost
 - Actual monthly amount billed to the customer
- V. Provide Annual Reports based on VVTA's fiscal year and NTD's Report Year (July 1 through June 30th). Contractor will submit the information into the VVTA online system by the 1st day of September of each year. The reports available online will include:
- Customer lease cost summary includes:
 - i. Van unit number
 - ii. Driver's first and last name

VVTA RFP 2026-06 VANPOOL PROVIDERS ATTACHMENT A – SCOPE OF WORK

- iii. Monthly lease cost per van unit for which the driver has been assigned
- All information required for VVTA's annual reporting to the National Transit Database (NTD). The Contractor shall provide all data necessary to support VVTA's NTD submissions, including revenue vehicle inventory and mileage reporting. At a minimum, the Contractor shall submit a vehicle odometer summary documenting beginning and ending odometer readings for each reporting year for all vehicles used in VVTA-sponsored vanpool service. Required data elements include, but are not limited to, the following NTD-defined fields:
 - i. Year, make, model, passenger
 - iii. Vehicle Type (NTD revenue vehicle classification)
 - iv. Seating Capacity (number of seats, excluding the driver)
 - v. Total Passenger Capacity
 - vi. Fuel Type
 - vii. Vehicle Length
 - viii. Ownership Type (owned, leased, or third-party operated)
 - ix. ADA Accessibility status, including lift/ramp or low-floor configuration and Useful Life Benchmark (ULB)
 - x. Dedicated Fleet Indicator (identification of vehicles dedicated to vanpool service)
 - xi. Vehicle Identification or Unit Number
 - xii. Beginning and Ending Odometer Readings for each reporting year, limited to miles operated in revenue service for VVTA-sponsored vanpools only. Mileage accrued while the vehicle was operated for another agency, program, or region must not be included.
- Details of vendor's cost incurred (as required on NTD Form B-30 and F-30) including the following four NTD functional categories:
 - ii. Vehicle Operations
 - iii. Vehicle Maintenance
 - iv. Facility Maintenance
 - v. General Administration

This Financial Report (NTD) Form B-30 will not be accepted unless costs are separated into the above categories.

- Detail of vehicle mechanical system failures (Major and Other as required on NTD Form R-20).

Failure to provide the Annual Reports within the time requirements stated in this section above will result in 10% of the monthly invoiced amounts being withheld until the Annual Reports are submitted.

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**AGENDA ITEM
SEVEN**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Amendment No. 4 for Contract 2021-17 Macro-Z Technology, Hesperia Transfer Hub.

SUMMARY STATEMENT

At the June 17, 2024, Board Meeting, the Board approved the contract award to Macro-Z Technology (MZT), Santa Ana, CA, for the Design Build of the Hesperia Transfer Hub located on the property just east of the Hesperia Maintenance and Operations Facility. The final contract amount was \$8,897,000.00. Contract 2021-17 was fully executed on July 31, 2024.

At the June 16, 2025, Board meeting, the Board approved contract amendments number 2 and 3 – for a new bus layover location and changes to G Ave. required by the City of Hesperia. The approved changes came to a total of \$294,324.02.

During the 50% design review, VVTA requested changes to items such as extending the bus canopy, addition of a wind break, changes in flooring in various rooms, addition of window privacy film and shades, ballistic glass added to ticketing window, and metal roofing to trash container (required by City of Hesperia). The total for these changes on amendment 4 amounted to \$208,672.

The total for contract 2021-17 with these amendments would now amount to \$9,399,995.74. This change order will be funded through \$35,526 of CNG credits previously approved by the board at the January 2023 Board meeting, along with \$173,076 in available CNG credits.

CNG Credits (Obligated 1/17/2023)	\$	35,596
Available CNG Credits	\$	173,076
Total Funding	\$	208,672

RECOMMENDED ACTION

Approve Contract 2021-17 Macro-Z Technology, Hesperia Transfer Hub Amendment No. 4, for an amount not to exceed \$208,672, amending the total contract to \$9,399,995.75.

PRESENTED BY Christine Plasting Procurement Manager	FISCAL IMPACT Not to exceed \$208,672	MEETING DATE February 17, 2026	ITEM NUMBER 7
------------------------------------------------------------------	----------------------------------------------------	------------------------------------------	-------------------------

**CONTRACT 2021-17
AMENDMENT NO. 4
BY AND BETWEEN
VICTOR VALLEY TRANSIT AUTHORITY
AND
MACRO-Z TECHNOLOGY**

This Amendment No. 4 to Contract 2021-17 is made and entered commencing on February 17, 2026, by and between Victor Valley Transit Authority (hereinafter referred to as "VVTA") and Macro-Z Technology, (hereinafter referred to as "CONTRACTOR".) VVTA and CONTRACTOR are each a "Party" and collectively "Parties" herein.

RECITALS:

WHEREAS, VVTA and CONTRACTOR have entered into a Contract dated August 1, 2024, for the Design/Build of the Hesperia Transfer Hub; and

WHEREAS, as stated in Contract 2021-17, 20. REVISIONS, "By written notice or order, VVTA may... make changes to this contract. Changes... shall be mutually agreed to and incorporated into an amendment to this contract." ; and

WHEREAS, the Parties amended Contract 2021-17 with respect to 7. Notification; and

WHEREAS, the Parties agreed to Contract Amendment No. 2 to include the additional work for a Bus Layover Area per MZT VPCO 002; and

WHEREAS, the Parties agreed to Contract Amendment 3 for additional work for the G Avenue improvements per MZT VPCO 002 MPCO 001; and

WHEREAS, during the 50% design review, VVTA requested that the Bus Canopy be widened to cover more area on the north and south side of the canopy. The revised pricing includes the canopy enlargement from 23' wide to 32' wide. The height remains the same, at 15' 6" from the driveway. Due to the increased size, larger footings are required.

Also, during the 50% and 100% design reviews, VVTA and PSOMAS agreed to additional items proposed by CONTRACTOR, including:

- Additional Labor: \$3,034.88
- Additional Direct Materials \$18,300.00
- Additional Equipment \$4,480.00
- Adding a door to the ticketing office: \$2,277.00
- Windbreak at the main entrance (west of entrance): \$4,600.00
- Additional windbreak at main entrance (south of entrance): \$4,600.00
- Epoxy flooring in restrooms and janitor's closet: \$10,322.00
- Credit for originally proposed tile flooring: (\$9,500.00)
- Carpet tile flooring in the ticket office and security office: \$3,122.00
- Credit for originally proposed VCT flooring at ticketing office and security office: (3,150.00)

- Baby changing tables and Sharps bin in public restrooms (2): \$0.00
- Privacy film at security office windows: \$1,100.00
- Additional landscape boulders (replaces original hedges): \$0.00
- Ballistic Glass at the ticket office window: \$4,060.00
- Window Shades at security office, breakroom, and office \$4,550.00
- Increased Bus Canopy to extend over buses: \$129,967.00
- Metal Roof added to Trash Enclosure with Metal Siding (City requirement) \$12,305.00
- General Liability Insurance for this change: \$6,117.15
- Overhead and profit: \$12,486.63

WHEREAS, the total for these additional improvements is **\$208,671.66**

WHEREAS, the parties additionally, desire to amend Contract 2021-17 to extend the term of contract through May 31, 2027.

The Parties agree as follows:

Contract to add the approved work to the project as a change order to the contract between VVTA and MZT.

The **Total Contract Amount** is hereby amended to **not exceed \$9,399,995.75**, which includes:

- Original Contract Amount: **\$8,897,000.00**
- Amendment No. 2: **\$112,384.19**
- Amendment No. 3: **\$181,939.90**
- Amendment No. 4: **\$208,671.66**

The term of the contract is extended from June 30, 2026, to May 31, 2027.

Except as changed by this Amendment, all provisions of Contract 2021-17, including, without limitation of indemnity and insurance provisions, shall remain in full force and effect and shall govern the actions of the Parties under the Contract.

IN WITNESS WHEREOF, VVTA and CONTRACTOR have each caused Amendment No .4 to be subscribed to by its respective duly authorized officers on its respective behalf:

VICTOR VALLEY TRANSIT AUTHORITY

MACRO-Z TECHNOLOGY

By:

By:

Nancie Goff, VVTA CEO

Bryan Zatica, MZT President

Date: _____

Date: _____

**VVTA Change Request for Construction Projects
COST PROPOSAL FORM**

Name of Offeror/Contractor: Macro Z Technology	Design elements revised and/or added to 100% Design per requests from VVTA. Also added items from City review of Entitlement Design submittal.
Home office address: 841 E. Washington, Santa Ana, CA 92701	
Division(s) and Locations where Work is to be performed: North Side of New Bus Transfer Turnaround, Hesperia, CA 92345	VVTA Solicitation/Bid/Proposal/Contract Number/Change Notice/Change Order Number: 2021-17 Hesperia Transfer Hub

NOTE: For proper calculations of cost elements link additional sheets to this summary page.

	Est. Hours	Rate Per Hour	Est. Cost	Total Est. Cost
1. Direct Labor				
2. Carpenters (4) (1 day)	32.00	\$94.84	\$3034.88	
3.			\$0.00	
4.			\$0.00	
5. TOTAL DIRECT LABOR				\$3034.88
6. Labor Overhead (O/H)	O/H Rate	x Base = Est. Cost		
7.			\$0.00	
8.				
9.				
10. TOTAL LABOR OVERHEAD				\$0.00
11. Fringe Benefits Overhead	FB O/H Rate	x Base = Est. Cost		
12.	0%		\$0.00	
13.				
14. TOTAL FRINGE BENEFITS OVERHEAD				\$0.00
15. Direct Material			Est. Cost	
16. a. Purchase Parts - Additional Concrete (Larger Footings) 61 cy			\$12200.00	
17. b. Subcontracted Items - Additional Rebar (#8)			\$6100.00	
18. c. Other			\$0.00	
19.				
19. TOTAL DIRECT MATERIAL				\$18300.00
20. Equipment		Unit Cost	Est. Cost	
21. Additional day of drill rig for larger deeper holes for footings			\$4480.00	
22.			\$0.00	
23. TOTAL EQUIPMENT				\$4480.00
24. Travel			Est. Cost	
25. a. Transportation			\$0.00	
26. b. Per Diem or Submissions			\$0.00	
27.				
27. TOTAL TRAVEL				\$0.00
28. Other Direct Costs (See Line 55, details)			Est. Cost	
29.			\$0.00	
30.			\$0.00	
31.			\$0.00	
32.				
32. TOTAL OTHER DIRECT COSTS				\$0.00
33. Consultants/Subcontractors (See Line 50, details)			Est. Cost	
36. ITEMS REQUESTED BY VVTA AT 50% DESIGN INCLUDED on 100% DESIGN DRAWINGS				
Added (1) Door at Ticketing Office (Door 101A)			\$2277.00	
Wind Break at Main Entrance			\$4600.00	
Wind Break at Main Entrance ADDITIONAL WIND BREAK			\$4600.00	
Epoxy Flooring at Restrooms and Janitors Closet (397 sf)			\$10322.00	
CREDIT for Tile Flooring at Restrooms and Janitor Closet			-\$9500.00	
Carpet Tile Flooring at Ticketing Office, Security Office and Server Room (315 sf)			\$3122.00	
CREDIT for VCT Flooring at Ticketing Office, Security Office and Server Room			-\$3150.00	
Baby Changing Tables and Sharps Bin in Public Restrooms (2 ea)			\$0.00	
Privacy Film included at Security Office Windows			\$1100.00	
Added Boulders to Landscape (20) 18'-24", (5) 24", (4) 30", (3) 36" in lieu of Hedges			\$0.00	
Ballistic Glass at Ticket Office Window			\$4060.00	
Window Shades at Security Office 102, Breakroom 104, and Office 109 WINDOW SHADES			\$4550.00	
Increased Bus Canopy to Extend over Buses. (Canopy costs only, Does NOT include Larger Footings Costs if required.)			\$129967.00	
ITEM ADDED BY CITY REVIEW OF ENTITLEMENT DESIGN				
Metal Roof Added to Trash Enclosure with Mesh Siding			\$12305.00	
37. TOTAL CONSULTANTS/SUBCONTRACTORS				\$164253.00
38.				
39. TOTAL DIRECT COSTS (Total Lines 5, 19, 23, and 37)				\$190067.88
40. Overhead and Profit	Rate %	% x Line		
41. On Labor	20%	% x Line 5	\$806.98	
On Material	15%	% x Line 19	\$2745.00	
On Equipment	15%	% x Line 23	\$672.00	
On Subcontractor (up to 1st \$5,000.00)	10%	% x Line 37	\$500.00	
On Subcontractor (Over \$5,000.00)	5%	% x Line 37	\$7962.65	
42. TOTAL OVERHEAD AND PROFIT				\$12486.63
43. TOTAL ESTIMATED COSTS (Total Lines 39 & 42)				\$202554.51
44. Insurance and Bond	Rate %	% x Line		
45. General Liability Insurance	2%	% x Line 43	\$4051.09	
45. Bond	1%	% x (Line 43 + Line 45)	\$2066.06	
46. TOTAL INSURANCE AND BOND				\$6117.15
47. TOTAL ESTIMATED COST/PROPOSED PRICE AND INSURANCE AND BOND (Total of Lines 43 & 46)				\$208671.65
48.				

49.			
50. Identify Consultant(s) (Refer to Line 28)	Task Assigned	Contract Type	Amount
53.			
54. Total			
55. Identify Other Direct Costs (Refer to Line 33)			Amount
56.			
57.			
58. Total			
Additional Days to contract term? Additional Time required for Larger Canopy Construction (2 working Days). Potential additional days required for design of the new canopy size. We will submit TIA for the additional design days required.			
59. Has any Agency of the United States Government, State government, local public agency or VVTA performed any review of your account or records, overhead rates and general and administrative rates in connection with any public prime contract or subcontract within the past twelve months? Yes No If yes, when? Reference Contract No.			
60b. Agency Name/Address		60c. Individual to contact/Telephone Number	
61. As required by VVTA, firms not audited, as described above, shall submit financial data and calculations in sufficient detail to support all proposed direct costs and subcontractor costs.			
62. The proposal reflects our estimates and/or actual costs as of the date and by submitting this proposal, Proposer/Consultant grants to VVTA's Contracting Officer and authorized representative(s) the right to examine, at any time before award, those records, which include books, documents, accounting procedures and practices, and other supporting data, regardless of type and form or whether such supporting information is specifically referenced or included in the proposal as the basis for pricing, that will permit an adequate evaluation of such cost or pricing data, along with the computations and projections used therein, for the purpose of verifying the cost or pricing data submitted. This right may also be exercised in connection with any negotiations/discussions prior to contract award or execution of contract modification.			
CERTIFICATE			
63. The labor rates and overhead costs are current and other estimated costs have been determined by generally accepted accounting principles. Proposer/Consultant represents: (a) that it has, has not, employed or retained any company or person (other than a full time bona fide employee working solely for the Proposer/Consultant) to solicit or secure a contract, and (b) that it has, has not, paid or agreed to pay to any company or person (other than a full time bona fide employee working solely for the Proposer/Consultant) any fee, commission, percentage or brokerage fee, contingent upon or resulting from the award of this contract, and agrees to information relating to (a) and (b) above, as requested by the Contracting Officer.			
CERTIFICATE OF CURRENT COST OR PRICING DATA			
64. This is to certify that, to the best of my knowledge and belief, the cost or pricing data (as defined in Section 2.101 of the Federal Acquisition Regulations (FAR) and required under subsection 15.403-4) submitted, either actually or by specific identification in writing, to VVTA's Contracting Officer or to VVTA's Contracting Officer's representative in support of _____* are accurate, complete and current as of _____.** This certification includes the cost or pricing data supporting any advance agreements and forward pricing rate agreements between the Proposer/Consultant/Contractor and VVTA that are a part of the proposal.			
65. This proposal as submitted represents our best estimates and/or actual costs as of this date.			
66. Type Name and Title of Authorized Representative		Signature	Date***
67. * Identify the proposal, quotation, request for price adjustment, or other submission involved, giving appropriate identifying number (e.g. Information For Bid No., Request for Proposal No., Change Order No., Modification No., etc.)			
68. ** Insert the day, month and year when price negotiations were concluded and price agreement was reached.			
69. *** Insert the day, month and year of signing (i.e., When price negotiations were concluded and mutual agreement was reached on contract			

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**CORRESPONDENCE
/PRESS CLIPS**

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NEWS

Victor Valley Transit unveils hydrogen fuel cell buses, new direction



Rene Ray De La Cruz

Victorville Daily Press

Jan. 21, 2026, 3:00 p.m. PT

Key Points

The Victor Valley Transit Authority unveiled 13 new hydrogen fuel cell buses and an interim fueling station.

This initiative is part of the agency's commitment to zero-emission transit and environmental stewardship.

The project was supported by federal, state, and local partners, including the Federal Transit Administration.

The Victor Valley Transit Authority recently unveiled its hydrogen fuel cell buses, an interim fueling station, and new branding, including a redesigned logo.

The Hesperia-based public transportation agency on Jan. 14, held a ribbon-cutting ceremony, unveiling 13 new buses and its new direction.

The event was attended by industry partners, along with local, regional, and state leaders, to celebrate the agency's continued commitment to innovation, environmental stewardship, and enhanced service for riders throughout the High Desert, officials said.

“This is an exciting and important day for our agency and our region,” said James Noble, Chair of the VVTA Board of Directors. “What we are celebrating today represents years of collaboration, planning, and partnership. It reflects VVTA’s

commitment to innovation and our role as a regional leader in moving the High Desert toward a cleaner, more connected future that benefits our riders and our communities.”

'More sustainable future'

Victor Valley Transit CEO Nancie Goff said the unveiling is more than new buses or a fueling station; it’s a statement about the agency’s responsibility to the communities it serves and the environment they share.

“By introducing 13 hydrogen fuel cell buses and an interim fueling station, VVTA is advancing zero-emission transit, cleaner air, and a more sustainable future,” Goff said.

“This milestone, along with our new VVTA branding, reflects the power of strong partnerships and our commitment to investing wisely today for generations to come,” Goff said.

The project was made possible through partnerships and funding support from the Federal Transit Administration, San Bernardino County Transportation Authority, California Air Resources Board, GO_BIZ, and other regional and local partners.

The agency also recognized the contributions of New Flyer, Linde, ZeroMission, Ballard, GMV Syncromatics, and Keolis North America, plus other project and construction teams, and VVTA staff whose efforts brought the initiative from concept to reality.

Leading the transit authority’s advancement into hydrogen fuel cell technology is Chief Maintenance Officer Dustin Strandberg.

“VVTA has a long-standing history of leadership in clean transportation,” said Strandberg. “For decades, our buses have operated on renewable natural gas, and in 2019, we further expanded our commitment to zero-emission solutions with battery electric buses. Transitioning to hydrogen fuel cell technology is a natural next step, one that aligns with our operational needs, our desert environment, and our long-term vision for a more sustainable future.”

Branding

Agency officials said the rebranding includes being named “VVTA,” which reinforces clarity, consistency, and regional identity as the agency continues to grow.

The agency said under the direction of Strandberg, Senior Marketing Manager and Public Information Officer Chris Ackerman was tasked with leading the development of new branding.

The new branding symbolizes progress, innovation, and momentum, aligning with VVTA’s investments in clean technology and its commitment to moving the High Desert confidently into the future, the agency stated.

“Together, these investments reinforce VVTA’s mission to deliver safe, reliable, and environmentally responsible public transportation while positioning the High Desert as a leader in clean transit technology,” agency officials stated.

For more information, visit vvta.org.

Daily Press reporter Rene Ray De La Cruz may be reached at RDeLaCruz@VVDailyPress.com. Follow him on X @DP_ReneDeLaCruz.

VVTA Unveils 13 Hydrogen Buses, Fueling Station, and New Branding in Milestone Event



Victor Valley News Group X  • 12:27 pm | Jan. 23, 2026

Updated 12:27 pm | Jan. 23, 2026



HESPERIA, Calif. (VVNG.com) — The Victor Valley Transit Authority (VVTA) celebrated a major leap toward sustainable transit with a ribbon-cutting ceremony today, unveiling 13 new hydrogen fuel cell buses, an interim hydrogen fueling station, and a refreshed agency brand.