

A photograph of a building facade. The upper portion shows a grey corrugated metal wall with three circular light fixtures. Below this is a brown corrugated metal sign with the text "North of the River recreation and park district" in dark, raised letters. A large, stylized blue wave graphic with a white outline curves across the bottom of the image, partially overlapping the sign and the text below.

North of the River
recreation and park district

TDA Triennial Performance Audit
FY 2018/19 - FY 2021/22

North of the River
Recreation and Park District (CTSA)

Kern Council of Governments
Final Report
September 2023



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Chapter 1 | Executive Summary

In Spring 2023, the Kern Council of Governments (Kern COG) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the twelve transit operators to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. Audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of North of the River Parks & Recreation District in its function as the CTSA as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of the North of the River CTSA public transit program for the period:

- Fiscal Year 2018/19,
- Fiscal Year 2019/20,
- Fiscal Year 2020/21, and
- Fiscal Year 2021/22.

This Triennial Performance Audit spans four years instead of the usual three due to NOR terminating its transit operations after FY 2021/22. Rather than having the next Triennial Performance Audit include only one year, the audit team recommended including that year in the current audit.

During the audit period, the North of the River Recreation & Park District (NOR) was the designated Consolidated Transportation Services Agency (CTSA) for the Metropolitan Bakersfield Area, providing door-to-door demand-responsive transit services for persons 60 years of age and older as well as persons with disabilities. Prospective CTSA riders were required to complete an eligibility determination process.

Beginning July 1, 2022 the Golden Empire Transit District (GET) assumed operation of the service. GET continued to offer the door-to-door demand response service at a slightly higher price of three dollars per ride until January 1, 2023. The service has since been rebranded as On-Demand Microtransit Reduced Fare.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit

objectives. The audit team concludes the evidence obtained provides a reasonable basis for its findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

Test of Compliance

Based on discussions with CTSA staff, analysis of program performance, and an audit of program compliance and function, the audit team presents two compliance findings:

1. State Controller Reports were submitted after the stipulated deadline for FY 2019/20 and FY 2021/22.
2. The NOR does not use the TDA definition of full-time equivalent (FTE) employee for reporting to the State Controller.

Status of Prior Recommendations

The prior audit – completed in April 2019 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included three recommendations:

1. [Work with Kern COG and Caltrans to determine whether Medi-Cal reimbursements can be applied to the farebox recovery ratio.](#)
Status: No longer relevant.
2. [Ensure accurate reporting of the TDA Full-Time Equivalent metric.](#)
Status: No longer relevant.
3. [The CTSA should work with Kern COG to identify alternative revenue sources and/or adopt alternative eligibility measures as allowable under Article 4.5.](#)
Status: No longer relevant.

Findings and Recommendations

Based on discussions with NOR CTSA staff, analysis of program performance, and a review of program compliance and function, the audit team submits the aforementioned compliance findings for the NOR CTSA:

1. State Controller Reports were submitted after the stipulated deadline for FY 2019/20 and FY 2021/22.
2. The NOR does not use the TDA definition of full-time equivalent (FTE) employee for reporting to the State Controller.

The audit team has identified no functional findings.

Given this is the final TDA Triennial Performance Audit of the North of the River Recreation & Park District, as it no longer operates a public transit program, there are no recommendations.

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Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of North of the River CTSA’s public transit program covers the three-year period ending June 30, 2022. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In Spring 2023, the Kern Council of Governments selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the twelve transit operators to which it allocates TDA funding. Moore & Associates, Inc. is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates, Inc. followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of North of the River CTSA as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The auditors believe the evidence obtained provides a reasonable basis for our findings and conclusions.

The audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Audit Standards* published by the U.S. Comptroller General.

Objectives

A Triennial Performance Audit (TPA) has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Evaluate the efficiency and effectiveness of the transit operator; and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.

Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of North of the River CTSA included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
3. A verification of the methodology for calculating performance indicators including the following activities:
 - Assessment of internal controls,
 - Test of data collection methods,
 - Calculation of performance indicators, and
 - Evaluation of performance.
4. Comparison of data reporting practices:
 - Internal reports,
 - State Controller Reports, and
 - National Transit Database.
5. Examination of the following functions:
 - General management and organization;
 - Service planning;
 - Scheduling, dispatching, and operations;
 - Personnel management and training;
 - Administration;
 - Marketing and public information; and
 - Fleet maintenance.
6. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

Methodology

This Triennial Performance Audit spans four years instead of the usual three due to the NOR terminating its transit operations after FY 2021/22. On July 1, 2022, the Golden Empire Transit District assumed the role of CTSA. Rather than having the next Triennial Performance Audit include only one year, the audit team recommended including that year in the current audit.

The methodology for the Triennial Performance Audit of the North of the River CTSA included thorough review of documents relevant to the scope of the audit, as well as information contained on the North of the River CTSA's website. The documents reviewed included the following (spanning the full four-year period):

- Triennial Performance Audit report for the prior audit period;
- Most recent Short Range Transit Plan/Transit Development Plan;
- Monthly performance reports;
- State Controller Reports;

- NTD reports;
- Annual budgets;
- TDA fiscal audits;
- TDA claims;
- Transit marketing collateral;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection Reports;
- Accident/road call logs;
- Customer complaint logs; and
- Organizational chart.

Given impacts of the ongoing COVID-19 pandemic, the methodology for this audit included a virtual site visit with a North of the River CTSA representative on July 19, 2023. The audit team met with Wayne McArthur (Finance Director) and reviewed materials germane to the triennial audit.

This report is comprised of eight chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
 - Compliance with statutory and regulatory requirements,
 - Status of prior recommendations,
 - Consistency among reported data,
 - Performance measures and trends,
 - Functional audit, and
 - Findings and recommendations.

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Chapter 3 | Program Compliance

This section examines the North of the River CTSA compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. North of the River CTSA considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Status of compliance items was determined through discussions with CTSA staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, National Transit Database reports, year-end performance reports, and other compliance-related documentation.

Two compliance issues were identified for the North of the River CTSA:

1. State Controller Reports were submitted after the stipulated deadline for FY 2019/20 and FY 2021/22.
2. The NOR does not use the TDA definition of full-time equivalent (FTE) employee for reporting to the State Controller.

Developments Occurring During the Audit Period

The FY 2018/19 – FY 2020/21 audit period was significantly different than prior audit periods. The impacts of the COVID-19 pandemic resulted in significant declines in ridership and revenue, while changes to the TDA provided compliance waivers and amended existing legislation. In many instances, transit operators strove to retain operations staff despite adopting a reduced schedule, resulting in significant changes to many cost-related performance metrics. While infusions of funding through the CARES Act mitigated some of the lost revenues for federally funded programs, many transit operators have yet to return to pre-pandemic ridership and fare levels. As a result, this Triennial Performance Audit will provide an assessment not only of how COVID-19 impacted the organization, but how it responded to the crisis.

In the 50 years since introduction of the Transportation Development Act, there have been many changes to public transportation in California. Many operators have faced significant challenges in meeting the farebox recovery ratio requirement, calling into question whether it remains the best measure for TDA compliance. In 2018, the chairs of California's state legislative transportation committees requested the California Transit Association spearhead a policy task force to examine the TDA, which resulted in a draft framework for TDA reform released in early 2020. The draft framework maintains the farebox recovery ratio requirement, but eliminates financial penalties and allows more flexibility with respect to individual operator targets. These changes have yet to be implemented due to the COVID-19 pandemic.

Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief by extending the provisions of AB 90 through FY 2022/23 and adjusting

definitions of eligible revenues and operating costs. While the ability to maintain state mandates and performance measures is important, these measures enable transit operators to adjust to the impacts of COVID while continuing to receive their full allocations of funding under the TDA.

Together, these two pieces of legislation include the following provisions specific to transit operator TDA funding under Article 4 and Article 8. Only AB 90 was in effect during this audit period, though both assembly bills are detailed below.

AB 90 includes the following provisions specific to transit operator funding through the TDA:

1. It prohibits the imposition of the TDA revenue penalty on an operator that does not maintain the required ratio of fare revenues to operating cost during FY 2019/20 or FY 2020/21.
2. It requires the Controller to calculate and publish the allocation of transit operator revenue-based funds made pursuant to the State Transit Assistance (STA) Program for FY 2020/21 and FY 2021/22 based on the same individual operator ratios published by the Controller in a specified transmittal memo, and would authorize the Controller to revise that transmittal memo, as specified. It requires the Controller to use specified data to calculate those individual operator ratios. Upon allocation of the transit operator revenue-based funds to local transportation agencies pursuant to this provision, the Controller will publish the amount of funding allocated to each operator.
3. It exempts an operator from having to meet either of the STA efficiency standards for FY 2020/21 and FY 2021/22 and authorizes the operator to use those funds for operating or capital purposes during that period.
4. It requires the Controller to allocate State of Good Repair (SOGR) program funding for FY 2020/21 and FY 2021/22 to recipient transit agencies pursuant to the individual operator ratios published in the above-described transmittal memo.
5. It requires the Controller to allocate Low Carbon Transit Operations Program (LCTOP) funding for FY 2020/21 and FY 2021/22 to recipient transit agencies pursuant to the individual operator ratios published in the above-described transmittal memo.

Assembly Bill 149, signed into law on July 16, 2021 (and therefore not in effect during the audit period), provides additional regulatory relief with respect to Transportation Development Act (TDA) compliance. It extends the provisions of AB 90 through FY 2022/23 as well as provides additional regulatory relief including:

1. Waiving the annual productivity improvement requirement of Section 99244 through FY 2022/23.
2. Adding a temporary provision exempting operators from farebox recovery ratio requirements provided they expend at least the same amount of local funds as in FY 2018/19.
3. Expanding the definition of “local funds” to enable the use of federal funding, such as the CARES Act or CRRSAA, to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
4. Adjusting the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and micro-transit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
5. Allowing operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2022/23.

AB 149 also calls for an examination of the triennial performance audit process, to ensure the practice continues to be effective and beneficial.

Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	Finding	FY 2018/19: January 28, 2020 FY 2019/20: February 17, 2021 FY 2020/21: January 24, 2022 FY 2021/22: February 14, 2023
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance	FY 2018/19: February 24, 2020 FY 2019/20: March 15, 2021 FY 2020/21: January 31, 2022 FY 2021/22: March 31, 2023
Operator’s terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	May 2, 2018 April 23, 2019 April 17, 2020 April 22, 2021 May 10, 2022
Operator’s claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	PUC 99270.1	Not applicable	
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	Not applicable	
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	Not applicable	
The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	PUC 99266	In compliance	FY 2018/19: +1.56% FY 2019/20: -5.16% FY 2020/21: -1.83% FY 2021/22: -1.06% <i>Source: TDA Claims, FY 2019 – FY 2022.</i>
The operator’s definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	Finding	NOR does not use the TDA definition of Full-Time Equivalent
The operator does not routinely staff with two or more persons a vehicle for public transportation purposes designed to be operated by one person.	PUC 99264	In compliance	Per TDA claims.

Compliance Element	Reference	Compliance	Comments
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	Not applicable	
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	Not applicable	
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	In compliance	FY 2018/19: 17.64% FY 2019/20: 4.73% (waiver) FY 2020/21: 3.85% (waiver) FY 2021/22: 3.93% (waiver) <i>Source: TDA fiscal audits, FY 2019 – FY 2022.</i>
The current cost of the operator’s retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	PUC 99271	In compliance	NOR CTSA employees are eligible for retirement benefits under CalPERS.
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	Not applicable	NOR CTSA does not claim STA funds.
In order to use State Transit Assistance funds for operating assistance, the operator’s total operating cost per revenue hour does not exceed the sum of the preceding year’s total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year’s total operating cost per revenue hour. An operator may qualify based on the preceding year’s operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.	PUC 99314.6	Not applicable	

Compliance Element	Reference	Compliance	Comments
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 capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.	CCR 6634	In compliance	

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Chapter 4 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance the North of the River CTSA has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in April 2019 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included three recommendations:

1. [Work with Kern COG and Caltrans to determine whether Medi-Cal reimbursements can be applied to the farebox recovery ratio.](#)

Discussion: Prior to FY 2017/18, both the NOR Finance Department and TDA fiscal audit allowed Medi-Cal reimbursements to be applied to the farebox recovery ratio. In FY 2017/18, these funds were no longer allowed. As a result, the TDA fiscal audit assessed the farebox recovery ratio as 7.41 percent, rather than the 16 percent that would have resulted from inclusion of the funds. The issue was whether these can be used for farebox supplementation given they are received from the state.

While the rules regarding Medi-Cal reimbursement have changed, significantly reducing the amount of the reimbursement which NOR CTSA receives, in mid-FY 2017/18, CTSA continued to receive payments for the prior year throughout FY 2017/18.

While this funding does come from the state, it is not a grant provided to the CTSA, but instead provides a reimbursement to subsidize the cost of travel for eligible recipients. Therefore it is directly generated by operations. Other California operators, such as Gold Coast Transit District, continue to successfully apply Medi-Cal reimbursements to the farebox recovery ratio. It was the opinion of the prior auditor that these funds should be applied to the farebox recovery ratio, which would negate this finding.

The prior auditor recommended the NOR CTSA consult with the Kern COG and Caltrans to determine whether Medi-Cal reimbursements could be applied to the farebox recovery ratio. If the funds were determined to be allowable, the farebox recovery ratio for FY 2017/18 should be reassessed to show compliance. If it was ultimately determined that these funds cannot be applied to the farebox recovery ratio, then other local supplementation must be identified to ensure the NOR CTSA can meet the 10 percent threshold. Alternately, the Kern COG had the authority to designate an alternative compliance measure (such as performance criteria, local match requirement, or alternative farebox recovery ratio) for the CTSA under Article 4.5 (as discussed in Functional Finding 2).

Progress: The farebox recovery ratio of 10 percent was achieved during FY 2018/19 with receipt of the final Medi-Cal payments, which were counted as fare revenue. The farebox recovery ratio remained below 10 percent in subsequent years. However, waivers from

penalties for not meeting the farebox recovery ratio requirement were waived in subsequent years due to AB 90 and AB 149. Now that the NOR is no longer operating a public transit service, there is no further corrective action to recommend.

Status: No longer relevant.

2. [Ensure accurate reporting of the TDA Full-Time Equivalent metric.](#)

Discussion: While the CTSA demonstrated as part of the prior audit an understanding of the TDA definition (and calculation) for Full-Time Equivalent (FTE) Employees, this information was not being reported accurately on the State Controller Report. The prior auditor recommended NOR ensure that the person completing the State Controller Report is aware of the proper calculation methodology for FTE and that the proper data is reported.

Progress: This was not corrected during the current audit period and will be carried forward as a finding in this report. However, since the NOR no longer files Transit Operator Financial Transaction Reports, there is no further corrective action to recommend.

Status: No longer relevant.

3. [The CTSA should work with Kern COG to identify alternative revenue sources and/or adopt alternative eligibility measures as allowable under Article 4.5.](#)

Discussion: Prior to FY 2017/18, the CTSA had little trouble meeting its required farebox recovery ratio, due largely to reimbursement for Medi-Cal trips. However, such reimbursement was eliminated in October 2017. As a result, the CTSA faced an uncertain future with respect to achieving farebox recovery goals under PUC Section 99268.5. However, Article 4.5 (PUC Section 99275.5) allows the RTPA (Kern COG) to establish an alternative compliance criteria, which can be farebox recovery ratio, local match requirements, or performance measures.

Pursuant to Senate Bill 508, which updated the TDA in July 1, 2016, additional local revenues may be counted toward the farebox recovery ratio. In addition, the prior auditor recommended the CTSA discuss with the Kern COG potential opportunities to use alternative performance measures in lieu of farebox recovery ratio to evaluate compliance with the TDA.

Progress: Final Medi-Cal payments in FY 2018/19 resulted in a farebox recovery ratio above 10 percent that year. Prior to the COVID-19 pandemic, the NOR tried to see if it would be able to raise fares, but was unable to do so. As such, it began exploring other revenue sources through discussions with the Kern COG. Ultimately, penalties for noncompliance with farebox recovery ratios were waived from FY 2019/20 through FY 2021/22 as a result of AB 90 and AB 149. Now that the NOR is no longer operating a public transit service, there is no further corrective action to recommend.

Status: No longer relevant.

Chapter 5 | Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by the NOR CTSA both internally as well as to outside entities during the audit period.

National Transit Database (NTD) reports were not provided as part of this audit. Therefore, only internal monthly performance data and performance data as reported to the State Controller are reviewed herein.

- **Operating cost:** The operating cost varied between the TDA fiscal audit, monthly performance reports, and State Controller Report. In FY 2021/22, the data in the audit and monthly report were the same, but 27 percent higher than the State Controller Report (a difference of \$30,000).
- **Fare Revenue:** In FY 2018/19, there was a significant variance between the revenues reported in the monthly reports and those reported in the TDA audit and State Controller Report. This is likely due to the Medi-Cal payments that were not counted in the monthly reports. In FY 2019/20, the fares in the monthly performance were about nine percent higher than that reported elsewhere. In FY 2020/21 and FY 2021/22, the amounts were largely consistent.
- **Vehicle Service Hours (VSH):** In FY 2019/20 and FY 2020/21, the VSH reported to the State Controller was significantly higher than that reported internally (19 percent and 23 percent, respectively). In FY 2018/19 and FY 2021/22, the data was largely consistent.
- **Vehicle Service Miles (VSM):** In FY 2019/20, the VSM reported to the State Controller was significantly higher than that reported internally (17 percent). The data was more consistent in other years.
- **Passengers:** Passenger data was consistently reported all four years.

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide			
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Operating Cost (Actual \$)				
<i>TDA fiscal audit</i>	\$1,320,602	\$1,224,767	\$1,141,560	\$1,131,945
<i>Monthly Performance Reports</i>	\$1,249,864	\$1,133,298	\$1,145,211	\$1,131,945
<i>State Controller Report</i>	\$1,290,603	\$1,194,764	\$1,111,560	\$1,101,946
Fare Revenue (Actual \$)				
<i>TDA fiscal audit</i>	\$232,946	\$57,916	\$43,924	\$44,502
<i>Monthly Performance Reports</i>	\$82,939	\$62,963	\$43,804	\$44,510
<i>State Controller Report</i>	\$232,946	\$57,916	\$43,924	\$44,502
Vehicle Service Hours (VSH)				
<i>Monthly Performance Reports</i>	23,337	19,681	16,057	18,325
<i>State Controller Report</i>	23,380	23,411	19,776	18,363
Vehicle Service Miles (VSM)				
<i>Monthly Performance Reports</i>	352,010	281,430	236,770	251,722
<i>State Controller Report</i>	352,363	330,569	235,518	255,740
Passengers				
<i>Monthly Performance Reports</i>	43,819	33,145	24,242	25,480
<i>State Controller Report</i>	43,687	33,145	24,242	25,524
Full-Time Equivalent Employees				
<i>State Controller Report</i>	25	21	17	17

Chapter 6 | Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

The Transportation Development Act (TDA) requires recipients of TDA funding to track and report five performance indicators:

- Operating Cost/Passenger,
- Operating Cost/Vehicle Service Hour,
- Passengers/Vehicle Service Hour,
- Passengers/Vehicle Service Mile, and
- Vehicle Service Hours/Employee.

To assess the validity and use of performance indicators, the audit team performed the following activities:

- Assessed internal controls in place for the collection of performance-related information,
- Validated collection methods of key data,
- Calculated performance indicators, and
- Evaluated performance indicators.

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667¹. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excluded the following during the audit period²:

¹ CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

² Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.

- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,
- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

Vehicle Service Hours and Miles

Vehicle Service Hours (VSH) and *Miles (VSM)* are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.³ For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

Employees

Employee hours is defined as the total number of hours (regular or overtime) which all employees have worked, and for which they have been paid a wage or salary. The hours must include transportation system-related hours worked by persons employed in connection with the system (whether or not the person is employed directly by the operator). Full-Time Equivalent (FTE) is calculated by dividing the number of person-hours by 2,000.

Fare Revenue

Fare revenue is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media.

³ A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

TDA Required Indicators

To calculate the TDA indicators for the NOR CTSA, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller Reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in the CTSA's audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via State Controller Reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts. Fare revenue data reported to the State Controller may not reflect other revenues reported as fare revenue to the NTD.
- Vehicle Service Hours (VSH) data were obtained via State Controller Reports for each fiscal year covered by this audit. The CTSA calculates VSH using driver trip sheets. The CTSA's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via State Controller Reports for each fiscal year covered by this audit. The CTSA calculates VSM by subtracting deadhead and out-of-service miles from total vehicle mileage (as noted on each vehicle's odometer). This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via State Controller Reports for each fiscal year covered by this audit. The CTSA's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from State Controller Reports for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation was not confirmed.

System Performance Trends

System-wide, operating cost experienced a 14.6 percent decrease during the audit period and a 4.7 percent net decrease across the seven-year period. An overall increase during the first three years was due primarily to a significant increase in operating cost in FY 2017/18. Fare revenue experienced a large increase in FY 2018/19 (due to final Medi-Cal revenues) before decreasing significantly in FY 2019/20 and FY 2020/21. Fare revenue decreased 80.9 percent during the audit period.

Vehicle Service Hours (VSH) increased the first two years of the audit period and then experienced a decline the last two years. This resulted in a net 21.5 percent decrease during the audit period. Vehicle Service Miles (VSM) decreased every year of the audit period with the exception of FY 2021/22. VSM had a net 3.7 percent increase over the seven-year period and a 27.4 percent decrease during the audit period. Ridership decreased every year with the exception of FY 2016/17 and FY 2021/22. Overall, ridership experienced a net decrease of 32 percent during the audit period, and 10.5 percent across the seven-year period.

Cost-related metrics typically provide an indicator of a system's efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-related metrics and decreases in cost-related metrics. Operating cost per vehicle service hour, vehicle

service mile, and passenger all saw a net increase during the audit period, reflective of a decline in efficiency. Productivity also declined significantly, as passengers per VSH and VSM both decreased during the audit period. Neither change is surprising, given the impact of the COVID-19 pandemic on transit operations and ridership.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide						
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Operating Cost (Actual \$)	\$1,156,794	\$1,194,076	\$1,185,132	\$1,290,603	\$1,194,764	\$1,111,560	\$1,101,946
<i>Annual Change</i>		3.2%	-0.7%	8.9%	-7.4%	-7.0%	-0.9%
Fare Revenue (Actual \$)	\$162,009	\$188,680	\$89,640	\$232,946	\$57,916	\$43,924	\$44,502
<i>Annual Change</i>		16.5%	-52.5%	159.9%	-75.1%	-24.2%	1.3%
Vehicle Service Hours (VSH)	18,782	23,203	22,808	23,380	23,411	19,776	18,363
<i>Annual Change</i>		23.5%	-1.7%	2.5%	0.1%	-15.5%	-7.1%
Vehicle Service Miles (VSM)	246,728	305,014	353,333	352,363	330,569	235,518	255,740
<i>Annual Change</i>		23.6%	15.8%	-0.3%	-6.2%	-28.8%	8.6%
Passengers	39,534	48,247	46,015	43,687	33,145	24,242	25,524
<i>Annual Change</i>		22.0%	-4.6%	-5.1%	-24.1%	-26.9%	5.3%
Employees	19	20	20	25	21	17	17
<i>Annual Change</i>		5.3%	0.0%	25.0%	-16.0%	-19.0%	0.0%
Performance Indicators							
Operating Cost/VSH (Actual \$)	\$61.59	\$51.46	\$51.96	\$55.20	\$51.03	\$56.21	\$60.01
<i>Annual Change</i>		-16.4%	1.0%	6.2%	-7.5%	10.1%	6.8%
Operating Cost/Passenger (Actual \$)	\$29.26	\$24.75	\$25.76	\$29.54	\$36.05	\$45.85	\$43.17
<i>Annual Change</i>		-15.4%	4.1%	14.7%	22.0%	27.2%	-5.8%
Passengers/VSH	2.10	2.08	2.02	1.87	1.42	1.23	1.39
<i>Annual Change</i>		-1.2%	-3.0%	-7.4%	-24.2%	-13.4%	13.4%
Passengers/VSM	0.160	0.158	0.130	0.124	0.100	0.103	0.100
<i>Annual Change</i>		-1.3%	-17.7%	-4.8%	-19.1%	2.7%	-3.0%
Farebox Recovery	14.0%	15.8%	7.6%	18.0%	4.8%	4.0%	4.0%
<i>Annual Change</i>		12.8%	-52.1%	138.6%	-73.1%	-18.5%	2.2%
Hours/Employee	988.5	1,160.2	1,140.4	935.2	1,114.8	1,163.3	1,080.2
<i>Annual Change</i>		17.4%	-1.7%	-18.0%	19.2%	4.3%	-7.1%
TDA Non-Required Indicators							
Operating Cost/VSM	\$4.69	\$3.91	\$3.35	\$3.66	\$3.61	\$4.72	\$4.31
<i>Annual Change</i>		-16.5%	-14.3%	9.2%	-1.3%	30.6%	-8.7%
VSM/VSH	13.14	13.15	15.49	15.07	14.12	11.91	13.93
<i>Annual Change</i>		0.1%	17.8%	-2.7%	-6.3%	-15.7%	16.9%
Fare/Passenger	\$4.10	\$3.91	\$1.95	\$5.33	\$1.75	\$1.81	\$1.74
<i>Annual Change</i>		-4.6%	-50.2%	173.7%	-67.2%	3.7%	-3.8%

*Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.
 FY 2018/19 – FY 2021/22 data from State Controller Reports.*

Exhibit 6.2 System Ridership

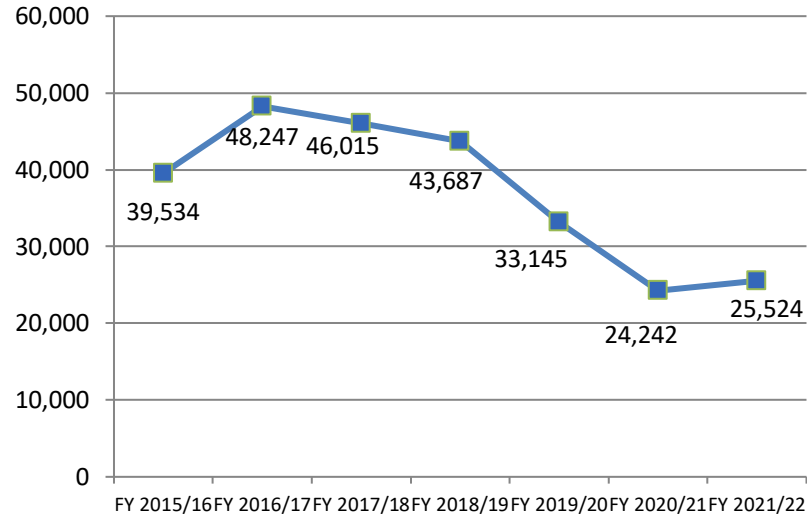


Exhibit 6.3 System Operating Cost/VSH

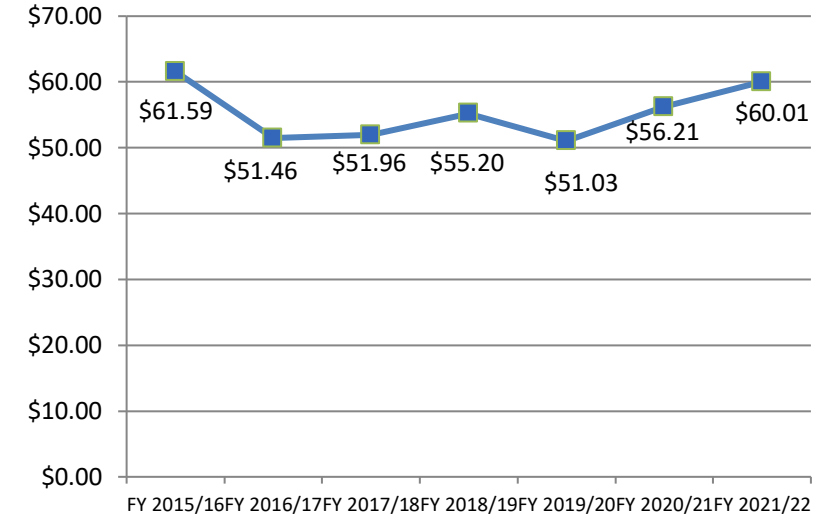


Exhibit 6.4 System Operating Cost/VSM

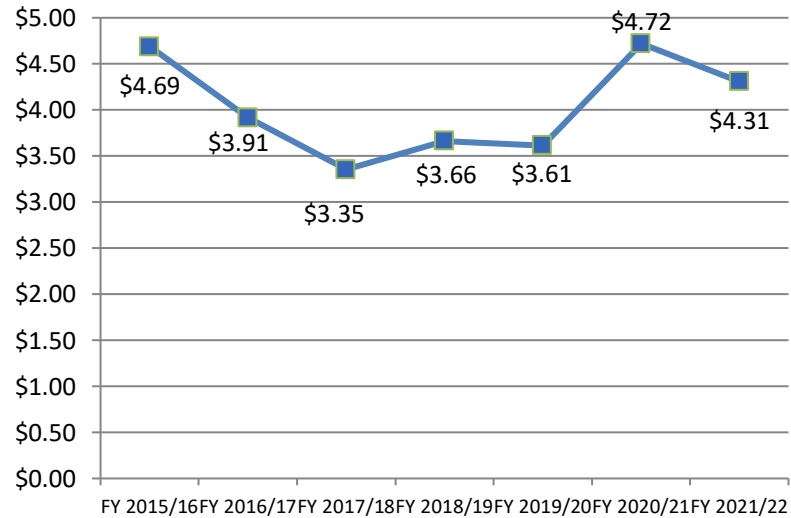


Exhibit 6.5 System VSM/VSH

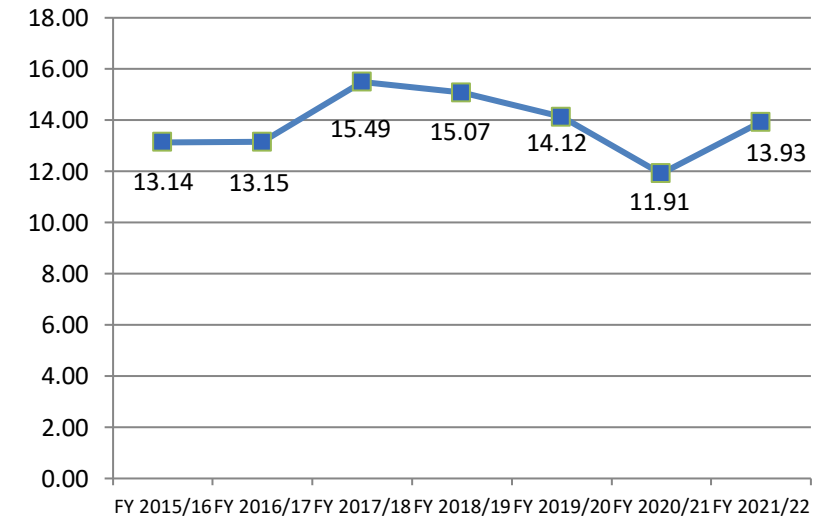


Exhibit 6.6 System Operating Cost/Passenger

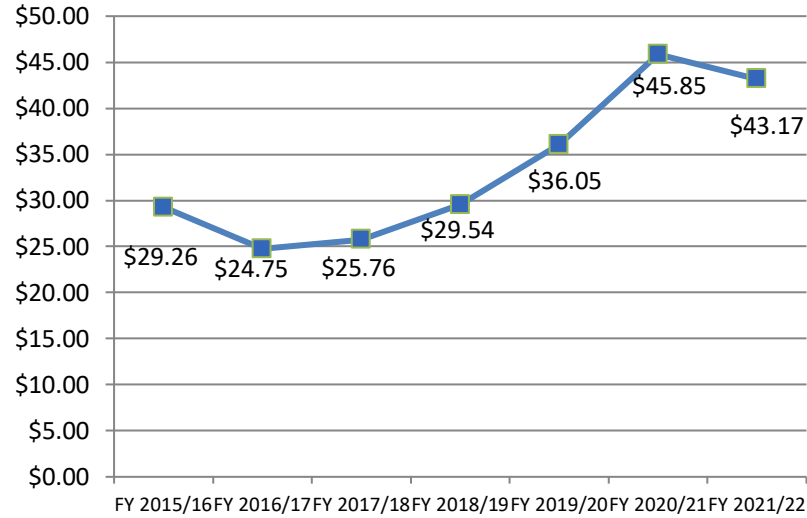


Exhibit 6.7 System Passengers/VSH

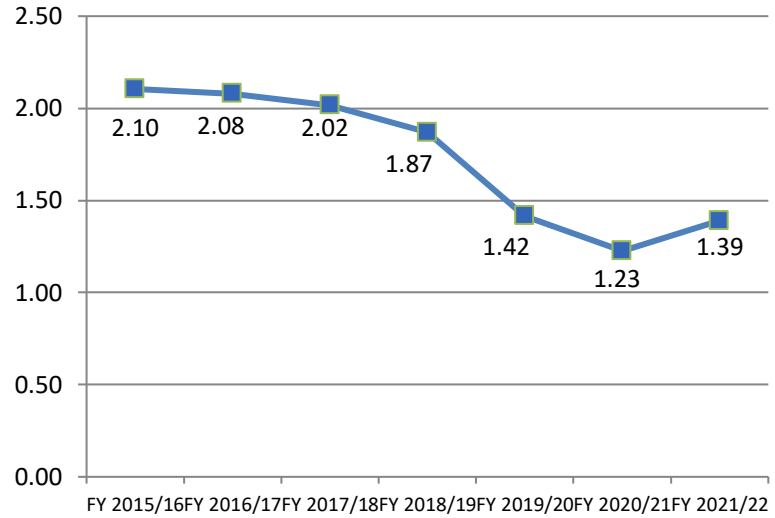


Exhibit 6.8 System Passengers/VSM

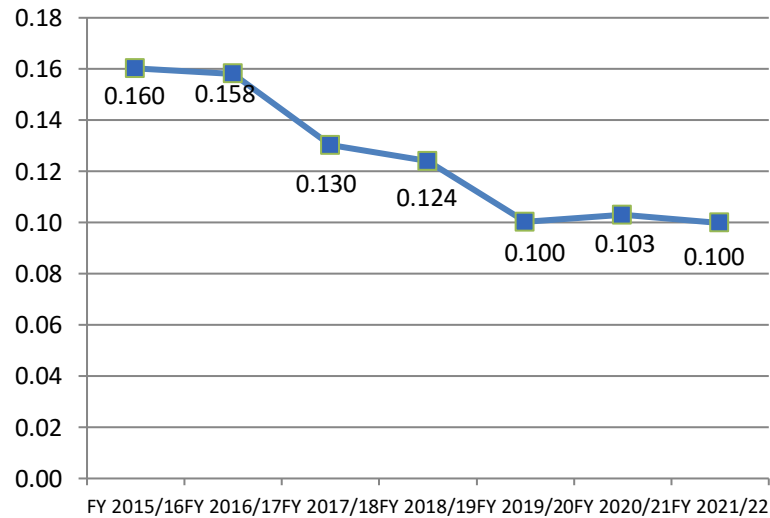


Exhibit 6.9 System VSH/FTE

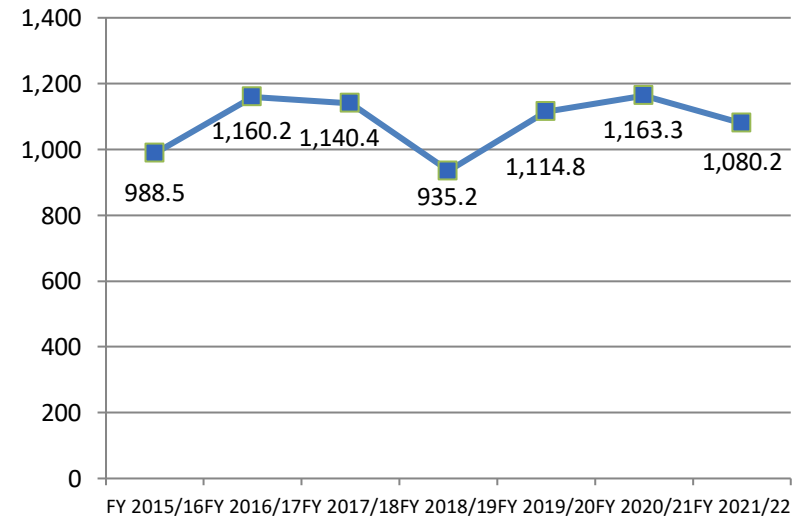


Exhibit 6.10 System Farebox Recovery

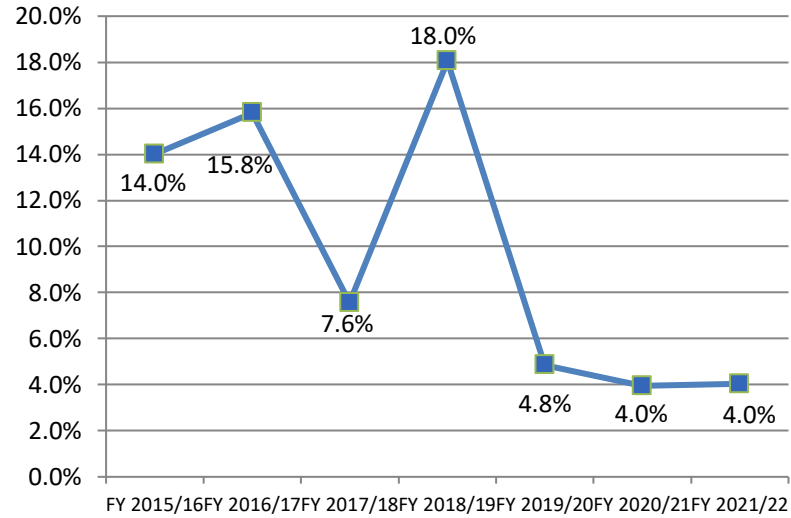
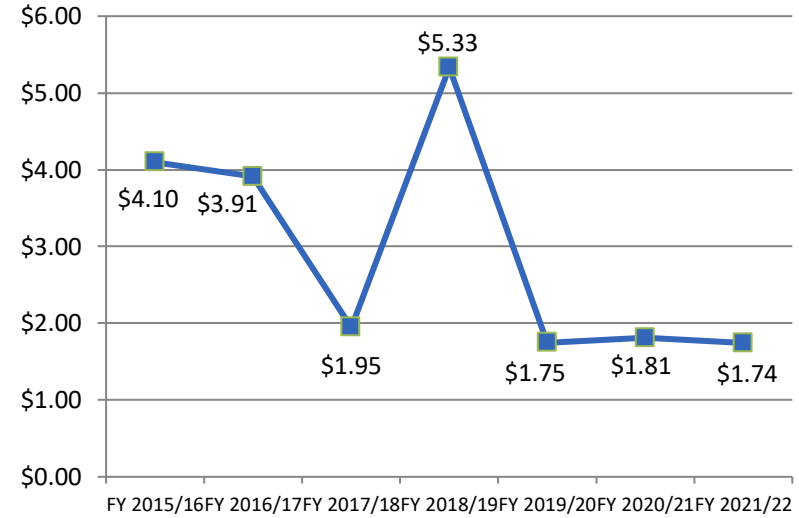


Exhibit 6.11 System Fare/Passenger



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Chapter 7 | Functional Review

A functional review of the North of the River CTSA public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the CTSA's transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by the North of the River CTSA through its transit program:

- General management and organization;
- Service planning;
- Administration;
- Marketing and public information;
- Scheduling, dispatch, and operations;
- Personnel management and training; and
- Fleet maintenance.

Service Overview

During the audit period, the North of the River Recreation & Park District (NOR) was the designated Consolidated Transportation Services Agency (CTSA) for the Metropolitan Bakersfield Area, providing door-to-door demand-responsive transit services for persons 60 years of age and older as well as persons with disabilities. On July 1, 2022, the NOR ceased operation of its CTSA service.

The NOR service area extended as far as Rio Bravo in the eastern part of the metro area, and to Taft Highway in the south. Hours of operation were Monday through Friday from 8:00 a.m. to 5:00 p.m. The CTSA did not operate on weekends or designated holidays.

Prospective CTSA riders were required to complete an eligibility determination process. Most scheduled trips were for medical appointments and shopping, yet trips could be scheduled for any purpose. Trips were scheduled 45 minutes to one hour prior to appointment times, which allowed for other pick-ups and drop-offs. Vehicles could arrive up to 20 minutes before or 20 minutes after the scheduled pick-up time. The majority of ridership was comprised of recurring passengers, with about 50 percent of those being subscription riders. Wheelchairs were required to be in proper working condition and drivers were not allowed to push wheelchairs up or down steep inclines.

There was a suggested two-week notice required for wheelchair transportation due to limited availability. While all CTSA vehicles were ADA-compliant, there were limited wheelchair spaces available on each vehicle (and, therefore, for each trip). Given the limited number of spaces, same-day appointments for wheelchairs were often problematic.

The one-way fare was two dollars and multi-ride punch passes were available for purchase through the CTSA office. Personal Care Attendants (PCAs) could accompany their clients at no charge, while companions paid the regular one-way fare.

Beginning July 1, 2022 the Golden Empire Transit District (GET) assumed operation of the service. GET continued to offer the door-to-door demand response service at a slightly higher price of three dollars per

ride until January 1, 2023. The service has since been rebranded as On-Demand Microtransit Reduced Fare.

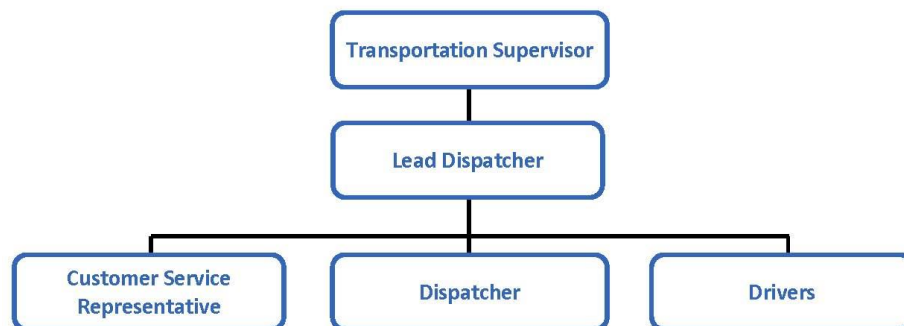
Response to COVID-19 pandemic

In response to the COVID-19 pandemic, the NOR CTSA implemented masks, social distancing, and increased cleaning protocols. Services were prioritized for those clients that needed service the most, including persons traveling to dialysis appointments. A number of NOR drivers did not want to drive during the pandemic, so while demand was lower overall, there were also fewer drivers available. Ridership never fully recovered before the NOR ended public transit operations.

General Management and Organization

Program performance was monitored through monthly reports on trips counts, which were generated electronically by Trapeze. Monthly reports were provided to the Executive Director, with quarterly reports provided to the Board. The CTSA supervisor attended all SSTAC and TTAC meetings, as well as other steering committee or project-related meetings. There was no rider/user advisory committee.

Exhibit 7.1 Organizational Chart



The North of the River Recreation & Park District is governed by a five-member Board of Directors. Members serve four-year terms. Three members of the Board are appointed by the Kern County Board of Supervisors and two are appointed by the City of Bakersfield. Board meetings are held the third Monday of the month at 5:30 p.m. but may be moved to the third Tuesday in the event of a holiday. Board meetings are held at the RiverLakes Community Center (3825 Riverlakes Drive). This location is served by GET Route 61.

During the audit period, the CTSA faced several challenges. The fence around the CTSA office building was cut and catalytic converters and gas were stolen from the vehicles. In response, the NOR installed a new alarm system, cameras, and lighting. Additionally, due to the nature of the door-through-door service offered, NOR's CTSA employees had a higher incidence of worker's compensation claims than any other section of the organization.

The North of the River CTSA's relationship with the Kern COG was positive and effective. The NOR had been attempting to end its role as the CTSA for several years, as it was not in keeping with the organization's core mission. Available funding through TDA was covering less and less of the cost, which resulted in the NOR having to absorb more and more of the administrative costs. The Kern COG had a

difficult time finding an entity to assume the CTSA role. Caltrans helped with the transition of the vehicles from the NOR to GET. Ultimately, the NOR CTSA's service transition to GET spanned more than a year. Once all the details were worked out, the transition went very smoothly.

Initially a lot of the NOR's CTSA customers were not happy and let their drivers know. Fares were raised when GET took over the service, and GET does not offer the same door-through-door service. However, all customers were accommodated. The NOR's drivers were also not pleased about the transition. However, each driver was offered the opportunity to drive for GET, with some choosing to retire.

Service Planning

The NOR and the Kern COG handled all transit planning for the CTSA, primarily as part of the Coordinated Human Services Transportation Plan. CTSA planning is now conducted by GET as part of its short- and long-range planning efforts.

Administration

The CTSA Transportation Supervisor prepared the budget based on historical data and the anticipated TDA allocation, then met with the Executive Director and the Finance Director. The budget was then presented to the Board. The budget was compared with actual revenues and expenditures on a monthly basis. The NOR used Black Mountain Software (BMS) to manage financial data and Trapeze to manage transit performance data. There was no dedicated grant writer; grant preparation is shared between multiple individuals. The Finance department was responsible for the completion of State Controller Reports.

Risk management was the responsibility of the Human Resources department. The CTSA was self-insured under the California Association for Park and Recreation Insurance (CAPRI). The Safety Committee was responsible for reviewing safety practices at least quarterly. The Superintendent of Parks and Facilities was responsible for facility management.

Employees submitted electronic timesheets, which were reviewed and approved by the Transportation Supervisor every two weeks. Approximately 85 percent of employees used direct deposit. Personal information and payroll data are securely managed, with access limited to the Payroll Coordinator and Human Resources.

The CTSA verified the receipt of goods and services by reviewing and signing off packing slips and invoices before issuing payment. Vehicle purchasing was handled by the CTSA supervisor. Approximately 75 percent of vehicles were funded through FTA Section 5310.

Marketing and Public Information

Marketing materials included flyers in English and Spanish as well as a bilingual application. There was also a significant amount of word-of-mouth communication. All vehicles were branded with the CTSA's phone number and website. No advertising is conducted on the buses.

The CTSA website (norfun.org/recreationprograms/ctsa-transportation) was hosted on the main NOR website. It provided general information about the CTSA including links to Title VI documentation, program information, and eligibility application. These documents were provided in both English and

Spanish, although the physician’s report was available in English only. Given the NOR is primarily a recreation and parks district, links to recreation programs dominated the website, making locating the link for transit more challenging than might be desired by some users. The direct link to the Transportation area was located in the drop-down menu for Recreation/Programs.

Complaints were routed to dispatchers, who completed a complaint form documenting identifying information and the details of the complaint. Complaints were typically addressed within 24 hours. Overall public perception of the service was very positive and clients were happy with it.

Scheduling, Dispatch, and Operations

The CTSA was staffed by four full-time and 18 part-time staff. This staffing level was appropriate. Drivers were assigned routes based on a seniority system. Vehicle assignments were based on driver licensing; Class B vehicles required drivers with Class B licenses with a passenger endorsement; vans did not require a Class B license. CTSA drivers had the option to apply for positions with GET during the transition.

CTSA office hours were Monday through Friday, 8:00 a.m. to 5:00 p.m., and riders could call to make a reservation any time during those hours. When the CTSA office was closed an answering service was available.

Customer service calls were routed to dispatch, where eligibility and enrollment was verified. Anyone age 60 and older was automatically qualified. Customers under 60 years of age had to be certified by a physician/healthcare provider. The application process took three to five business days.

Dispatch functions were conducted with the Trapeze Pass software program. No calls, clients, or reason for ride received prioritization. In the event a requested ride time was not available, dispatchers attempted to negotiate alternative times. Given that was not always possible, trip denials were recorded and tracked.

Fares were collected and kept in pouches. Drivers typically collected less than \$300 in cash through fares each day. Two office staff members were involved in the counting and reconciliation process, using driver manifests to compare fare revenue with ridership. Once a pouch was counted, it was placed in an overnight safe. Deposits were made daily via an in-house courier. Punch passes were collected with the last punch and tracked on driver manifests.

Personnel Management and Training

New CTSA drivers were required to be licensed upon hiring and then underwent two weeks of training, which consisted of online and in-classroom training with a senior driver. New drivers completed two weeks of cadetting. In addition, drivers underwent nine hours of fleet program training annually and also received CPR/First Aid training on a biannual basis. Drivers attended monthly safety meetings, “tailgate” safety meetings, and online training.

Driver turnover was minimal, with most leaving due to retirement or taking a higher-paying position. New drivers received performance evaluations at three, six, and 12 months, and then annually thereafter. Drivers were subject to random drug screenings through American Safety Drug Testing in Bakersfield. The CTSA participates in the DMV’s pull-notice program.

Full-time employees received benefits including medical, dental, and vision insurance; CalPERS retirement, disability, worker’s compensation, sick leave, and vacation. Part-time employees accrued personal time off and might also be eligible for medical insurance and CalPERS retirement benefits. The rate of PTO accrual was approximately half that of a full-time employee. Information about benefits, NOR’s disciplinary policy, and absence and tardiness policy were communicated during the employee onboarding process.

Maintenance

The North of the River CTSA operated a fleet of 18 active vehicles with one additional vehicle serving as backup. Active-service vehicles ranged in model years from 2014 through 2019, with capacities ranging from six to fifteen. All vehicles had capacity for at least one wheelchair, and more than half had space for two wheelchairs. Ownership of the vehicles was primarily assigned to CalTrans. All vehicles were gasoline-fueled.

CTSA vehicles were subject to a 4,000-mile preventative maintenance inspection (formerly 3,000 miles, but changed after the service mechanic changed fleet to synthetic engine oil), which was OEM compliant. In addition, vehicles underwent daily pre- and post-trip inspections.

CHP annual terminal inspections included verification of records, including DMV pull notice records, maintenance and lubrication records, periodic safety inspections, drivers’ time records, and daily vehicle inspection reports.

At the end of FY 2021/22, any vehicle GET requested was transferred over. Caltrans assisted with the transfers of ownership. The vehicles GET did not want were either given to other organizations or sold at auction.

Exhibit 7.2 NOR’s Transit Fleet

Vehicle ID#	Year	Make	Vehicle type	Capacity	Status
041	2016	Braun/Dodge	Minivan	5 + 1 WC	Active
042	2016	Braun/Dodge	Minivan	5 + 1 WC	Active
043	2016	Braun/Dodge	Minivan	5 + 1 WC	Active
661	2014	Ford/Starcraft	Type I Bus	6 + 2 WC	Backup
397	2018	Ford/Starcraft	Type I Bus	6 + 2 WC	Active
398	2018	Ford/Starcraft	Type I Bus	6 + 2 WC	Active
399	2019	Ford/Starcraft	Type I Bus	6 + 2 WC	Active
662B	2017	Braun/Dodge	Minivan	5 + 1 WC	Active
663	2017	Braun/Dodge	Minivan	5 + 1 WC	Active
664	2017	Braun/Dodge	Minivan	5 + 1 WC	Active
165	2018	Ford/Starcraft	Type II Bus	12 + 4 WC	Active
166	2018	Ford/Starcraft	Type II Bus	12 + 4 WC	Active
167	2018	Ford/Starcraft	Type II Bus	12 + 4 WC	Active
168	2018	Ford/Starcraft	Type II Bus	12 + 4 WC	Active
310	2019	Braun/Dodge	Minivan	5 + 1 WC	Active
311	2019	Braun/Dodge	Minivan	5 + 1 WC	Active
312	2019	Braun/Dodge	Minivan	5 + 1 WC	Active
315	2019	Braun/Dodge	Minivan	5 + 1 WC	Active
319	2019	Braun/Dodge	Minivan	5 + 1 WC	Active

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Chapter 8 | Findings and Recommendations

Conclusions

With two exceptions, Moore & Associates, Inc. finds North of the River CTSA to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functioned in an efficient, effective, and economical manner.

Findings

Based on discussions with CTSA staff, analysis of program performance, and an audit of program compliance and function, the audit team presents two compliance findings:

1. State Controller Reports were submitted after the stipulated deadline for FY 2019/20 and FY 2021/22.
2. The NOR does not use the TDA definition of full-time equivalent (FTE) employee for reporting to the State Controller.

The audit team has identified no functional findings.

Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the CTSA's public transit program. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

Given there were no functional findings, only compliance findings are presented below.

Compliance Finding 1: State Controller Reports were submitted after the stipulated deadline for FY 2019/20 and FY 2021/22.

Criteria: PUC 99243 requires operators receiving funding under the TDA to submit their Financial Transaction Reports to the State Controller within seven months of the end of the fiscal year.

Condition: In FY 2019/20, the State Controller Report was submitted on February 17, 2021, more than two weeks late. In FY 2021/22, it was submitted on February 14, 2023, also two weeks late.

Cause: In FY 2019/20, the Finance Director was new to the position and did not receive the original letters from the State Controller's Office. As such, he was not aware of the reporting requirement. Once he received the late notice, he contacted the State Controller and submitted the required report. In FY 2021/22, the report was due seven months after the transition to GET, and it was not a priority.

Effect: The reports were submitted late.

Recommendation: None. Since the NOR is no longer operating the CTSA, it is no longer responsible for filing these reports with the State Controller.

Compliance Finding 2: The NOR does not use the TDA definition of full-time equivalent (FTE) employee for reporting to the State Controller.

Criteria: The State Controller, for its Transit Operator Financial Transaction Report, utilizes the TDA definition of full-time equivalent (FTE) employee for the reporting of employees. This definition, included as part of PUC 99247, calls for a definition of “employee” as total work hours divided by 2,000.

Condition: While information from the prior audit was forwarded to the General Manager and Finance Director, it was not implemented.

Cause: The cause of this was unknown.

Effect: The NOR did not use the TDA definition of FTE in its State Controller Reports.

Recommendation: None. Since the NOR is no longer operating the CTSA, it is no longer responsible for providing this information to the State Controller.