



# TDA Triennial Performance Audit FY 2018/19 - FY 2020/21

## City of Taft

Kern Council of Governments  
Final Report  
September 2023





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## Chapter 1 | Executive Summary

In Spring 2023, the Kern Council of Government (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 the City of Taft 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 City of Taft's public transit program for the period:

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

The Taft Area Transit (TAT) service area includes Taft city limits as well as the unincorporated communities of Ford City, South Taft, and Taft Heights. The service provides a combined general public/ADA complementary Dial-A-Ride service, as well as limited (three trips per day) service to the neighboring city of Maricopa. TAT does not operate on designated holidays.

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. Moore & Associates believes the evidence obtained provides a reasonable basis for our 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 City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents two compliance findings:

1. On-time submittal of State Controller Reports for FY 2018/19 and FY 2020/21 could not be verified.
2. The City has not completed a TDA fiscal audit for any year of the audit period.

#### 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. Use the TDA definition in calculating FTE for reporting to the State Controller.  
**Status:** Implemented.
2. The City should work with its fiscal auditors (both for the City and for TDA) to clearly identify fare revenues separately from local supplementation in its audit reports  
**Status:** Implementation in progress.
3. The City should work with Kern COG to ensure claims for all available TDA funds are filed in a timely manner.  
**Status:** Not implemented.

#### Findings and Recommendations

Based on discussions with City staff, analysis of program performance, and a review of program compliance and function, the audit team submits the aforementioned compliance findings for the City of Taft:

1. On-time submittal of State Controller Reports for FY 2018/19 and FY 2020/21 could not be verified.
2. The City has not completed a TDA fiscal audit for any year of the audit period.

The audit team has identified no functional findings.

In completing this Triennial Performance Audit, we submit the following recommendations for the City of Taft's public transit program. They have been 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 triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure cover pages of State Controller Reports are downloaded and documented.	Medium	FY 2023/24
2	Work with the City and its auditors to complete TDA fiscal audits.	High	ASAP

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## Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the City of Taft’s public transit program covers the three-year period ending June 30, 2021. 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 the City 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 the City of Taft 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

The methodology for the Triennial Performance Audit of the City of Taft included thorough review of documents relevant to the scope of the audit, as well as information contained on City's website. The documents reviewed included the following (spanning the full three-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 City representatives on July 26, 2023. The audit team met with Teresa Binkley (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 City of Taft’s 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. The City 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 City 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 City of Taft:

1. On-time submittal of State Controller Reports for FY 2018/19 and FY 2020/21 could not be verified.
2. The City has not completed a TDA fiscal audit for any year of the audit period.

### 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: <i>Not provided</i> FY 2019/20: February 16, 2021 FY 2020/21: <i>Not provided</i>
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	Finding	TDA fiscal audits have yet to be completed.
Operator’s terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	March 14, 2018 March 13, 2019 March 25, 2020 April 8, 2021
Operator’s claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	The City has yet to submit claims for the years of the audit period.
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: -1.80% FY 2019/20: -2.89% FY 2020/21: +10.91%  <i>Source: State Controller Reports, FY 2018 – FY 2020.</i>
The operator’s definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
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 FY 2015/16 claim dated 5/15/2019.

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	In compliance	FY 2018/19: 12.02% FY 2019/20: 11.69% FY 2020/21: 9.13% (waived)  <i>Source: State Controller Reports, FY 2019 – FY 2021.</i>
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	Not applicable	
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	Retirement benefits are offered through the state’s Public Employee Retirement System (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)	In compliance	
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	In compliance	In FY 2020, the City did not pass either efficiency test. As such, 11.41% of its STA claim for that year must be reserved for capital purposes.

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 City of Taft 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. [Use the TDA definition in calculating FTE for reporting to the State Controller.](#)

**Discussion:** During the prior audit period, the City continued to calculate FTE using vehicle service hours rather than actual labor hours derived from payroll records or position allocations. This finding and recommendation were carried forward from the prior triennial performance audit.

The prior auditor explained the City should use payroll records to document the total amount of time spent on transit by all employees, and use that figure (divided by 2,000) to calculate FTE for reporting to the State Controller. This should include drivers and dispatchers as well as those who provide customer service, maintenance, reporting, grant preparation, administration, etc. If payroll data is not available, then the number of hours could be estimated based on the percentage of a position that is dedicated to transit. If necessary, City hours could be estimated based on the Transit FTE identified in the City’s staffing plan. FTE should be rounded to the nearest whole number using the standard rules for rounding. The prior auditor noted it is important to be able to demonstrate how the figure was calculated and that it reflects the TDA definition.

**Progress:** City provided its FTE calculation methodology that demonstrated it was using the correct definition as well as reporting this information correctly on its State Controller Reports.

**Status:** Implemented.

2. [The City should work with its fiscal auditors \(both for the City and for TDA\) to clearly identify fare revenues separately from local supplementation in its audit reports.](#)

**Discussion:** In FY 2015/16 and FY 2016/17, the City began applying additional local revenues to its fare revenue, thereby resulting in farebox recovery ratios well in excess of the 10 percent requirement. However, this additional revenue is not reported as such on the State Controller Report or the NTD report, and City’s CAFR and TDA fiscal audits do not distinguish between actual fare revenues and this additional supplemental revenue when calculating the farebox recovery ratio for program compliance.

The prior auditor recommended identifying these revenues separately on fiscal audits will provide a clearer picture of the revenues actually produced through fares as well as the extent to which

the City has to supplement the system. These revenues should also be reported to the NTD and State Controller to the degree possible given the format of those reports.

**Progress:** The City has yet to complete any TDA fiscal audits for the years included in this audit. However, the Finance Director has passed this recommendation to the fiscal auditors.

**Status:** Implementation in progress.

3. The City should work with Kern COG to ensure claims for all available TDA funds are filed in a timely manner.

**Discussion:** At the end of the prior audit period, Kern COG held unclaimed TDA funds for FY 2014/15 and FY 2015/16 on behalf of the City of Taft. The City filed its FY 2014/15 claim on April 6, 2016, and intended to file its FY 2015/16 claim as soon as Kern COG could confirm its remaining balance. However, as of December 2018, no additional TDA claims had been filed with Kern COG. The City should complete any unfiled claims for TDA funds and submit to Kern COG.

**Progress:** The TDA claim for FY 2015/16 was filed on May 15, 2019. The City did not provide any further evidence that it had submitted any other claims, though the Finance Director believes claims have been submitted through FY 2017/18. City fiscal audits have been completed through FY 2018/19, but the TDA audit has not yet been completed.

**Status:** Not implemented.

## 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 City of Taft both internally as well as to outside entities during the audit period.

- **Operating cost:** There were modest variances (ranging from 1.5 percent to 9.3 percent) in most of the reported operating cost for all years of the audit period. In FY 2020/21, the cost reported to the NTD was less than half that reported elsewhere. The City noted that in preparing the NTD report, they were asked to revise the report to make the expenses match the revenues. It was told it could not report any excess expenditures. As such, the operating expenses reported were significantly lower, as the City has not been able to claim any TDA funds due to audits not being completed.
- **Fare Revenue:** Fare revenue reported to the NTD and the State Controller was consistent but higher than that reported on the monthly performance reports. It appears that the fares received as noted on the monthly reports do not include pass sales (which are reported as revenue in the budget vs. actual reports).
- **Vehicle Service Hours (VSH):** VSH was consistently reported in FY 2018/19 and FY 2019/20. In FY 2020/21, there was a slight variance between the three reports (the greatest of which was approximately six percent).
- **Vehicle Service Miles (VSM):** VSM was consistently reported in FY 2018/19 and FY 2019/20. In FY 2020/21, there was a slight variance between the NTD report and the other two reports (approximately six percent).
- **Passengers:** Ridership reported to the NTD was consistently lower than that reported elsewhere. This variance ranged from 9.1 percent to 14.5 percent across the three years. The City noted that Maricopa riders are not reported to the NTD, and that Maricopa is supposed to be doing its own reporting (since it contracts with the City for service).

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2018/19	FY 2019/20	FY 2020/21
<b>Operating Cost (Actual \$)</b>			
<i>City of Taft CAFR/ACFR</i>	\$570,383	<i>Not provided</i>	<i>Not provided</i>
<i>Monthly Performance Reports</i>	\$550,461	\$537,998	\$522,385
<i>National Transit Database</i>	\$550,497	\$538,644	\$220,250
<i>State Controller Report</i>	\$558,687	\$587,812	\$570,098
<b>Fare Revenue (Actual \$)</b>			
<i>Monthly Performance Reports</i>	\$38,065	\$42,166	\$37,273
<i>National Transit Database</i>	\$66,151	\$68,724	\$52,068
<i>State Controller Report</i>	\$67,138	\$68,724	\$52,073
<b>Vehicle Service Hours (VSH)</b>			
<i>Monthly Performance Reports</i>	7,376	7,118	5,374
<i>National Transit Database</i>	7,376	7,118	5,320
<i>State Controller Report</i>	7,376	7,118	5,649
<b>Vehicle Service Miles (VSM)</b>			
<i>Monthly Performance Reports</i>	73,039	69,366	54,454
<i>National Transit Database</i>	73,039	69,366	51,171
<i>State Controller Report</i>	73,039	69,366	54,454
<b>Passengers</b>			
<i>Monthly Performance Reports</i>	36,720	36,726	25,106
<i>National Transit Database</i>	33,514	33,650	21,923
<i>State Controller Report</i>	36,720	36,726	25,106
<b>Full-Time Equivalent Employees</b>			
<i>State Controller Report</i>	7	6	5



## 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 6667<sup>1</sup>. 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 period<sup>2</sup>:

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<sup>1</sup> 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.

<sup>2</sup> 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.<sup>3</sup> 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.

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<sup>3</sup> 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 City of Taft, 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 to the FTA via the National Transit Database and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses. However, the variance between reports called into question which one accurately reflects the costs for the City's transit services.
- 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.
- Vehicle Service Hours (VSH) data were obtained via State Controller Reports for each fiscal year covered by this audit. The City calculates VSH using driver trip sheets. The City'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 City 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 City'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 confirmed.

### System Performance Trends

System-wide, operating cost experienced a net 2.0 percent increase during the audit period, but a 17.5 percent net decrease across the six-year period. Fare revenue experienced large increase in FY 2017/18 (152.3 percent) before decreasing significantly in FY 2018/19 and FY 2020/21. Fare revenue decreased 22.4 percent during the audit period.

Vehicle Service Hours (VSH) decreased every year of the six-year period. VSH saw a net 50.2 percent decrease over the six-year period. A similar pattern was also observed with respect to Vehicle Service Miles (VSM), which had a net 56.9 percent decrease over the six-year period. Ridership decreased two years of the audit period with the most significant decline occurring in FY 2020/21 due to the COVID-19 pandemic. Overall, ridership experienced a net decrease of 31.6 percent during the audit period, and 5.0 percent across the six-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 increased significantly during the audit period, reflective of a decline in efficiency. Productivity also declined, 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
<b>Operating Cost (Actual \$)</b>	\$690,654	\$653,989	\$681,013	\$558,687	\$587,812	\$570,098
<i>Annual Change</i>		-5.3%	4.1%	-18.0%	5.2%	-3.0%
<b>Fare Revenue (Actual \$)</b>	\$44,423	\$47,898	\$120,861	\$67,138	\$68,724	\$52,073
<i>Annual Change</i>		7.8%	152.3%	-44.5%	2.4%	-24.2%
<b>Vehicle Service Hours (VSH)</b>	11,354	9,042	7,495	7,376	7,118	5,649
<i>Annual Change</i>		-20.4%	-17.1%	-1.6%	-3.5%	-20.6%
<b>Vehicle Service Miles (VSM)</b>	126,372	98,346	73,366	73,039	69,366	54,454
<i>Annual Change</i>		-22.2%	-25.4%	-0.4%	-5.0%	-21.5%
<b>Passengers</b>	26,435	30,777	37,998	36,720	36,726	25,106
<i>Annual Change</i>		16.4%	23.5%	-3.4%	0.0%	-31.6%
<b>Employees</b>	8	6	4	7	6	5
<i>Annual Change</i>		-25.0%	-33.3%	75.0%	-14.3%	-16.7%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$60.83	\$72.33	\$90.86	\$75.74	\$82.58	\$100.92
<i>Annual Change</i>		18.9%	25.6%	-16.6%	9.0%	22.2%
<b>Operating Cost/Passenger (Actual \$)</b>	\$26.13	\$21.25	\$17.92	\$15.21	\$16.01	\$22.71
<i>Annual Change</i>		-18.7%	-15.7%	-15.1%	5.2%	41.9%
<b>Passengers/VSH</b>	2.33	3.40	5.07	4.98	5.16	4.44
<i>Annual Change</i>		46.2%	48.9%	-1.8%	3.6%	-13.9%
<b>Passengers/VSM</b>	0.21	0.31	0.52	0.50	0.53	0.46
<i>Annual Change</i>		49.6%	65.5%	-2.9%	5.3%	-12.9%
<b>Farebox Recovery</b>	6.4%	7.3%	17.7%	12.0%	11.7%	9.1%
<i>Annual Change</i>		13.9%	142.3%	-32.3%	-2.7%	-21.9%
<b>Hours/Employee</b>	1,419.3	1,507.0	1,873.8	1,053.7	1,186.3	1,129.8
<i>Annual Change</i>		6.2%	24.3%	-43.8%	12.6%	-4.8%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$5.47	\$6.65	\$9.28	\$7.65	\$8.47	\$10.47
<i>Annual Change</i>		21.7%	39.6%	-17.6%	10.8%	23.5%
<b>VSM/VSH</b>	11.13	10.88	9.79	9.90	9.75	9.64
<i>Annual Change</i>		-2.3%	-10.0%	1.2%	-1.6%	-1.1%
<b>Fare/Passenger</b>	\$1.68	\$1.56	\$3.18	\$1.83	\$1.87	\$2.07
<i>Annual Change</i>		-7.4%	104.4%	-42.5%	2.3%	10.8%

*Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.  
 FY 2018/19 – FY 2020/21 data from State Controller Reports.*

Exhibit 6.2 System Ridership

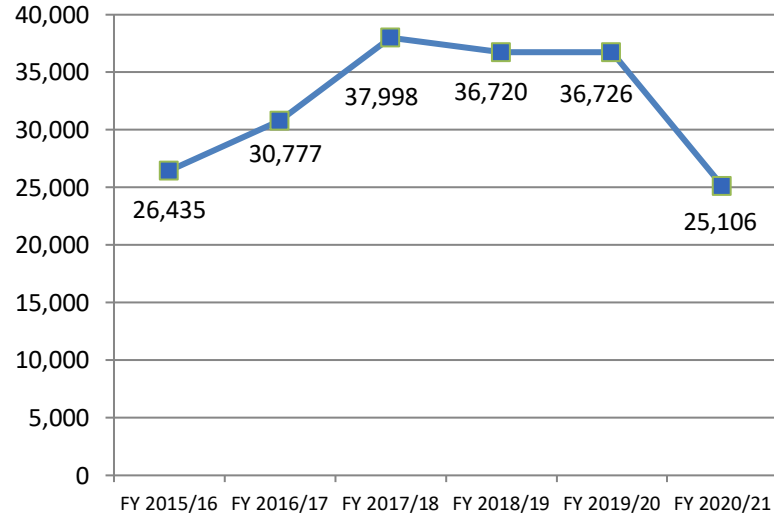


Exhibit 6.3 System Operating Cost/VSH

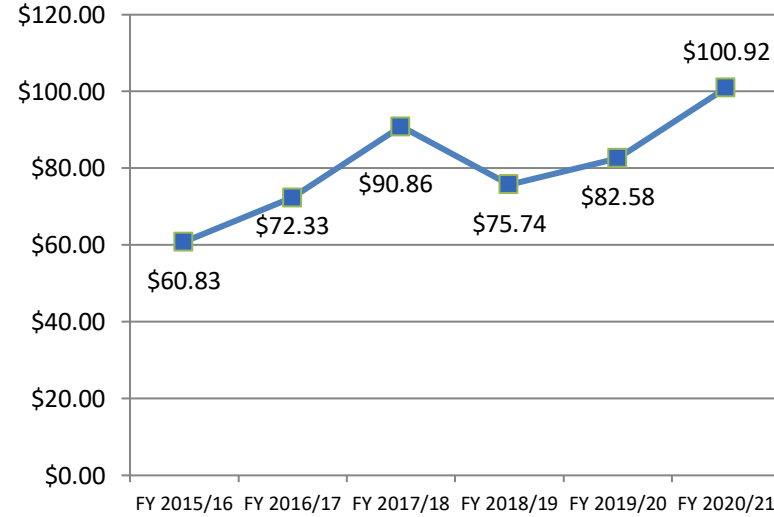


Exhibit 6.4 System Operating Cost/VSM

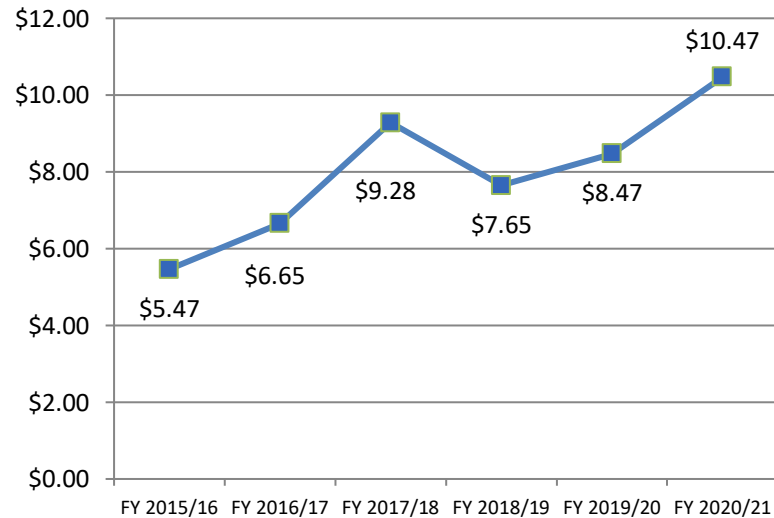


Exhibit 6.5 System VSM/VSH

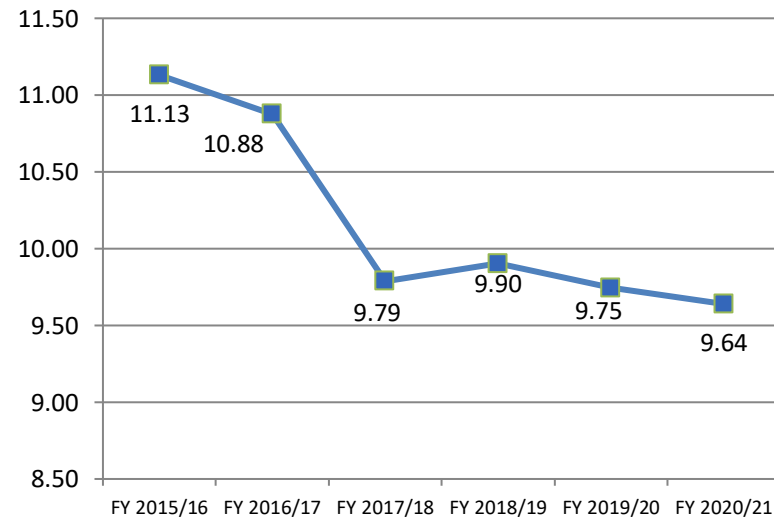


Exhibit 6.6 System Operating Cost/Passenger

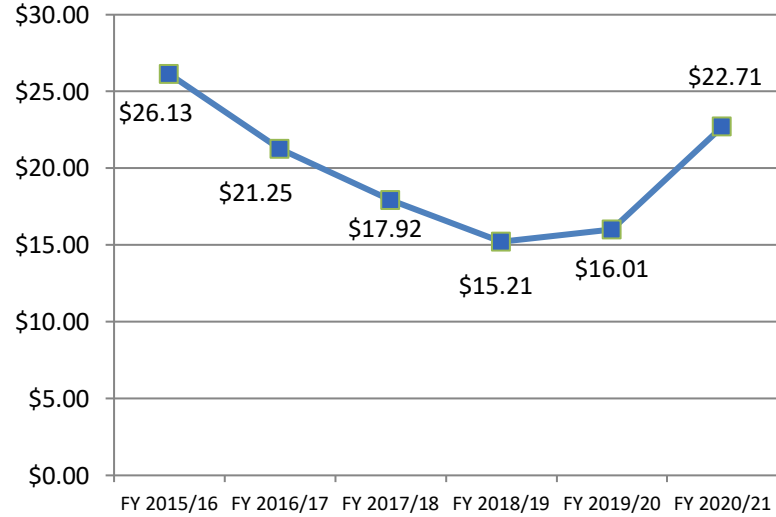


Exhibit 6.7 System Passengers/VSH

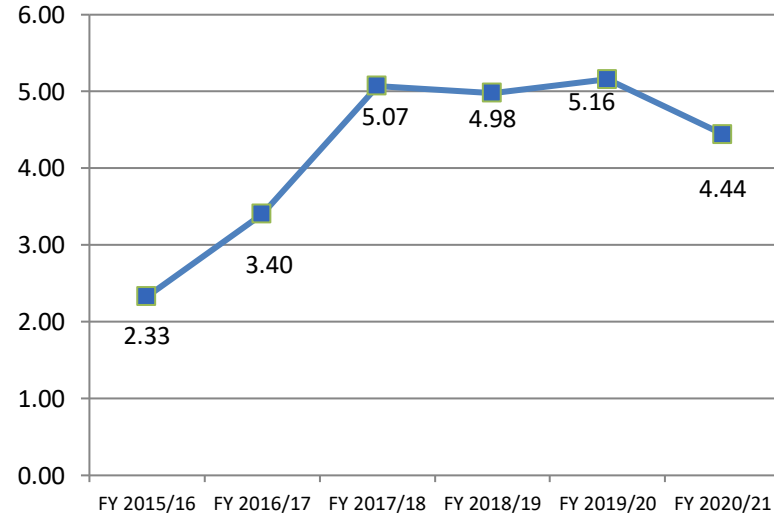


Exhibit 6.8 System Passengers/VSM

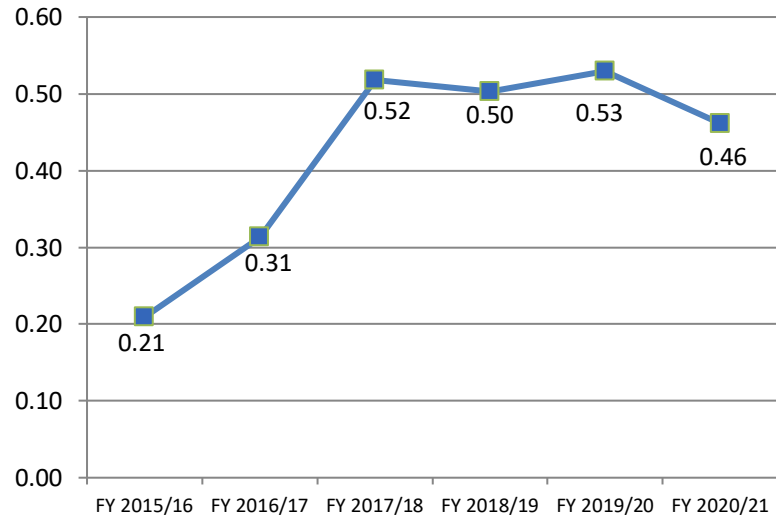


Exhibit 6.9 System VSH/FTE

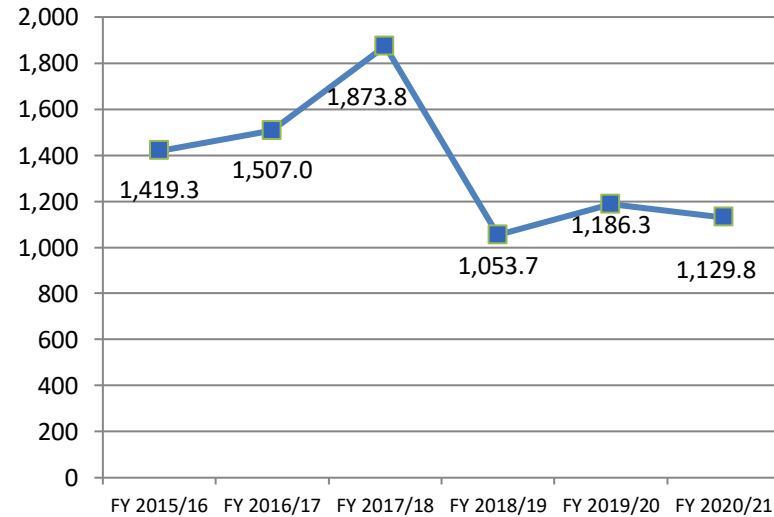


Exhibit 6.10 System Farebox Recovery

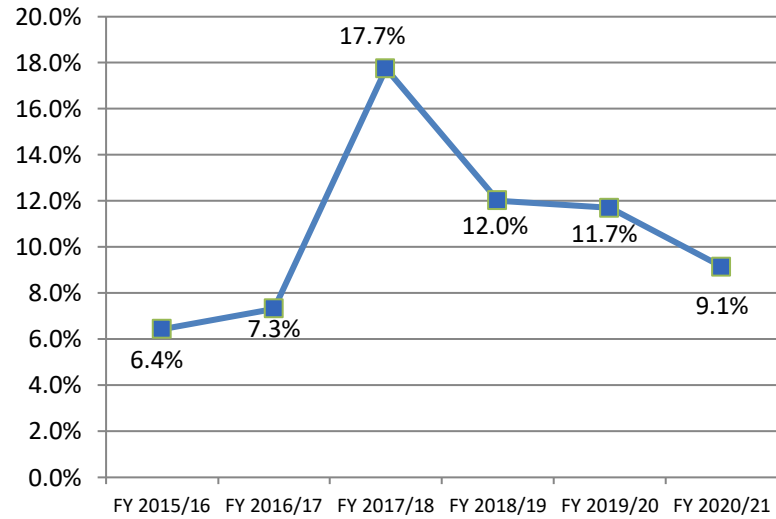
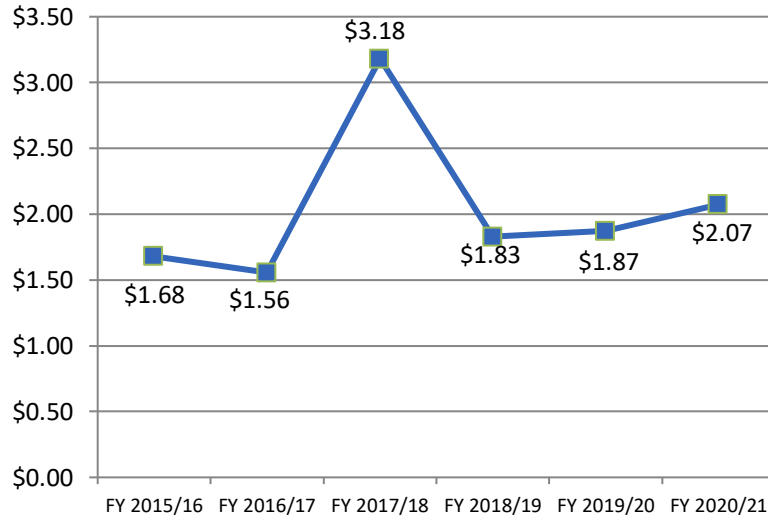


Exhibit 6.11 System Fare/Passenger



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## Chapter 7 | Functional Review

A functional review of the City of Taft’s public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the City’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 City 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

The City of Taft, located in the western portion of Kern County, covers an area just over 15.1 square miles. The Taft Area Transit (TAT) service area includes Taft city limits as well as the unincorporated communities of Ford City, South Taft, and Taft Heights. The service provides a combined general public/ADA complementary Dial-A-Ride service, as well as limited (three trips per day) service to the neighboring city of Maricopa. In addition, inter-community bus service is provided by Kern Transit, connecting Taft with other areas of Kern County, including Bakersfield.



Dial-A-Ride is a reservation-based, shared-ride service that operates within the City of Taft. Dial-A-Ride hours of operation are Monday through Friday, 7:15 a.m. to 5:30 p.m. and Saturday, 10:15 a.m. to 2:30 p.m. The Maricopa-Taft service operates three trips per day, Monday through Friday, from 7:12 a.m. to 6:05 p.m. TAT does not operate on designated holidays. All services are available to the general public.

Fares are paid in cash, or by purchase of 12-trip passes. The fare structure as of December 2018 is outlined in Exhibit 7.1.

Exhibit 7.1 Taft Area Transit Fares

Type	Fare
Dial-A-Ride	
General	\$2.50
General 12-Trip Pass	\$25.00
Senior/ADA	\$1.75
Senior/ADA 12-Trip Pass	\$17.50
Children under 5	Free (with paying adult)
ADA Attendant	Free (with paid registered ADA passenger)
Taft – Maricopa service	
General Public Cash Fare	\$2.00
Senior/ADA/Youth	\$2.00
Children under 5	Free (with paying adult)
ADA Attendant	Free (with paid registered ADA passenger)

**Response to COVID-19 pandemic**

The City of Taft continued to operate its regular service throughout the pandemic. Mask mandates, updated cleaning measures, and limited passenger capacity were implemented to keep the drivers and passengers safe. The cleaning measures are still in effect; however, the other changes ceased as COVID restrictions were lifted.

City hall staff worked remotely and learned to adapt to changes in lines of communication. Transit continued to operate but had to cover shifts when short-staffed due to illness. While some drivers got sick or had to isolate due to exposure, the service never shut down. Ridership was down due to the stay-at-home orders, but those who needed rides were getting them.

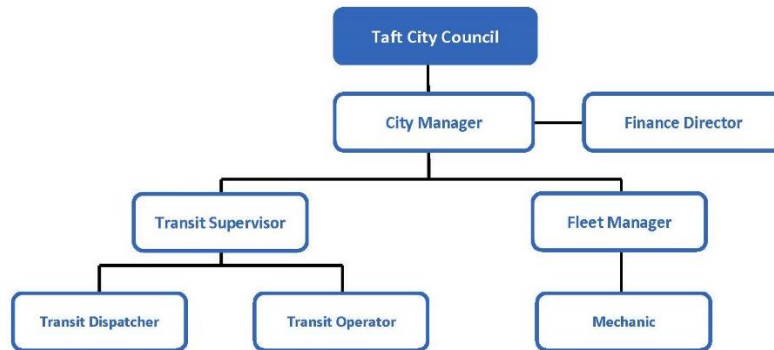
**General Management and Organization**

The Transit Supervisor oversees the Transit program with oversight from the Taft City Manager and the Finance Department. The Transit Supervisor or Dispatcher prepares a daily report detailing the number of rides, missed trips, no shows, etc. Finance accesses this data from the server and adds the financial information. These reports are reviewed by the Finance Director. The City’s transit program is structured and staffed appropriately.

The City has a good relationship with the Kern COG. It worked with the Kern COG to get funding for a new transit facility, which includes a solar project to start converting to battery-electric buses. The City Manager is the primary liaison with other governmental organizations, while the Finance Director serves as the alternate for KernCOG TTAC meetings. The City is a member of CalACT.

The Taft City Council is the governing body for the City’s transit service. Council meetings are held at City Hall (209 E. Kern Street) on the first and third Tuesdays of each month at 6:00 p.m. There is no citizen’s advisory council. The city council has not expressed any concerns regarding transit.

Exhibit 7.2 Organizational Chart



### Service Planning

The Kern Council of Governments (RTPA) is responsible for transit planning for the City of Taft through the periodic development of a Short Range Transit Plan (SRTP) or Transit Development Plan (TDP). The City's most recent TDP was completed in April 2015. Kern COG is in the process of identifying grants to fund updates to outdated planning efforts.

The City's future goals include converting to an electric fleet and installing solar panels and electric vehicle charging stations at the Transit Center as well as reducing overall operating costs. This goal is currently included as part of the City's Congestion Mitigation and Air Quality (CMAQ) improvement project.

### Administration

The budgeting process begins in March. The City Manager, Finance Director, and Transit Supervisor have input on the transit budget, which is ultimately presented to and adopted by the City Council. The City conducts monthly, quarterly, and annual reviews of budgeted versus annual revenues and expenditures. This information is reported to the city council annually. Tyler Munis software is used to manage the City's financial data.

The Finance Director is responsible for grant writing and administration. Grant applications are based on needs and funds available. The City only applies for grants it can successfully complete and for which it has funds to meet the required local match. The City Clerk assists with grant writing as needed, and the City occasionally uses outside assistance for grants as well. Grants management is assigned to various staff members, depending on the type of grant. The Finance Director handles all Section 5311 claims, LCTOP, and State of Good Repair.

Risk management is handled by the Human Resources department. Accidents and injuries are reported to Human Resources. Injuries are also reported to a Workers' Compensation nurse call line. The City is a member of the Central San Joaquin Valley Risk Management Authority (CSJVRMA) insurance pool. Human Resources is responsible for reviewing safety practices on an annual basis. A disaster preparedness plan is in place and is managed by the County Fire Department. Taft Area Transit and/or Kern Transit could be called upon to provide transportation when necessary.

Given the City's transit service is provided in-house, there is no contract management required. The City has revenue contracts with Kern County and the City of Maricopa. The City Manager and Transit Supervisor oversee maintenance and cleaning of the Transit Center.

Payroll is based on physical timesheets, which are submitted every two weeks. Timesheets are approved by the Transit Supervisor and the City Manager before going to Finance for processing. Approximately 79 percent of transit employees utilize direct deposit. Access to personal and payroll information is limited to the Finance Director and Payroll Clerk.

Accounts payable is a separate function from purchasing. All goods/services are verified before payment is processed. A Purchasing Agent orders and receives orders for the City, and sends invoices to the appropriate department for approval before sending to accounts payable for payment. Procurement of two new cutaway buses was handled by the Finance Director. The City typically uses the State of California bid for vehicle purchases, though a battery-electric bus was procured through the CalACT bid due to a lack of electric vehicles on the State bid.

#### Marketing and Public Relations

The City does little marketing. It used to advertise in the weekly newspaper. All buses are branded with the transit phone number. The City's primary promotional tool is its bilingual brochure (English/Spanish), which is available at city hall, the transit center, and the Human Resources career center. Transit information is also available on the City's website. The website is in English only, though the ADA/Senior Dial-A-Ride Application Form and Title VI Notice to the Public, Complaint Procedure, and Complaint Form are available for download in Spanish. The City has not done any advertising or promotional campaigns.

Customer service calls are received by the transit department and calls are logged. There are very few complaints, which can be submitted by email or verbally. Any verbal complaints are documented. Overall, public perception of the City's transit program is positive, especially among those who use the service.

#### Scheduling, Dispatch, and Operations

The City currently has four full-time drivers (including the Transit Supervisor and Dispatcher) and two part-time drivers. This is considered fully staffed. Drivers are represented by the Service Employees International Union (SEIU) Local #521. The Transit Supervisor is represented by the Management/Supervisory/Confidential Compensation Plan. The part-time drivers are assigned part-time shifts as well as used for coverage in case of absences or vacation. Some part-time drivers progress into full-time positions, while others prefer to remain part-time. The City is always open to hiring more part-time drivers, though it has difficulty finding qualified candidates.

Absences are covered by part-time drivers, or can be covered by the Transit Supervisor or Dispatcher if needed. Employees are expected to notify transit as soon as they know they will be unable to work their regular shift. Outside of last-minute emergencies, one-day advance notice is requested.

Cutaways are equipped with manual fareboxes that are counted by the driver daily. Minivans are not equipped with fareboxes, but are rarely used for revenue service and mostly as supervisor/rescue vehicles. After the driver counts the fares, the Transit Supervisor recounts against the manifests. If fares come in late in the day, they are locked up and counted the next morning. Fares and total ridership are

combined and brought to City Hall, where they are counted again. At the end of the month the Finance Director takes the monthly report and compares expected versus actual fares. Non-cash fare media is sold at City Hall. The City does not offer mobile ticketing.

#### Personnel Management and Training

The City is recruiting enough drivers to meet its needs. However, it is always recruiting for new part-time drivers. Recruitment methods include social media, online and print advertisements, and word-of-mouth. A commercial license is preferred, though the City has had to provide training and licensing due to challenges in recruiting. Whether the City hires a driver without a commercial license depends on the candidate and what kind of commitment they will make.

The City holds employee appreciation events, but does not offer incentives. Turnover is about average, with no consistent reason for leaving. Performance evaluations are conducted after the first six months, then annually thereafter. Training is contracted out to a certified Bus Driver Trainer licensed by the State of California. The City uses the DMV for any driver's license testing.

Human Resources oversees the safety program. The City complies with all drug and alcohol testing and DAMIS reporting requirements.

All drivers are City employees, and are eligible for benefits based on the City's compensation structure. Full-time employees are eligible for vacation, sick time, medical, vision, life insurance, retirement (CalPERS), and deferred compensation with City match. Part-time employees are eligible for sick leave. Benefits are communicated during employee onboarding as well as when any changes are made. All City employees are subject to the same personnel and discipline rules. These are detailed in the City Policies and Procedures and the City Employee Handbook, and are communicated during employee onboarding.

#### Maintenance

Maintenance is provided at the City's central garage. The garage is an enclosed shop with three bays and is shared with other City vehicles. Its equipment includes a four-post lift, brake lathe, tire machine, and balancing machine. The parts room is secured, with only the Fleet Manager and Mechanic having access. It is the City's policy to keep very few (sometimes just one) of each item and replace it once that item is used, rather than maintaining and securing a large parts inventory. Parts that are not in stock can typically be procured within a day. The City has had difficulty obtaining certain parts due to supply chain issues which will add a day or two of down time.

Warranty repairs are effectively identified. The City sends out major repairs, major engine issues, and major transmission repairs to a local repair shop (Motor City GMC) as it does not have the proper equipment to do these repairs in-house.

Drivers maintain a daily vehicle log where they track mileage and any mechanical issues. The Transit Supervisor and Maintenance Shop Supervisor communicate daily regarding any reported issues and preventative maintenance needs. The preventative maintenance schedule uses a time and mileage combination based on the manufacturer's recommendations; 3,000 miles for lube/oil/fluids and 45 days for CHP (this is typically closer to 30 days).

All buses that are down or that have been identified for preventive maintenance are placed in the yard at the City garage so they are not available for service. Transit and police are the garage’s most highly prioritized fleets in getting vehicles repaired and back into service. When an out-of-service vehicle is available for use, maintenance contacts the Transit Supervisor and either Transit picks up the vehicle or the Fleet Manager delivers it to the Transit yard.

The City has one transit center bus shelter, located at the corner of Fifth and Center. It serves Taft Transit as well as Kern Transit. All Taft transit vehicles are stored at the transit center/facility. It is maintained by City staff.

The City’s fleet consists of nine gas-powered vehicles: two Dodge Caravan minivans and seven Chevy cutaways. All vehicles are cross-utilized. A fleet inventory is provided in Exhibit 7.3.

**Exhibit 7.3 Fleet Inventory**

Agency ID #	Year	Make	Model	PAX	Fuel	Status
T-19	2010	Dodge	Braun Entervan	6	Gas	Active
T-20	2010	Dodge	Braun Entervan	6	Gas	Active
T-21	2011	Chevy	Eldoardo Aero Elite	8	Gas	Active
T-22	2011	Chevy	Eldoardo Aero Elite	8	Gas	Active
T-23	2011	Chevy	Eldoardo Aero Elite	8	Gas	Active
T-24	2016	Chevy	Glaval Titan II	12	Gas	Active
T-25	2016	Chevy	Glaval Titan II	12	Gas	Active
T-26	2019	Chevy	Glaval	12	Gas	Active
T-27	2019	Chevy	Glaval	12	Gas	Active

## Chapter 8 | Findings and Recommendations

### Conclusions

With two exceptions, Moore & Associates finds the City of Taft to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner.

### Findings

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

1. On-time submittal of State Controller Reports for FY 2018/19 and FY 2020/21 could not be verified.
2. The City has not completed a TDA fiscal audit for any year of the audit period.

The audit team has identified no functional findings.

### Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the City of Taft'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 are no functional findings, only compliance findings and recommendations are provided.

### Compliance Finding 1: On-time submittal of State Controller Reports for FY 2018/19 and FY 2020/21 could not be verified.

**Criteria:** PUC 99243 requires operators receiving funding under Article 4 to submit their Financial Transaction Report to the State Controller within seven months of the end of the fiscal year. While Article 8 recipients submit this form as well, compliance with the deadline is not stated as a condition of compliance with Article 8. However, since the deadline is established by the State Controller's Office, it should be treated as a hard deadline and complied with.

**Condition:** Cover pages for the FY 2018/19 and FY 2020/21 State Controller Reports were not submitted as part of this audit. As such, on-time submittal could not be verified.

**Cause:** Without determining whether the reports were submitted late, a cause cannot be assessed.

**Effect:** Absent confirmation of on-time submittal, the City is deemed out of compliance.

**Recommendation:** Ensure cover pages of State Controller Reports are downloaded and documented.

**Recommended Action:** The City should ensure that cover pages are downloaded once the State Controller’s Reports are submitted via the State Controller’s online platform. These cover pages are timestamped with the date and time of the original submittal. They should be provided to the audit team as part of the next Triennial Performance Audit.

**Timeline:** FY 2023/24.

**Anticipated Cost:** None.

**Compliance Finding 2: The City has not completed a TDA fiscal audit for any year of the audit period.**

**Criteria:** PUC 99245 requires all Article 4 recipients to submit an annual fiscal audit to the State Controller within 180 days of the end of the fiscal year. The RTPA has the authority to extend the deadline for another 90 days, typically to March 31. Audits for the prior fiscal year must be completed before TDA claims for the next fiscal year can be filed.

**Condition:** At present, the City’s annual fiscal audits have not been completed, and the TDA fiscal audits cannot be completed until the City’s audits are finalized. The last TDA claim submitted by the City of Taft as part of this audit was for FY 2015/16, though the City believes it may have submitted claims through FY 2017/18.

**Cause:** The City has yet to complete City fiscal audits from FY 2019/20 onward, or finalize the TDA fiscal audit from FY 2018/19.

**Effect:** The City cannot complete its TDA fiscal audits until the City’s audits are completed.

**Recommendation:** Work with the City and its auditors to complete TDA fiscal audits.

**Recommended Action:** Work with the City and its auditors to ensure the fiscal audits can be completed as soon as possible. Once the required audits are completed, submit delinquent TDA claims according to the Kern COG’s claim procedures. The goal should be to get back on schedule for on-time completion of audits by FY 2024/25.

**Timeline:** As soon as possible.

**Anticipated Cost:** None.

**Exhibit 8.1 Audit Recommendations**

TDA Compliance Recommendations		Importance	Timeline
1	Ensure cover pages of State Controller Reports are downloaded and documented.	Medium	FY 2023/24
2	Work with the City and its auditors to complete TDA fiscal audits.	High	ASAP



