City of Ripon
Triennial Performance Audit FY 15/16 - 17/18
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Chapter 1
Executive Summary

In 2018, SJCOG selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the seven transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to complete an independent 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 Ripon 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 Ripon’s public transit program for the period Fiscal Year 2015/16 through Fiscal Year 2017/18.

The City of Ripon provides bus service within city limits and connecting to Modesto. The Blossom Express fixed-route service operates two days each week (Tuesday and Thursday), providing two morning and two afternoon round trips between Ripon and Modesto. Demand-response service is provided through an agreement with Bethany Home, which organizes volunteer drivers for a scheduled group trip on Wednesday and on-call service other days of the week.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require 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*. 
City of Ripon
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The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Follow-up of prior report recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

Test of Compliance
Moore & Associates concludes the City of Ripon complies with the Transportation Development Act (TDA) regulations in an efficient and effective manner.

Status of Prior Recommendations

1. Accurately calculate Full-Time Equivalents according to PUC guidelines.
   **Status:** Implemented.

Findings and Recommendations

Based on discussions with City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

Moore & Associates has identified three functional findings. While these findings do not affect TDA compliance, we feel they are significant enough to be addressed within this audit.

1. LTF should not be counted as “local sales tax” on the State Controller’s supplemental report.
2. Operating cost/expenses as reported on the TDA claim, to the State Controller, and in the TDA fiscal audit should be generally consistent with one another.
3. Transit vehicles appear to be missing the Title VI Notice to the Public, which should be displayed onboard.

<table>
<thead>
<tr>
<th>Functional Recommendations</th>
<th>Importance</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Do not count funds that are allocated through the TDA (whether LTF or STA) as local revenue for the purpose of fare revenue supplementation.</td>
<td>High</td>
<td>FY 2018/19</td>
</tr>
<tr>
<td>2. Use the same methodology for calculating operating cost for all reports.</td>
<td>High</td>
<td>FY 2019/20</td>
</tr>
<tr>
<td>3. Post the Title VI Notice to the Public in all transit vehicles.</td>
<td>High</td>
<td>FY 2018/19</td>
</tr>
</tbody>
</table>
Chapter 2
Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the City of Ripon’s public transit program covers the three-year period ending June 30, 2018. 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 2018, SJCOG selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the seven transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the City of Ripon 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 transit operator to which it allocates TDA funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require 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.

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 has five primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Review the accuracy of data reporting;
4. Evaluate the efficiency and effectiveness of the transit operator; and
5. 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 Ripon included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. An assessment of the implementation of recommendations contained in prior performance audits.
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. 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.
5. 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 Ripon included thorough review of documents relevant to the scope of the audit, as well as information contained on the City’s website. The documents reviewed included the following (spanning the full three-year period):

- Triennial Performance Audit report for the prior audit period;
- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- Accident/road call logs;
- Customer complaint logs;
- Short Range Transit Plan; and
- Organizational chart.
The methodology for this review included a site visit to Ripon City Hall, located at 259 Wilma Ave., Ripon, as well as the City’s Corporation Yard (1210 Vera Ave., Ripon) and CNG fueling facility (339 Doak Blvd., Ripon) on October 3, 2018. The site visit included interviews with Lisa Roos, City Clerk/Finance Director, and Ted Johnston, Director of Public Works.

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,
   - Progress in implementing prior recommendations,
   - Data analysis,
   - Performance measures and trends,
   - Functional audit, and
   - Findings and recommendations.
Chapter 3

Program Compliance

This section examines the City of Ripon’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 San Joaquin Council of Governments 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.

Compliance was determined through discussions with CITY OF RIPON staff as well as a physical inspection of relevant documents including the fiscal audits for each year of the triennium, TDA claim forms, State Controller annual filings, year-end performance reports, and other compliance-related documentation.

With one exception, the City of Ripon met the test of compliance with respect to all Transportation Development Act (TDA) regulations.

1. The City of Ripon did not meet the minimum 10 percent farebox recovery ratio in FY 2015/16 or FY 2016/17.

Recent Changes Regarding Compliance

Two changes specific to the TDA and TDA funding went into effect beginning July 1, 2016. The first change was an amendment to the Public Utilities Code specific to the definition of operating cost and what costs can be excluded. It should be noted that many of the exclusions pertain only to changes in certain costs, either over the prior year or beyond the change in the Consumer Price Index. They do not apply to all costs related to specified exclusion categories.

Senate Bill 508, dated October 9, 2015, amended Section 99268.17 to read as follows:

99268.17 (a) Notwithstanding subdivision (a) of Section 99247, the following costs shall be excluded from the definition of “operating cost” for the purposes of calculating any required ratios of fare revenues to operating cost specified in this article:

(1) The additional operating costs required to provide comparable complementary paratransit service as required by Section 37.121 of Title 49 of the Code of Federal Regulations, pursuant to the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 120101 et seq.), as identified in the operator’s paratransit plan pursuant to Section 37.139 of Title 49 of the Code of Federal Regulations that exceed the operator’s costs required to provide comparable paratransit service in the prior year as adjusted by the Consumer Price Index.

(2) Cost increases beyond the change in the Consumer Price Index for all of the following:
(A) Fuel.
(B) Alternative fuel programs.
(C) Power, including electricity.
(D) Insurance premiums and payments in settlement of claims arising out of the operator’s liability.
(E) State and federal mandates.

(3) Startup costs for new services for a period of not more than two years.

(b) The exclusion of costs from the definition of operating costs in subdivision (a) applies solely for the purpose of this article and does not authorize an operator to report an operating cost other than as defined in subdivision (a) of Section 99247 or a ratio of fare revenue to operating cost other than as that ratio is described elsewhere in this article, to any of the following entities:

(1) The Controller pursuant to Section 99243.
(2) The entity conducting the fiscal audit pursuant to Section 99245.
(3) The entity conducting the performance audit pursuant to Section 99246.

The second change, also contained within Senate Bill 508, related to the type of funds that can be used to supplement farebox revenue. Prior to this bill, “local funds” was defined as “revenues derived from taxes imposed by the operator or by a county transportation commission.” Senate Bill 508 amended Section 99268.19 to read:

99268.19 If fare revenues are insufficient to meet the applicable ratio of fare revenues to operating cost required by this article, an operator may satisfy that requirement by supplementing its fare revenues with local funds. As used in this section, “local funds” means any nonfederal or nonstate grant funds or other revenues generated by, earned by, or distributed to an operator.

This expanded definition opens up new revenue sources that can be used to offset farebox shortfalls. Applicable revenues include funds received through advertising, interest income, sale of surplus vehicles, and other such sources. While these funds are no longer limited to those generated by local taxes, they cannot be state or federal funds.

Another change affected the submittal deadline for the State Controller’s Transit Operators Financial Transaction Report. Beginning with Fiscal Year 2016/17, the submittal deadline was changed from 110 days following the end of the fiscal year (typically October 18-20) to seven months following the end of the fiscal year (January 31). The original submittal deadline was in force during reporting for FY 2015/16, while the new deadline was utilized for FY 2016/17 forward.
### Exhibit 3.1 Transit Development Act Compliance Requirements

<table>
<thead>
<tr>
<th>Compliance Element</th>
<th>Reference</th>
<th>Compliance</th>
<th>Comments</th>
</tr>
</thead>
</table>
| State Controller Reports submitted on time.                                       | PUC 99243 | In compliance | FY 2015/16: October 17, 2016  
FY 2016/17: December 26, 2017  
FY 2017/18: January 28, 2019 |
| 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 2015/16: January 30, 2017  
FY 2016/17: December 29, 2017  
FY 2017/18:* March 30, 2019  
*The City was granted a 90-day extension for FY 2016. |
| Operator’s terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim. | PUC 99251 B | Not applicable | Ripon would normally be subject to annual CHP inspections. However, as the City does not have a bus maintenance facility or a terminal, the City is not subject to the requirement. |
| 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 |  |
| 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 2015/16: -6.42%  
FY 2016/17: +194.5%  
FY 2017/18: -58.0%  
Increases were justified in the annual claim submittal.  
<p>| The operator’s definitions of performance measures are consistent with the Public Utilities Code Section 99247. | PUC 99247 | In compliance |  |
| 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 |  |</p>
<table>
<thead>
<tr>
<th>Compliance Element</th>
<th>Reference</th>
<th>Compliance</th>
<th>Comments</th>
</tr>
</thead>
</table>
| 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 2015/16: 89.70%  
FY 2016/17: 80.68%  
FY 2017/18: 81.99%  
Includes fare revenue plus Measure K funds.  
| 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 | City staff’s retirement is funded through a defined contribution plan and elective 457 deferred compensation plan.               |
| 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 | Although the City is a recipient of State Transit Assistance Funds, it does not utilize federal formula grant funds to support transit operations. |
| 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 capital purposes. | PUC 99314.6 | In compliance | STA eligibility calculations are included as part of SJCOG’s TDA claim form. As part of the claim review, SJCOG determines whether the operator is in compliance with either standard. |
| 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 |                                                                                                                                           |
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 Ripon has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in March 2017 by Maze and Associates for the three fiscal years ending June 30, 2015 – included one recommendation:

1. Accurately calculate Full-Time Equivalents according to PUC guidelines.

Discussion: The prior auditor noted full-time equivalent data reported in the Transit Operator Financial Transactions Reports submitted to the State Controller had been omitted. The FTE data are derived by dividing total annual employee hours by 2,000 according to PUC guidelines. This would be important considering the increase in the number of volunteer drivers and service hours as well as the implementation of the fixed-route service.

While full-time equivalent data were omitted from the Transit Operator Financial Transaction Reports, the City did maintain such records internally. The auditor recommended the City determine the annual personnel hours spent on transit by administrative, contract and public works personnel as well as volunteers and divide the total by 2,000 annual hours to arrive at the correct FTE figure.

Progress: FTE is now calculated correctly, including both staff time and volunteer time. This is rounded to 1 FTE per mode in reports to the State Controller, since the reports do not allow anything besides whole numbers.

Status: Implemented.
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 Ripon internally and to the State Controller specific to the audit period. Submissions to these entities were included within the State Controller’s Transit Operators Financial Transactions Report (TOR) and various City documents.

Exhibit 5.1 provides a comparison between performance data reported within the TOR reports for the current audit period (ending FY 2015/16 through FY 2017/18) and the data reported via monthly performance reports, TDA fiscal audits, and City budgets.

- **Operating Cost:** The values reported in the City budget (actuals) and the TOR are the most consistent. However, this is not the same figure reflected in the monthly reports or the TDA fiscal audit. The cause of this discrepancy is unclear.

- **Fare Revenue:** Fare revenue reported on the TOR is generally consistent with the revenue reported in the TDA fiscal audit. However, this does not agree with that contained in the monthly report. We believe this is due to additional revenues received from Bethany Home that are not reflected in the monthly report.

- **Vehicle Service Hours:** The TOR did not include Vehicle Service Hours for the demand-response service for any year. As a result, the reported data did not match that in the monthly reports, though the difference was clearly identifiable as the demand-response service hours.

- **Vehicle Service Miles:** For FY 2017/18, the VSM in the monthly performance reports for the Blossom Express was 1,000 miles less than that reported to the State Controller. It is possible the data entered into the TOR had an error (9,241 in TOR versus 8,241 in monthly reports).

- **Full-Time Equivalents:** This data was reported correctly and consistently. However, it should be noted that due to the modest scale of the transit system, and that the data for fixed-route and demand-response modes are reported separately on the TOR, this data is over-reported. Given the TOR does not allow anything but whole numbers, each of these must be rounded to one FTE. In reality, the combined FTE for both services is approximately 0.5 FTE each year.
## Exhibit 5.1 Data Reporting Consistency

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Cost (Actual $)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly Report</td>
<td>$47,052</td>
<td>$34,196</td>
<td>$38,065</td>
</tr>
<tr>
<td>TDA Fiscal Audit</td>
<td>$49,134</td>
<td>$28,975</td>
<td>$30,685</td>
</tr>
<tr>
<td>City Budget (Actual)</td>
<td>$49,232</td>
<td>$33,227</td>
<td>$27,648</td>
</tr>
<tr>
<td>State Controller Report</td>
<td>$49,233</td>
<td>$33,226</td>
<td>$27,647</td>
</tr>
<tr>
<td><strong>Fare Revenue (Actual $)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly Report</td>
<td>$1,601</td>
<td>$1,642</td>
<td>$1,424</td>
</tr>
<tr>
<td>TDA Fiscal Audit</td>
<td>$2,745</td>
<td>$2,645</td>
<td>$2,264</td>
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<tr>
<td>State Controller Report</td>
<td>$2,597</td>
<td>$2,609</td>
<td>$2,438</td>
</tr>
<tr>
<td><strong>Vehicle Service Hours (VSH)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly Report</td>
<td>486</td>
<td>444</td>
<td>474</td>
</tr>
<tr>
<td>State Controller Report</td>
<td>445</td>
<td>412</td>
<td>429</td>
</tr>
<tr>
<td><strong>Vehicle Service Miles (VSM)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly Report</td>
<td>9,792</td>
<td>9,279</td>
<td>9,348</td>
</tr>
<tr>
<td>State Controller Report</td>
<td>9,792</td>
<td>9,279</td>
<td>10,348</td>
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<tr>
<td><strong>Passengers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly Report</td>
<td>1,692</td>
<td>1,677</td>
<td>1,685</td>
</tr>
<tr>
<td>State Controller Report</td>
<td>1,692</td>
<td>1,677</td>
<td>1,635</td>
</tr>
<tr>
<td><strong>Full Time Equivalent (FTE) Employees</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTE Data Provided by City</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>State Controller Report</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>
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. 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) – excludes the following:

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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.
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- 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. 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. (Fare revenue does not include additional local revenues that can be used to supplement the farebox recovery ratio.)

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2 A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.
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TDA Required Indicators
To calculate the TDA indicators for the City of Ripon, 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 City budgets and monthly reports and was determined 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. Fare revenue from the reports is consistent with TDA guidelines.
- Vehicle Service Hours (VSH) data were obtained via State Controller Reports for each fiscal year covered by this audit. Data from these reports were then compared with information included within the City’s monthly performance data summary reports. The City calculates VSH using schedule hours reconciled with dispatcher daily logs. 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. Data from these reports were then compared with information included within the City’s monthly performance data summary reports. The City calculates VSM based on vehicle odometer readings at the beginning and end of revenue service. This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via State Controller reports for each fiscal year covered by this audit. Data from these reports were then compared with information included within the City’s monthly performance data summary reports. The City’s calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) methodology was provided by the City and is consistent with the TDA definition (hours worked divided by 2,000).

Financial data from the State Controller report is used to analyze system-wide financial performance metrics. Given the State Controller Report does not include Vehicle Service Hours for the demand-response service, we have used performance data as provided in the monthly report for system-wide and mode-specific performance metrics.

System Performance Trends
Operating cost peaked in FY 2013/14, and has declined consistently ever since, for a total net decline of 53.4 percent between FY 2013/14 and FY 2017/18. One reason for the decline in FY 2016/17 was an adjustment in the contract with RTD. RTD had been billing the City a rate based on providing operation and maintenance of the fixed-route service. However, the City provides its own vehicle maintenance. The City was able to get its contracted cost/hour lowered and recoup some of the maintenance costs.

Cost-related performance indicators have decreased (improved) during the audit period, while productivity-related indicators have been fairly stable.
## Exhibit 6.1 System Performance Indicators

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cost (Actual $)</td>
<td>$13,895</td>
<td>$59,359</td>
<td>$57,038</td>
<td>$49,233</td>
<td>$33,226</td>
<td>$27,647</td>
</tr>
<tr>
<td>Annual Change</td>
<td>-327.2%</td>
<td>-3.9%</td>
<td>-13.7%</td>
<td>-32.5%</td>
<td>-16.8%</td>
<td></td>
</tr>
<tr>
<td>Fare Revenue (Actual $)</td>
<td>$1,123</td>
<td>$2,322</td>
<td>$2,639</td>
<td>$2,597</td>
<td>$2,609</td>
<td>$2,438</td>
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<tr>
<td>Annual Change</td>
<td>106.8%</td>
<td>13.7%</td>
<td>-1.6%</td>
<td>0.5%</td>
<td>-6.6%</td>
<td></td>
</tr>
<tr>
<td>Vehicle Service Hours (VSH)</td>
<td>201</td>
<td>506</td>
<td>526</td>
<td>486</td>
<td>444</td>
<td>474</td>
</tr>
<tr>
<td>Annual Change</td>
<td>151.7%</td>
<td>4.0%</td>
<td>-7.6%</td>
<td>-8.6%</td>
<td>6.8%</td>
<td></td>
</tr>
<tr>
<td>Vehicle Service Miles (VSM)</td>
<td>3,205</td>
<td>8,887</td>
<td>10,252</td>
<td>9,792</td>
<td>9,279</td>
<td>9,348</td>
</tr>
<tr>
<td>Annual Change</td>
<td>177.3%</td>
<td>15.4%</td>
<td>-4.5%</td>
<td>-5.2%</td>
<td>0.7%</td>
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<tr>
<td>Passengers</td>
<td>1,626</td>
<td>1,529</td>
<td>1,743</td>
<td>1,692</td>
<td>1,677</td>
<td>1,685</td>
</tr>
<tr>
<td>Annual Change</td>
<td>-6.0%</td>
<td>14.0%</td>
<td>-2.9%</td>
<td>-0.9%</td>
<td>0.5%</td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Annual Change</td>
<td>0.0%</td>
<td>0.0%</td>
<td>100.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td></td>
</tr>
</tbody>
</table>

### Performance Indicators

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cost/VSH (Actual $)</td>
<td>$69.13</td>
<td>$117.31</td>
<td>$108.44</td>
<td>$101.30</td>
<td>$74.83</td>
<td>$58.33</td>
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<tr>
<td>Annual Change</td>
<td>69.7%</td>
<td>-7.6%</td>
<td>-6.6%</td>
<td>-26.1%</td>
<td>-22.1%</td>
<td></td>
</tr>
<tr>
<td>Operating Cost/Passenger (Actual $)</td>
<td>$8.55</td>
<td>$38.82</td>
<td>$32.72</td>
<td>$29.10</td>
<td>$19.81</td>
<td>$16.41</td>
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<tr>
<td>Annual Change</td>
<td>354.3%</td>
<td>-15.7%</td>
<td>-11.1%</td>
<td>-31.9%</td>
<td>-17.2%</td>
<td></td>
</tr>
<tr>
<td>Passengers/VSH</td>
<td>8.09</td>
<td>3.02</td>
<td>3.31</td>
<td>3.48</td>
<td>3.78</td>
<td>3.55</td>
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<tr>
<td>Annual Change</td>
<td>-62.6%</td>
<td>9.7%</td>
<td>5.1%</td>
<td>8.5%</td>
<td>-5.9%</td>
<td></td>
</tr>
<tr>
<td>Passengers/VSM</td>
<td>0.51</td>
<td>0.17</td>
<td>0.17</td>
<td>0.17</td>
<td>0.18</td>
<td>0.18</td>
</tr>
<tr>
<td>Annual Change</td>
<td>-66.1%</td>
<td>-1.2%</td>
<td>1.6%</td>
<td>4.6%</td>
<td>-0.3%</td>
<td></td>
</tr>
<tr>
<td>Farebox Recovery</td>
<td>8.1%</td>
<td>3.9%</td>
<td>4.6%</td>
<td>5.3%</td>
<td>7.9%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Annual Change</td>
<td>-51.6%</td>
<td>18.3%</td>
<td>14.0%</td>
<td>48.9%</td>
<td>12.3%</td>
<td></td>
</tr>
<tr>
<td>Hours/Employee</td>
<td>201.0</td>
<td>506.0</td>
<td>526.0</td>
<td>243.0</td>
<td>222.0</td>
<td>237.0</td>
</tr>
<tr>
<td>Annual Change</td>
<td>151.7%</td>
<td>4.0%</td>
<td>-53.8%</td>
<td>-8.6%</td>
<td>6.8%</td>
<td></td>
</tr>
</tbody>
</table>

### TDA Non-Required Indicators

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cost/VSM</td>
<td>$4.34</td>
<td>$6.68</td>
<td>$5.56</td>
<td>$5.03</td>
<td>$3.58</td>
<td>$2.96</td>
</tr>
<tr>
<td>Annual Change</td>
<td>54.1%</td>
<td>-16.7%</td>
<td>-9.6%</td>
<td>-28.8%</td>
<td>-17.4%</td>
<td></td>
</tr>
<tr>
<td>VSM/VSH</td>
<td>15.95</td>
<td>17.56</td>
<td>19.49</td>
<td>20.15</td>
<td>20.90</td>
<td>19.72</td>
</tr>
<tr>
<td>Annual Change</td>
<td>10.1%</td>
<td>11.0%</td>
<td>3.4%</td>
<td>3.7%</td>
<td>-5.6%</td>
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<tr>
<td>Fare/Passenger</td>
<td>$0.69</td>
<td>$1.52</td>
<td>$1.51</td>
<td>$1.53</td>
<td>$1.56</td>
<td>$1.45</td>
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<tr>
<td>Annual Change</td>
<td>119.9%</td>
<td>-0.3%</td>
<td>1.4%</td>
<td>1.4%</td>
<td>-7.0%</td>
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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
Chapter 7

Functional Review

A functional review of the City of Ripon’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 of Ripon through its transit program:

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

Service Overview

The City of Ripon provides bus service within city limits and connecting to Modesto. The Blossom Express fixed-route service operates two days each week (Tuesday and Thursday), providing two morning and two afternoon round trips between Ripon and Modesto. Demand-response service is provided through an agreement with Bethany Home, which organizes volunteer drivers for a scheduled group trip on Wednesday and on-call service other days of the week.

The base fare for the Blossom Express service is $2.00. Discounted fares are valid for seniors (60+), Medicare Card holders, students age 5-17, college students with valid ID, and ADA Certificate of Eligibility card holders. Up to four children under age five ride free with a fare-paying adult. Personal care attendants (PCAs) ride free when accompanying a disabled passenger. Discounted 10-trip passes may be purchased at City Hall, but very few are sold.
General management and Organization

Transit is overseen by the City’s Finance Director, who is supported by the Planning Secretary, Engineering Secretary, and Receptionist with respect to customer service, contract monitoring, and reporting. The Director of Public Works oversees the City’s maintenance employees. Operation of the Almond Blossom service is contracted to San Joaquin Regional Transit District (RTD), which contracts its operations to National Express Transit. Operation of the demand-response service is provided by volunteer drivers through Bethany Home. The City provides maintenance for all revenue vehicles. The Finance director is the liaison with RTD and SJCOG. The program is structured and staffed appropriately.
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The Ripon City Council is the governing body for the City's transit program. The council meets on the second Tuesday of each month at 6:00 p.m. at the City's Council Chambers, located at 259 N. Wilma Ave. in Ripon. This location is not served by the Blossom Express, but is served by RTD's Hopper Route 91.

City staff monitors program performance by reviewing monthly reports. Ripon's City Council does not have any particular concerns about transit, but tends to be supportive of the City's programs.

Service Planning
All service planning for the City's transit service is provided by consultants. The City's primary service planning document is its Short Range Transit Plan, which was completed in 2010 with a planning horizon through 2020. The SRTP included a recommendation for the introduction of fixed-route service.

The Almond Blossom Express deviated fixed-route service was launched in FY 2012/13. A Gillig CNG-powered transit bus was purchased by piggybacking onto a purchase made by the Stark Area Regional Transit Authority (Canton, Ohio). A second vehicle was purchased by piggybacking onto the Central Contra Costa Transit Authority, using an option from Monterey-Salinas Transit. Both vehicles were funded by a CMAQ grant. CMAQ grant funds also funded Almond Blossom Express operations through FY 2014/15.

The most recent survey was conducted as part of the preparation of the SRTP in December 2009. No surveys were conducted during the audit period.

Scheduling, Dispatch, and Operations
Drivers are assigned through the bidding process based on seniority. Drivers are not formally rotated through routes, but may do so as the bid allows. Ripon's transit service is operated by one driver. Vacation is scheduled in advance so a back-up driver can be assigned to the Ripon route.

Vehicles are assigned to routes based on service type. The larger vehicles are used for the deviated fixed-route service, while the small vehicle is used for demand-response service.

Fares are collected onboard the buses in locked fareboxes. The driver brings the farebox into the City's reception area. The receptionist unlocks the farebox and counts the money in front of the driver, then reconciles the fares. There are cameras in the reception area, but they do not capture the cash counting, which is done at the back counter. The money is delivered to cash receiving in the Finance Department and is recorded as fare revenue in the transit fund. The cash is put into the City vault until it can be delivered to the bank. A City staff member takes the deposit to the bank using a personal vehicle. Given the City takes in less than fifty dollars per week, this level of security is appropriate.

Personnel Management and Training
RTD, through contractor NEXT, uses one driver for the City's deviated fixed-route program. A backup driver is provided when the regular driver is not available. NEXT is continuously hiring and those who operations management feel would be a good fit for Ripon's service are trained on the route to be used as a backup driver. All new drivers are required to go through 120 hours of training and possess a CDL with airbrake, passenger, and VTT endorsements before being allowed to operate a service vehicle.
NEXT uses incentives, communication, safety meetings, and Employee of the Month recognition to motivate employees. When turnover does happen, it is typically because drivers choose to leave or retire (rather than due to disciplinary action). The Almond Blossom Express driver is shared with RTD’s County Transportation Center pool. Job performance evaluations are completed regularly for all operator staff.

Monthly safety meetings, which meet the state requirement for training, address locally identified issues as well as safety standard operating procedures. NEXT uses the DriveCam program as well as the Samba driver safety score program. Annual Vehicle Transit Training (VTT) is also provided. Bus evacuation and site evacuation procedures are covered in monthly safety meetings.

National Express addresses rule enforcement through progressive discipline as outlined in the employee handbook. The handbook includes a clear, communicated policy regarding absences and tardiness. NEXT’s drug and alcohol program conforms with applicable federal and state requirements.

NEXT drivers and their dependents are offered medical, dental, and vision insurance benefits. NEXT’s local office manager handles benefit questions and refers any more complex inquiries to NEXT’s corporate office.

Demand-response volunteer drivers are recruited through Bethany Home, a local senior living community. Potential drivers provide their DMV record for review and receive driver training from the Public Works Supervisor.

Administration
The citywide budget is prepared by the City Manager. The City Manager handles the budget based on prior year actuals. The City does not have a grants manager. The Finance Director oversees any grants with assistance from the Engineering Secretary. The CMAQ grant for the new buses was managed through the Engineering Department. The Finance Director handles the annual TDA claim.

The City’s Finance Director handles risk management. The City has a third-party provider that is very helpful. All accident and injury claims go through the Finance Director or the Director of Public Works.

Contract management activities are minimal, and the City is generally satisfied with RTD as its service provider. The City recently approved the operations contract for the current fiscal year. The process took longer than desired, which delayed some of the invoicing so that it would be correct. Invoices are typically paid monthly, and the operations contract has been renewed on an annual basis. The most recent contract is a multi-year contract.

The City recently discovered RTD had been billing them based on a contract that included both operations and maintenance. However, RTD does not provide maintenance (these services are provided by the City). The City was able to recoup those costs and get the contracted cost per hour lowered.

Purchasing and procurement policies are handled by the Engineering Department. The City recently changed its processes and is using a third party to ensure the policies are compliant.
The City does not have an internal audit function. During the prior audit period, the City did have an audit review committee made up of council members; however, that committee was eliminated prior to the beginning of this audit period. Currently, the entire council reviews audit-related matters and provides comments to the Finance Director.

Marketing and Public Information
Service information is available primarily through the City’s website and an Almond Blossom Express brochure. The City uses Nixle to push information about transit promotions (such as the November “veterans ride free” promotion) out to its residents. All documents are available in English only.

Information about the Almond Blossom Express is available online at http://www.cityofripon.org/residents/around_ripon/blossom_express. The webpage includes links to the Blossom Express brochure, route and schedule information, fare information, and Title VI notice and complaint form.

Fleet Maintenance
The City provides transit vehicle maintenance. Preventive maintenance is conducted in accordance with the manufacturer’s recommended schedule. Compliance with the preventive maintenance schedule can be easily judged through maintenance records. Every effort is made to ensure maintenance does not conflict with regular vehicle use. Warranty repairs are identified and appropriate adjustments are made.

The average age of the active fleet at the time of this audit was 9.3 years, though this is not representative of the fleet as a whole. The Ford E350 cutaway is 21 years old, while the two 35-foot Gilligs are both fairly new. Given the frequency with which each vehicle is used (one or two days per week), they accrue mileage must slower than a similar vehicle with more typical usage.

<table>
<thead>
<tr>
<th>Make</th>
<th>Model</th>
<th>Year</th>
<th>PAX</th>
<th>WC</th>
<th>Mileage</th>
<th>Mode</th>
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<tbody>
<tr>
<td>Ford</td>
<td>E350</td>
<td>1997</td>
<td>9</td>
<td>1</td>
<td>50,305</td>
<td>Demand-response</td>
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<tr>
<td>Gillig</td>
<td>35-foot</td>
<td>2012</td>
<td>31</td>
<td>2</td>
<td>44,401</td>
<td>Fixed-route</td>
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<tr>
<td>Gillig</td>
<td>35-foot</td>
<td>2018</td>
<td>31</td>
<td>2</td>
<td>104</td>
<td>Fixed-route</td>
</tr>
</tbody>
</table>
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Demand-response vehicle at City Hall

Demand-response vehicle at City Hall

Gillig at City slow-fill CNG station

Interior of Gillig vehicle
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Interior of demand-response vehicle

Gillig farebox

City CNG station

Shared City and RTD bus stop on Wilma in Ripon
Conclusions
Moore & Associates finds the City of Ripon 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 and Recommendations
Based on discussions with City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

Moore & Associates has identified three functional findings. While these findings do not affect TDA compliance, we feel they are significant enough to be addressed within this audit.

1. LTF should not be counted as “local sales tax” on the State Controller’s supplemental report.
2. Operating cost/expenses as reported on the TDA claim, to the State Controller, and in the TDA fiscal audit should be generally consistent with one another.
3. Transit vehicles appear to be missing the Title VI Notice to the Public, which should be displayed onboard.

Program Recommendations
In completing this Triennial Performance Audit, Moore & Associates submits the following recommendations for the City of Ripon. 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.

Given there were no compliance findings, only functional recommendations are provided.

Functional Finding 1: LTF should not be counted as “local sales tax” on the State Controller’s supplemental report.

Criteria: In FY 2016/17, the State Controller’s Office began asking operators to complete a supplemental form to identify qualifying revenues that could be applied to farebox recovery ratio calculations per PUC 99268.

Condition: On the form completed in FY 2016/17, staff included $3,811 on line R11, identified as “Local Sales Tax (from other Local Governments).” On the State Controller Report completed earlier in the year, that amount was identified as Local Transportation Funds (LTF). LTF is not considered a qualifying revenue for calculating the farebox recovery ratio. Per PUC 99268.19, as amended by Senate Bill 508, federal and state funds cannot be used for farebox revenue supplementation. Fortunately, the amount
is such that it does not make a difference between meeting and not meeting farebox recovery requirements. The City receives sufficient Measure K funds (which are locally generated) that it meets its farebox recovery ratio requirement absent any additional supplementation.

**Cause:** Given LTF is funded through sales tax, the City may mistakenly be counting it as a local funding source.

**Effect:** Such a mischaracterization of funds could have an impact on the farebox recovery ratio calculation and, ultimately, the City’s eligibility to receive TDA funds.

**Recommendation:** Do not count funds that are allocated through the TDA (whether LTF or STA) as local revenue for the purpose of fare revenue supplementation.

**Recommended Action(s):** The City should be mindful of the characterization of LTF and STA funding as state TDA funds, not local funds, and be careful not to count those funds toward farebox revenue supplementation.

**Timeline:** FY 2018/19.

**Anticipated Cost:** Negligible.

**Functional Finding 2:** Operating cost/expenses as reported to the State Controller and in the City’s TDA fiscal audit should be consistent with one another.

**Criteria:** PUC 99247 provides a definition of operating cost, which includes all costs in the operating expense class of the Uniform System of Accounts and excludes depreciation and amortization expense classes.

**Condition:** While there is no evidence that the City uses a definition of operating cost that is inconsistent with the TDA, amounts reported to various sources vary considerably. For example:

<table>
<thead>
<tr>
<th></th>
<th>State Controller Report</th>
<th>City Budget (Actual)</th>
<th>TDA fiscal audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015/16</td>
<td>$49,233</td>
<td>$49,232</td>
<td>$49,134</td>
</tr>
<tr>
<td>FY 2016/17</td>
<td>$33,226</td>
<td>$33,227</td>
<td>$28,975</td>
</tr>
<tr>
<td>FY 2017/18</td>
<td>$27,647</td>
<td>$27,648</td>
<td>$30,685</td>
</tr>
</tbody>
</table>

While the State Controller Report and City Budget are consistent with one another, the TDA fiscal audit was significantly lower in FY 2016/17 and higher in FY 2017/18.

**Cause:** Modest discrepancies in operating cost are not uncommon, given the timing of preparation of the various reports and documents.

**Effect:** Large discrepancies can cast doubt on the accuracy of the City’s reporting, and have an impact on farebox recovery ratios.
**Recommendation:** Use the same methodology for calculating operating cost for all reports.

**Recommended Action(s):** All operating cost data should be drawn from the same sources, and should be generally consistent regardless of where it is reported. Even if slight variations are identified through the audit process, large discrepancies should not be present.

**Timeline:** Beginning FY 2019/20.

**Anticipated Cost:** Negligible.

**Management Response:** The City does not believe it is feasible to implement this recommendation given the City’s financial statements are on a cash basis and the TDA audit is completed on an accrual basis. This causes the discrepancies in operating cost from year to year.

**Functional Finding 3:** Transit vehicles appear to be missing the Title VI Notice to the Public, which should be displayed onboard.

**Criteria:** The FTA requires any transit operator in receipt of federal funds, regardless of whether they are used for operating or capital, to prepare a Title VI program to ensure there is no discrimination based on race, color, or national origin. One element of this program is the Notice to the Public, which is typically displayed, at a minimum, onboard transit vehicles and on transit websites.

**Condition:** While the City displays its non-discrimination statement and Title VI complaint for on its website, transit vehicles do not include any signage pertaining to Title VI.

**Cause:** The demand-response vehicle may not include signage given it is typically used to transport Bethany Home residents. The cause of the omission on the two Gilligs is unclear.

**Effect:** If the City’s Title VI program includes a statement that the Notice to the Public is posted onboard transit vehicles, then the City may be out of compliance with its own policy. If such a statement is not included, then while the City may be in compliance, it still does not adequately provide notice of Title VI.

**Recommendation:** Post the Title VI Notice to the Public in all transit vehicles.

**Recommended Action(s):** Prepare simple signage containing the Title VI Notice to the Public for display in all transit vehicles. A sample notice is provided in Appendix B of FTA Circular 4702.1B. The notice should be printed using a font large enough to be read by the average customer and provided in all languages identified as Safe Harbor languages by the City’s Title VI program. Title VI notices are typically posted at the front of the vehicle, often above the front windshield.

**Timeline:** FY 2018/19.

**Anticipated Cost:** Negligible.
### Exhibit 8.1 Summary of Audit Recommendations

<table>
<thead>
<tr>
<th>Functional Recommendations</th>
<th>Importance</th>
<th>Timeline</th>
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</thead>
<tbody>
<tr>
<td>1. Do not count funds that are allocated through the TDA (whether LTF or STA) as local revenue for the purpose of fare revenue supplementation.</td>
<td>High</td>
<td>FY 2018/19</td>
</tr>
<tr>
<td>2. Use the same methodology for calculating operating cost for all reports.</td>
<td>High</td>
<td>FY 2019/20</td>
</tr>
<tr>
<td>3. Post the Title VI Notice to the Public in all transit vehicles.</td>
<td>High</td>
<td>FY 2018/19</td>
</tr>
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</table>